



**Financial Solvency Standards Board (FSSB) Meeting
February 5, 2020**

Meeting Summary
(see full transcript for more details)

Financial Solvency Standards Board (FSSB) Members in Attendance:

Dr. Larry deGhetaldi, Palo Alto Medical Foundation
Paul Durr, Sharp Community Medical Group
Jen Flory, Western Center on Law and Poverty
John Grgurina, Jr., San Francisco Health Plan
Shelley Rouillard, Department of Managed Health Care
Amy Yao, Blue Shield of California
Dr. Ted Mazer, Independent Physician

Department of Managed Health Care (DMHC) Staff Present:

Pritika Dutt, Deputy Director, Office of Financial Review
Sarah Ream, Acting General Counsel
Mary Watanabe, Acting Chief Deputy Director
Michelle Yamanaka, Supervising Examiner, Office of Financial Review

DHCS Staff Present:

Jacey Cooper, Chief Deputy Director and State Medicaid Director

Agenda Item 1 – Welcome & Introductions

(Transcript, P. 4 – 5)

Chairperson John Grgurina called the meeting to order, requesting Board members to introduce themselves.

Agenda Item 2 – [Transcript from November 7, 2019 FSSB Meeting](#) (Transcript, P.5 – 6)

Mr. Grgurina asked if there were any changes to the November 7, 2019, FSSB meeting transcript. Motion to approve transcript by Paul Durr, seconded by Dr. Larry deGhetaldi. The Board approved the November 7, 2019 Transcript.

Agenda Item 3 – Director’s Remarks

(Transcript, P. 6 – 14)

Director Shelley Rouillard briefly discussed the Governor’s proposed budget and initiatives, mergers, the Pharmacy Benefit Management (PBM) Reporting Task Force, report findings from the Prescription Drug Cost Transparency Report for Measurement

Year 2018, the Timely Access Report for Measurement Year 2018, AB 290 related to the American Kidney Fund's lawsuit and Health Net's encounter data initiative.

Agenda Item 4 – Department of Health Care Services Update (Transcript, P. 14 – 26)

Jacey Cooper, Chief Deputy Director and State Medicaid Director, Department of Health Care Services provided an update of the major components of the Governor's budget related to Medi-Cal, Medi-Cal Healthier California for All (CalAIM), Medi-Cal Managed Care, Dental Transformation, Medi-Cal Rx and other initiatives.

Agenda Item 5 - Regulations Update (Transcript, P. 26 – 40)

Sarah Ream, Acting General Counsel, provided an update about regulations that recently went into effect and those currently in process. Ms. Ream noted four regulations in 2019. The General Licensure took effect in July. The following regulations took effect on October 1, 2019: Financial Solvency of Risk Bearing Organizations (RBOs), Standard Prescription Drug Formulary Template and Cancellations, Rescissions and Non-Renewals.

Ms. Ream discussed plans to promulgate at least ten regulations into the formal rulemaking process. Ms. Ream's discussion included the following: Timely Access to Care, General Licensure Risk Regulation, AB 731, SB 546, Prescription Drug Regulations, Provider Directory Standards, Out of Pocket Maximum (OOPM) Tracking, Dental Benefits Matrix and a clean-up of regulations related to the Department's Help Center.

Agenda Item 6 – Federal Update (Transcript, P. 40 – 44)

Ms. Ream provided an update on California's lawsuit against the federal government to enjoin a rule that requires QHPs to issue two premium bills to enrollees. One bill has to be at least \$1 and must cover abortion-related services provided by the plan; the other bill covers everything else.

Ms. Ream briefly touched upon the federal Office of Civil Rights correspondence with the DMHC and the State regarding the DMHC's position with respect to abortion coverage for California health plans.

Agenda Item 7 - [Dental Medical Loss Ratio](#) (Transcript, P. 44–55)

Pritika Dutt, Deputy Director of the Office of Financial Review, provided an overview of the 2018 Dental Medical Loss Ratio based on data received from health plans on July 31st, 2019. Health plans that offer commercial dental coverage and contract directly with enrollees or employer groups are required to file the annual dental MLR reporting form.

Agenda Item 8 - [Provider Solvency Quarterly Update](#) (Transcript, P. 55 – 63)

Michelle Yamanaka, Supervising Examiner, Office of Financial Review, provided an update on the financial solvency of RBOs for the quarter ending September 30, 2019.

Agenda Item 9 – [Health Plan Quarterly Update](#) (Transcript, P. 63 –75)

Ms. Dutt presented the financial status of health plans for the quarter ending September 30th, 2019.

Agenda Item 10 – Public Comment on Matter not on the Agenda (Transcript, P. 75)

Mr. Grgurina asked for public comment on items not on the agenda. There was no public comment.

Agenda Item 11 - Agenda Items for Future Meetings (Transcript, P. 76-77)

Mr. Grgurina asked for agenda items for future meetings. The Board requested the following items: Medi-Cal payment reform, MCO Tax, provider grievances, January 1st, 2023 duals and a DHCS update.

Agenda Item 12 - Closing Remarks/Next Steps (Transcript, P. 77)

The meeting was adjourned at 12:06 p.m. The next meeting is scheduled for May 13, 2020.