



Financial Solvency Standards Board (FSSB) Meeting
August 11, 2021
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
Dr. Theodore Mazer, Independent Physician
Dr. Jeff Rideout, Integrated Healthcare Association
Mary Watanabe, Department of Managed Health Care

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

Pritika Dutt, Deputy Director, Office of Financial Review
Sara Ortiz, Staff Services Manager I
Jessica Petersen, Assistant Chief Counsel
Sarah Ream, Chief Counsel
Jordan Stout, Associate Governmental Program Analyst
Michelle Yamanaka, Supervising Examiner, Office of Financial Review

Department of Health Care Services (DHCS) Staff Present:

Lindy Harrington, Deputy Director, Health Care Financing

Agenda Item 1 – Welcome & Introductions

(Transcript, P. 4 – 5)

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

Agenda Item 2 – [Transcript & Meeting Summary from the May 27, 2021 FSSB Meeting](#) (Transcript, P.6)

Mr. Grgurina asked if there were any changes to the May 27, 2021, FSSB meeting transcript and summary. Motion to approve transcript by Dr. Ted Mazer, seconded by Dr. Jeff Rideout. The Board approved the May 27, 2021 Transcript.

Agenda Item 3 – Director’s Remarks

(Transcript, P. 7 – 15)

Director Mary Watanabe discussed the Department’s 2020 Annual Report, the Children and Youth Behavioral Health Initiative, the Department’s response to COVID-19, 2022 individual market rate filings, and the solicitation for new FSSB members.

Agenda Item 4 – Department of Health Care Services Update (Transcript, P. 15 – 24)

Lindy Harrington, Deputy Director, Health Care Financing at the Department of Health Care Services (DHCS), provided an update on the DHCS budget, CalAIM, and Medi-Cal Rx.

Agenda Item 5 – [2021-2022 Budget Update](#) (Transcript, P. 25 – 30)

Dan Southard, Chief Deputy Director, provided an update on the Department’s Fiscal Year (FY) 2021-22 budget, which increased from \$96 million in FY 2020-21 to over \$103 million in FY 2021-22. The department’s authorized positions also increased from 505 to 516 positions. Mr. Southard highlighted the budget change proposals (BCPs) that were approved, including those related to recently signed legislation and one related to the Annual Health Care Service Plan Health Equity and Quality Reviews.

Agenda Item 6 – Role of the FSSB and Future Priorities (Transcript, P. 31 – 39)

Ms. Watanabe briefly discussed the history and role of the FSSB as well as the topics covered at the meetings. Ms. Watanabe also highlighted a letter from America’s Physician Groups (APG), which was provided to the Board in November and included suggestions for future areas of focus for the Board.

Agenda Item 7 – [Health Care & Quality Atlas](#) (Transcript, P. 40 – 61)

Dr. Rideout provided an update on the Integrated Healthcare Association’s (IHA) Health Care Cost and Quality Atlas results for Measurement Year (MY) 2019. Dr. Rideout discussed the impact of risk sharing and geography on cost and quality. He also discussed the work IHA is doing with RAND and Onpoint to use surname and address to estimate race and ethnicity using the MY 2019 Atlas data.

Agenda Item 8 – [2020 Federal Medical Loss Ratio \(MLR\) Summary](#)

(Transcript, P. 64 - 70)

Pritika Dutt, Deputy Director of the Office of Financial Review, provided an overview of the 2020 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, 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 plans fail to meet the MLR requirement, they must issue rebates to enrollees or employer groups. For reporting year 2020, the MLR and rebate calculation is based on the health plan’s accumulated premium and medical expenses over 3 years (2018, 2019 and 2020).

Agenda Item 9 – [Regulations Update](#) (Transcript, P. 70 – 79)

Sarah Ream, Chief Counsel, gave an update on regulations that are either enacted or are in formal rulemaking which include, timely access and network reporting, the dental benefits and coverage disclosure matrix, and the transfer of enrollees per a public health

order. Ms. Ream provided additional information about regulations that are being finalized and will be released in the coming months.

Agenda Item 10 – [Federal Update](#) (Transcript, P. 80 – 86)

Jessica Petersen, Assistant Chief Counsel, provided an update on the federal No Surprises Act (NSA) and discussed California’s current balance billing laws.

Agenda Item 9 – [Provider Solvency Quarterly Update](#) (Transcript, P. 86 – 91)

Michelle Yamanaka, Supervising Examiner, Office of Financial Review, provided an update on the financial solvency of RBOs for the quarter ending March 31, 2021.

Agenda Item 10 – [Health Plan Quarterly Update](#) (Transcript, P. 92 – 98)

Ms. Dutt presented an update on the financial status of health plans for the quarter ending March 31, 2021.

Agenda Item 11 – Public Comment on Matter not on the Agenda (Transcript, P. 98)

Mr. Grgurina 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. 98 - 99)

Mr. Grgurina asked for agenda items for future meetings. Ms. Watanabe mentioned the Department will take the feedback on the purpose of the Board and its oversight, as well as future agenda items, and will provided recommendations at a future meeting.

Agenda Item 12 - Closing Remarks/Next Steps (Transcript, P. 99)

The meeting was adjourned at 12:56 p.m. The next meeting is scheduled for November 17, 2021.