Financial Solvency Standards Board (FSSB) Meeting
October 16, 2024
Meeting Summary
(see full transcript for more details)

Financial Solvency Standards Board (FSSB) Members in Attendance:
Dr. Jeff Rideout, Integrated Healthcare Association
Abbi Coursolle, National Health Law Program
Paul Durr, Sharp Community Medical Group
Dr. Mark Kogan, Independent Physician
Mary Watanabe, Department of Managed Health Care

Department of Managed Health Care (DMHC) Staff in Attendance:
Pritika Dutt, Deputy Director, Office of Financial Review
Amanda Levy, Deputy Director, Health Policy and Stakeholder Relations
Sarah Ream, Chief Counsel
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:
Vishaal Pegany, Deputy Director, Office of Health Care Affordability

Agenda Item 1 – Welcome & Introductions (Transcript, P. 4 – 5)

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

Agenda Item 2 – Transcript from August 14, 2024 FSSB Meeting (Transcript, P. 11)

Dr. Rideout asked if there were any changes to the August 14, 2024, FSSB meeting transcript and summary. Motion to approve the transcript by Paul Durr, seconded by Mark Kogan. The Board approved the August 14, 2024 transcript.

Agenda Item 3 – Director's Remarks (Transcript, P. 6 – 11)

Director Mary Watanabe announced that Secretary Mark Ghaly left the Health and Human Services Agency, and Kim Johnson, who was previously the Director of the Department of Social Services, was appointed as the new Secretary. Ms. Watanabe provided an update on enforcement actions, the Transgender, Gender Diverse or Intersex (TGI) resource webpage, and the work the state is doing to set a new benchmark plan in California and what constitutes Essential Health Benefits (EHBs).

Agenda Item 4 – Board Member Solicitation (Transcript, P. 12)

Ms. Watanabe announced the Governor signed AB 2767, which will increase the number of FSSB members from seven to eleven. AB 2767 also added two eligible categories of members that may be appointed to the Board, including consumer advocates and individuals with training and experience in large group health insurance purchasing. In addition, the terms for Dr. Jeff Rideout, Paul Durr and Abbi Coursolle are coming to an end. With the new positions added by AB 2767 and the expiring Board member terms, the DMHC will be looking to fill 7 positions. She noted the DMHC will release a solicitation for new members by the end of the month and the members whose terms are expiring are welcome to reapply.

Agenda Item 5 – Department of Health Care Access and Information Update (Transcript, P. 13 – 29)

Vishaal Pegany, Deputy Director, Office of Health Care Affordability (OHCA), provided an update on the spending target for California that was approved by the Health Care Affordability Board in April 2024. The Board set a 3% spending target for performance year 2029 that is gradually phased in. Mr. Pegany also provided information on how to collaborate and engage with OHCA, major accomplishments and milestones for the Office, and upcoming goals and objectives.

Agenda Item 6 – Federal Update (Transcript, P. 30 – 36)

Sarah Ream, Chief Counsel, provided an update on the Chevron deference and the federal Health and Humans Services Agency's action with respect to copayment accumulators.

Agenda Item 7 – Legislative Update (Transcript, P. 37 – 41)

Amanda Levy, Deputy Director, Health Policy and Stakeholder Relations, provided an overview of the bills signed by the Governor and briefly discussed the Department's implementation activities.

Agenda Item 8 – 2023 Federal Medical Loss Ratio (MLR) Summary (Transcript, P. 42 – 47)

Pritika Dutt, Deputy Director of the Office of Financial Review, provided an overview of the 2023 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% of the premiums collected on medical expenses and for the large group market the requirement is 85%. If health plans fail to meet the MLR requirement, they must issue rebates to enrollees or employer groups. For reporting year 2023, health plans paid total rebates of $26.7 million.

Agenda Item 8 – 2023 Risk Adjustment Transfer (Transcript, P. 48 – 52)

Ms. Dutt provided a summary of the risk adjustment transfers and high-cost risk pool payments for 2023 for plans regulated by the DMHC and the California Department of Insurance (CDI).

Agenda Item 9 – 2025 Premium Rate (Transcript, P. 53 – 57)

Ms. Dutt gave a brief overview of the 2025 rates for the individual and small group markets. Ms. Dutt noted the average rate increase for 2025 was 7.8% for Individual Group Plans and 7.2% for Small Group Plans.

Agenda Item 10 – Provider Solvency Quarterly Update (Transcript, P. 58 – 62)

Michelle Yamanaka, Supervising Examiner, Office of Financial Review, provided an update on the financial solvency of Risk Bearing Organizations (RBOs) for the quarter ending June 30, 2024.

Agenda Item 11 – Health Plan Quarterly Update (Transcript, P. 63 – 68)

Ms. Dutt presented an update on the financial status of health plans for the quarter ending June 30, 2024.

Agenda Item 12 – 2025 Meeting Schedule (Transcript, P. 69)

Ms. Watanabe announced the following dates for the 2025 FSSB meetings: February 26, May 28, August 20, and November 12.

Agenda Item 14 – Agenda Items for Future Meetings (Transcript, P. 69 – 70)

Dr. Rideout asked for agenda items for future meetings. The Board requested continued updates from the Department of Healthcare Access and Information (HCAI) on the OHCA, the Department of Health Care Services (DHCS), and Covered California.

Agenda Item 15 – Closing Remarks/Next Steps (Transcript, P. 71 - 74)

The meeting was adjourned at 12:28 p.m. The next meeting is scheduled for February 26, 2025.

I attended the Financial Solvency meeting on August 14th, 2024. At that time, I continued to be pressured to not remain anonymous, despite my several attempts to be. According to the Bagley Keen Act, public constituents are not required to identify to attend or provide public comment at a public meeting. This is a serious concern. Though you may ask, asking more than twice changes the implication of simply requesting the information to demanding it. As previously mentioned, financial solvency is to discuss how funds are allocated and how debts can be paid off. I'd like to add that it is also to discuss plan-affiliate operations and transactions. I mentioned that one way this department could create financial solvency is to enforce laws against health plans who break them. For example, you were made aware that medi-cal insurance plans such as Molina, Anthem, and Healthnet made fraudulent, misleading, and blatant omissions in their grievance responses. This in turn is a waste of, inappropriate use, or misuse of government funds and tax payer dollars as the grievance process is a part of how the plans are to operate and function and they all receive government funding to function and operate. Rather than enforcing them to respond accurately and address the concerns that were raised, you joined them in their fraudulent activities by doing such as well. Therefore, the constituent who's looking for your help receives none and in turn, the harm that the health plan has created and now the DMHC has, only increases their suffering which can cause an undue burden or undue delay at obtaining the recourse they desperately need. Though I have seen some changes, at one point and for a long time, your department even prohibited me from calling your contact center which had to only been done in retaliation. Each time I called, I was questioned whether or not I was recording the call as IF recording the calls with your department was illegal. No matter how many times I expressed verbally and in writing that because your department was already recording calls, there was no longer an expectation of privacy which allows constituents to document the calls, I was constantly hung up on, dismissed, or forced to put my comments or questions in writing and though your department has a 1-2 business day turnaround time for responses, weeks or months would go by without a response. On May 12th, 2023, I received an electronic letter from your agency (and then mailed letter) falsely stating that I harassed, intimidated, threatened, and bullied your staff and that you'd pursue legal options. In response to those false allegations and threats for a meritless and frivolous case against me when you knew what you were saying was false but you did it anyway, I requested to receive just ONE example of which till this day, I have yet to receive one. On or around December of 2023, your agency blocked my access to your social media page because whoever monitored it, didn't like what I said...this was yet another illegal action against me of which Sarah Ream had to respond indicating that I've been UNblocked. You even illegally refused to provide me with a government tort claim form upon request for one which only was a continued reckless act to and disregard of my rights. In the August 14th meeting, I informed the chair that I'd be more than happy to provide him evidence of my vague claims, not only against the health plans but also those made against DMHC. Though he didn't directly reject the idea, in response, the chair indicated that he wanted Mary Wantanbe, DMHC's Director to provide a response to all of what I mentioned. Mary responded by indicating that the department is funded by the ASSESSMENTS of the health plans and not on enforcement actions. The problem with this lie is that an "assessment " IS essentially the same as enforcement. BOTH, are expected to conduct an investigation or evaluation of the nature, quality, or ability of someone or something. I also find her statement to be extremely false due to the fact that your website alone has a multitude of articles proclaiming that your department has "taken **enforcement** actions and fined health plans". These are literally words found on YOUR website! In fact, here's just ONE example but NOT limited to other and even more current examples of where DMHC fined Anthem for 5 million for systemic grievance system violations. Disparities and systemic issues with the health plans grievance

systems is EXACTLY what I have been bringing to your attention and yet, in our limited false response, you inform me that you only assess? No, you simply choose what you will go after and what you won't and I am choosing to call you out on that. The reason for my attendance here is because the ONLY other meeting DMHC has that coincides with the issues I have raised is within the **Health Equity And Quality Committee meetings. Unfortunately, there have been absolutely NO updates to this committee as to when future meetings will be held after their last meeting which was held on October 16th, 2023.**

Here's just one of the many examples. In this letter you proclaimed that Anthem did not violate any laws when sending my PHI to the WRONG ADDRESS. You even indicated that they complied with my grievance against them when not only were they LATE providing their response but lied in it saying that what was sent to the wrong address wasn't my PHI when in fact in an earlier response, they said it WAS my PHI that was sent to the wrong address. You also knew that Anthem withheld information for approximately 1-2 months. Information such as the tracking number for the PHI letter they sent to the wrong address. You knew that without the tracking number, I had no chance of contacting USPS to file a report and possibly seek charges against the person who kept mail that was intended to go to me. In this same response, you also failed to properly address my concerns regarding Anthem's CAC meetings. My concern wasn't merely about obtaining notice for their CAC meetings but it ALSO addressed the fact that their meetings are not posted on their website but rather, on their social media platform which many are not privy to.

I hope you know and understand that a company can be held vicariously liable by one employees actions if in fact the action by said employee was done within the scope of their employment while on the job and clocked in.

I am requesting this public comment to be added to your minutes as an attachment.