



Financial Solvency Standards Board (FSSB) Meeting
November 12, 2025
Meeting Summary
[\(see full transcript for more details\)](#)

Financial Solvency Standards Board (FSSB) Members in Attendance:

Dr. Jeff Rideout, Integrated Healthcare Association
Paul Durr, Sharp Community Medical Group
Dr. Mark Kogan, Independent Physician
Andie Martinez-Patterson, Alameda Health Consortium and Community Health Center Network
Jarrod McNaughton, Inland Empire Health Plan
Dr. David Seidenwurm, Sutter Physicians Alliance
Jessica Sellner, Health Net
Kartina Walters-White, Health Access California
Mary Watanabe, Department of Managed Health Care

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

Jennifer Clark, Supervising Examiner, Office of Financial Review
Evan Lo, Supervising Examiner, Office of Financial Review
Jordan Stout, Staff Services Manager I, Office of Financial Review
Michelle Yamanaka, Deputy Director, Office of Financial Review

Department of Health Care Services (DHCS) Staff Present:

Rafael Davtian, Deputy Director, Department of Health Care Services

Agenda Item 1 – Welcome & Introductions (Transcript, P. 5 – 7)

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

Agenda Item 2 – Transcript from May 28, 2025 FSSB Meeting (Transcript, P. 8 – 10)

Dr. Rideout asked if there were any changes to the May 28, 2025, FSSB meeting transcript and summary. Motion to approve the transcript by Jarrod McNaughton, seconded by Mark Kogan. The Board approved the May 28, 2025 transcript.

Agenda Item 3 – [Director's Remarks](#) (Transcript, P. 11 – 24)

Director Mary Watanabe provided an overview of the new DMHC strategic plan. Ms. Watanabe announced Pritika Dutt, Deputy Director for the Office of Financial Review, left

the DMHC in July after 20 years of service and Michelle Yamanka would serve as the new Deputy Director. Ms. Watanabe provided an update on Pharmacy Benefit Manager (PBM) licensure, the health equity and quality initiative, Essential Health Benefits (EHB), and enacted legislation.

Agenda Item 4 – Board Member Solicitation (Transcript, P. 25)

Ms. Watanabe announced that Jeff Rideout will be stepping down as Board Chair and Paul Durr will be taking over the role. 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 Services Update](#) (Transcript, P. 26 – 46)

Rafael Davtian, Deputy Director, Department of Health Care Services (DHCS), provided an update on Federal and State changes, including the impact of H.R. 1, Medical Loss Ratio (MLR) requirements for subcontractors, and provider incentive payments .

Agenda Item 6 – [2025-2026 Budget Update](#) (Transcript, P. 47 – 50)

Ms. Watanabe provided an update on the Department’s Fiscal Year (FY) 2025-26 budget, which increased from \$178 million in FY 2024-25 to \$180 million in FY 2025-26. The Department’s authorized positions also increased from 773 to 814 positions.

Agenda Item 7 – [2024 Federal Medical Loss Ratio \(MLR\) Summary](#)
(Transcript, P. 51 – 58)

Jennifer Clark, Supervising Examiner, 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 2024, health plans paid total rebates of \$15.3 million.

Agenda Item 8 – [2024 Risk Adjustment Transfers](#) (Transcript, P. 59 – 61)

John O’Dell, Vice President and Principal, Lewis and Ellis, provided a summary of the risk adjustment transfers and high-cost risk pool payments for 2024 for plans regulated by the DMHC and the California Department of Insurance (CDI).

Agenda Item 9 – [2026 Premium Rates](#) (Transcript, P. 62 – 66)

Mr. O’Dell gave a brief overview of the 2026 rates for the individual and small group markets. Mr. O’Dell noted the average rate increase for 2026 is 10% for Individual market and the average premium is \$756. In the small group market, the average rate increase is 9.2% and the average premium is \$740 .

Agenda Item 10 – [Provider Solvency Quarterly Update](#) (Transcript, P. 67 – 75)

Michelle Yamanaka, Deputy Director, Office of Financial Review, provided an update on the financial solvency of Risk Bearing Organizations (RBOs) for the quarter ending June 30, 2025.

Agenda Item 11 – [Health Plan Quarterly Update](#) (Transcript, P. 76 – 85)

Evan Lo, Supervising Examiner, Office of Financial Review presented an update on the financial status of health plans for the quarter ending June 30, 2025.

Agenda Item 12 – [2026 Meeting Dates](#) (Transcript, P. 86)

Ms. Watanabe announced the following dates for the 2026 FSSB meetings: February 25, May 20, August 19, and November 18.

Agenda Item 13 – Agenda Items for Future Meetings (Transcript, P. 87 – 88)

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 Office of Healthcare Affordability (OHCA), the Department of Health Care Services (DHCS), and Covered California.

Agenda Item 14 – Closing Remarks/Next Steps (Transcript, P. 89 – 90)

The meeting was adjourned at 12:51 p.m. The next meeting is scheduled for February 25, 2026.