



**Financial Solvency Standards Board (FSSB) Meeting
August 16, 2023
Meeting Summary**

Financial Solvency Standards Board (FSSB) Members in Attendance:

Paul Durr, Sharp Community Medical Group
Abbi Coursolle, National Health Law Program
Dr. Mark Kogan, Independent Physician
Jarrod McNaughton, Inland Empire Health Plan
Dr. Jeff Rideout, Integrated Healthcare Association
Dr. David Seidenwurm, Sutter Physicians Alliance
Mary Watanabe, Department of Managed Health Care
Amy Yao, Blue Shield of California

Department of Managed Health Care (DMHC) Staff in Attendance:

Pritika Dutt, Deputy Director, Office of Financial Review
Sarah Ream, Chief Counsel, Office of Legal Services
Shainia Rodrigo, Staff Services Analyst, Office of Administrative Services
Dan Southard, Chief Deputy Director
Jordan Stout, Staff Services Manager I, Office of Financial Review
Michelle Yamanaka, Supervising Examiner, Office of Financial Review

Department of Health Care Access and Information (HCAI) Staff Present:

Elizabeth Landsberg, Director
Vishaal Pegany, Deputy Director, Office of Health Care Affordability

Agenda Item 1 – Welcome & Introductions (Transcript, P. 4 – 7)

Chairperson Jeff Rideout called the meeting to order, reviewing housekeeping notes for attendees and Board members.

Agenda Item 2 – [Transcript & Meeting Summary from the May 17, 2023 FSSB Meeting](#) (Transcript, P.8)

Dr. Rideout asked if there were any changes to the May 17, 2023, FSSB meeting transcript and summary. Motion to approve the transcript and meeting summary by Paul Durr, seconded by Amy Yao. The Board approved the May 17, 2023 transcript and meeting summary.

Agenda Item 3 – Director’s Remarks

(Transcript, P. 9 – 18)

Director Mary Watanabe welcomed Jarrod McNaughton and Dr. David Seidenwurm to the Board. She also provided an update on the Department’s 2022 Annual Report, the Transgender, Gender Diverse or Intersex (TGI) Working Group, 2024 individual market rate filings, and risk adjustment transfers.

Agenda Item 4 – [Department of Health Care Access and Information Update](#)

(Transcript, P. 19 – 45)

Elizabeth Landsberg, Director of the Department of Health Care Access and Information (HCAI) and Vishaal Pegany, Deputy Director, Office of Health Care Affordability (OHCA) provided an update on OHCA, the Cost and Market Impact Review Program (CMIR), and the Healthcare Payments Data (HPD) Program.

Agenda Item 5 – [2023-2024 Budget Update](#)

(Transcript, P. 46 – 51)

Dan Southard, Chief Deputy Director, provided an update on the Department’s Fiscal Year (FY) 2023-24 budget, which increased from \$125 million in FY 2022-23 to \$161 million in FY 2023-24. The Department’s authorized positions also increased from 610 to 707.5 positions. Mr. Southard highlighted the budget change proposals (BCPs) that were approved, including those related to recently signed legislation.

Agenda Item 6 – [Regulations Update](#) (Transcript, P. 52 – 59)

Sarah Ream, Chief Counsel, provided an update on regulations that are in formal rulemaking which include, the average contracted rate regulation and the mental health and substance use disorder coverage requirements under Senate Bill (SB) 855. Ms. Ream provided additional information about regulations that are being finalized and will be released in the coming months and discussed SB 510 and coverage of COVID-19 services.

Agenda Item 7 – [2022 Federal Medical Loss Ratio \(MLR\) Summary](#)

(Transcript, P. 60 – 63)

Pritika Dutt, Deputy Director of the Office of Financial Review, provided an overview of the 2022 Federal MLR reports. Federal law requires health plans to spend a certain percentage of their premium dollars on medical expenses, which include quality improvement efforts. For the individual and small group markets, health plans are required to spend 80 percent of the premiums collected on medical expenses and for the large group market the requirement is 85 percent. If health plans fail to meet the MLR requirement, they must issue rebates to enrollees or employer groups. For reporting year 2022, five health plans paid total rebates of \$80.2 million.

Agenda Item 8 – [Provider Solvency Quarterly Update](#) (Transcript, P. 64 – 74)

Michelle Yamanaka, Supervising Examiner, Office of Financial Review, provided an update on the financial solvency of Risk Bearing Organizations (RBOs) for the quarter ending March 31, 2023.

Agenda Item 9 – [Health Plan Quarterly Update](#) (Transcript, P. 75 – 83)

Ms. Dutt presented an update on the financial status of health plans for the quarter ending March 31, 2023.

Agenda Item 10 – 2024 Meeting Dates (Transcript, P. 84)

Ms. Watanabe discussed the proposed 2024 FSSB meeting dates and asked the Board if there were any scheduling conflicts. The 2024 meeting dates will be confirmed during the November FSSB meeting.

Agenda Item 11 – Public Comment on Matters not on the Agenda (Transcript, P. 84)

Dr. Rideout asked for public comment on items not on the agenda. There was no public comment.

Agenda Item 12 – Agenda Items for Future Meetings (Transcript, P. 84)

Dr. Rideout asked for agenda items for future meetings. Ms. Watanabe mentioned the Department's running list of future agenda items.

Agenda Item 12 – Closing Remarks/Next Steps (Transcript, P. 85)

The meeting was adjourned at 12:47 p.m. The next meeting is scheduled for November 15, 2023.