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Date: June 19, 2001
To: ALL INTERESTED PARTIES
From: Department of Managed Health Care

The following is a brief summary of the comments and events that occurred during the Financial Solvency Standards Board (FSSB) meeting on May 22, 2001.

I. Introduction: Opening remarks by Scott Syphax, Chair

1. Prior meeting minutes were approved and adopted by the Board members.
2. The Department reported preliminary results from the May 15, 2001 filing by plans and providers under SB 260. The Department received more than 200 filings of the Statement of Organization and Quarterly Surveys from organizations that represent 7 plus million lives out of an initially estimated base of 10 million total lives covered by risk contracts as defined in SB 260.

II. Confidentiality of Data Submissions

1. The board opened the floor to the public to comment on the issue of confidentiality of data submissions.

Public Comment:

Consumer focus: (1) Public access creates better accountability and accountability forces the department, medical groups, health plans and all other parties to take these issues seriously and to do something about it; (2) the disclosure of the four criteria are not sufficient to give a picture of medical groups' health or ill health; other information should be released or should be available to the public to give a true picture of the situation.

Provider focus: (1) Consumers ought to have the information that's required; no objection to the four solvency standards and no objection to the consumer having access to that information; concede that the director has the authority via statute to determine what "otherwise" is; however, it's going to be detrimental to provider groups in the contracting process for health plans to have intimate knowledge of their financial information. Don't believe that it's going to create a fair environment in which to negotiate; (2) public disclosure of medical groups' financial information will have a negative impact on the solvency of the provider.

2. SB 260 emergency regulations require that health plans provide specified enrollee and financial risk information to risk-bearing organizations in their network. Provider groups reported that they have not received all information from plans. Further discussion occurred regarding the most appropriate means for the Department to ensure future compliance with these reporting requirements.

3. By a 7-1 vote (Mr. Wallerstein opposing), the Board recommended that the Department or the Director adopt the operating principle that basic financial statement data submitted pursuant to the SB 260 process should be treated as public information.

III. Closing Remarks/Next Steps

Scott Syphax, Chair made closing remarks and the meeting was adjourned.