



Welcome to *California*

FSSB Overview

May 10, 2012

Department of Managed Health Care

www.HealthHelp.ca.gov

1-888-466-2219





Financial Solvency Standards Board Background (§ 1347.15)

- Composed of eight members
 - DMHC Director or Director's designee
 - Seven members appointed by Director
- Desired board member subject areas or fields
 - Medical and Health Care Economics
 - Integrated or affiliated Health Care delivery Systems
 - Insurance underwriting in medical, hospital, and health plan business
 - Management and administration in health care delivery systems
 - Actuarial studies of health care delivery systems
 - Investment banking
 - Information technology
- Members appointed for three year terms
- Board meets quarterly



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Financial Solvency Standards Board Purpose

- Advise the Director on matters of financial solvency affecting delivery of health care services
- Develop and recommend to director financial solvency requirements and standards relating to:
 - Plan operations
 - Plan-affiliate operations and transactions
 - Plan-provider contractual relationships
 - Provider-affiliate operations and transactions
- Monitor and report plan and provider solvency



Financial Solvency Standards Board Areas of Focus

- Health Care Reform Implementation
 - Accountable Care Organizations
 - Medical Loss Ratio
 - Health Benefit Exchange
 - Rate Review
 - Expansion of state sponsored business
 - Affordability of coverage
 - Risk Adjustment, Re-Insurance, Risk Corridors



Financial Solvency Standards Board Areas of Focus

- Plan and Provider Status
 - Provider Solvency
 - Health Plan Oversight
 - Adequacy of reserves
 - Payment patterns
 - Strengthening oversight regulations
- Timely Access Network
- Knox-Keene Act oversight triggers