



**Financial Solvency Standards Board (FSSB) Meeting  
May 17, 2023**

**Meeting Summary**

[\(see full transcript for more details\)](#)

**Financial Solvency Standards Board (FSSB) Members in Attendance:**

Scott Coffin, Alameda Alliance for Health  
Paul Durr, Sharp Community Medical Group  
Dr. Mark Kogan, Independent Physician  
Dr. Jeff Rideout, Integrated Healthcare Association  
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  
Jordan Stout, Staff Services Manager I, Office of Financial Review  
Michelle Yamanaka, Supervising Examiner, Office of Financial Review

**Department of Health Care Services (DHCS) Staff Present:**

Rene Mollow, Deputy Director for Health Care Benefits and Eligibility

**Agenda Item 1 - Welcome & Introductions**

(Transcript, P. 4-8)

Director Mary Watanabe called the meeting to order, reviewing housekeeping notes for attendees and Board members. Ms. Watanabe announced that Larry deGhetaldi, Chair and longstanding Board Member, made the decision to retire and resign from the Board and Dr. Jeff Rideout agreed to be the next FSSB Board Chair starting in August. In addition, Scott Coffin announced he will be retiring at the end of May. As a result, the DMHC will be releasing a solicitation to fill two vacancies on the Board.

**Agenda Item 2 - [Transcript from February 22, 2023 FSSB Meeting](#) (Transcript, P.9)**

Ms. Watanabe asked if there were any changes to the February 22, 2023, FSSB meeting transcript and summary. Motion to approve the transcript and meeting summary by Paul Durr, seconded by Jeff Rideout. The Board approved the February 22, 2023, transcript.

**Agenda Item 3 - Director's Remarks**

(Transcript, P. 9-13)

Ms. Watanabe provided a brief overview of the health care related items in the Governor's May revision to the budget. She also provided an update on the Distressed Hospital Loan Program and Governor Newsom's behavioral health reform proposal.

**Agenda Item 4 - [Department of Health Care Services Update](#)** (Transcript, P. 14-36)

Rene Mollow, Deputy Director for Health Care Benefits and Eligibility at the Department of Health Care Services (DHCS), provided an update on the Governor's May revision, the unwinding of the COVID-19 public health emergency and the continuous coverage requirements, and the California Advancing and Innovating Medi-Cal (CalAIM) commitment.

**Agenda Item 5 - [Financial Summary of Medi-Cal Managed Care Plans](#)** (Transcript, P. 37-40)

Pritika Dutt, Deputy Director of the Office of Financial Review, presented the Financial Summary of Medi-Cal Managed Care Plans report for the quarter ending December 31, 2022 and highlighted the enrollment and financial information for Local Initiatives, County Organized Health Systems and Non-Governmental Medi-Cal plans.

**Agenda Item 6 - Federal Update** (Transcript, P. 41-48)

Sarah Ream, Chief Counsel, provided an update on the end of the public health emergency and discussed the federal regulations and cases the DMHC is currently tracking.

**Agenda Item 7 - [Health Care Premium Rates and Prescription Drug Costs](#)** (Transcript, P. 49-59)

Ms. Dutt provided an overview of the aggregate premium rates in the individual, small group and large group markets for 2022 and discussed the Prescription Drug Cost Transparency Report for measurement year 2021.

**Agenda Item 8 - [Provider Solvency Quarterly Update](#)** (Transcript, P. 60-64)

Michelle Yamanaka, Supervising Examiner, Office of Financial Review, provided an update on the financial solvency of Risk Bearing Organizations (RBOs) for the quarter ending December 31, 2021.

**Agenda Item 9 - [Health Plan Quarterly Update](#)** (Transcript, P. 65-72)

Ms. Dutt presented an update on the financial status of health plans for the quarter ending December 31, 2022.

**Agenda Item 10 - Public Comment on Matter not on the Agenda** (Transcript, P. 73)

Ms. Watanabe 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. 74)

Ms. Watanabe asked for agenda items for future meetings and reviewed the items that had been requested at the previous meeting, including:

- Periodic updates from Covered California and the Office of Health Care Affordability (OHCA).
- Presentation from the Department of Health Care Services (DHCS), Office of Medicare Innovation and Integration, on beneficiaries dually eligible for both Medi-Cal and Medicare and the challenges for the plans and providers who care for them.
- Presentation from the Integrated Healthcare Association (IHA) on the four core quality measures across the four government entities, adjusted for imputed race and ethnicity and correlated to encounter data volume for the key providers.
- The cause of hospital closures and the impact it is having on enrollees.
- In addition, the Board recommended a discussion on the impact of the Kaiser Permanente direct contract for Medi-Cal on the tangible net equity of the organizations they contract with.

**Agenda Item 12 - Closing Remarks/Next Steps** (Transcript, P. 75-76)

The meeting was adjourned at 12:27 p.m. The next meeting is scheduled for August 16, 2023.