

## **1300.75.4.4 Confidentiality**

### **(a)**

Financial and other records produced, disclosed or otherwise made available by an organization pursuant to Health and Safety Code section 1375.4, and to these Solvency Regulations shall be received and maintained on a confidential basis and protected from public disclosure, unless the Director makes a specific finding that the information can be released in a manner that does not adversely affect the integrity of the contract negotiation process; except that the organization's annual audited financial statement as required by section 1300.75.4.2(c) shall be permanently maintained on a confidential basis.

### **(b)**

The Director has determined that the disclosure of the following information in the format provided below will not adversely affect the integrity of an organization's contract negotiation process and, therefore, will be made available to the public as follows: (1) Within 120 days following each reporting period due date, the Department of Managed Health Care (Department) will make the following information available, on its website, for public inspection: (A) A list of all provider organizations currently identified as risk-bearing organizations; (B) A list of all risk-bearing organizations that have submitted substantially complete financial survey forms, if required, and whether the risk-bearing organization's submission reflects that the organization has met or not met each of the Grading Criteria, as

follows: 1. The designation of "met" to be assigned for each Grading Criteria met by the organization; 2. The designation of "not met" to be assigned for each Grading Criteria not met by the organization; 3. The disclosure of whether the organization has implemented and is compliant with a final CAP designed to remedy any deficiencies reported in the Grading Criteria; 4. The relative working capital of each organization, consistent with section 1300.75.4(h), presented as a ratio of current assets divided by current liabilities; 5. The relative tangible net equity (TNE) of each organization, consistent with section 1300.75.4(h), presented as a ratio of tangible net assets divided by total liabilities; 6. Claims payment timeliness in a percentage format, consistent with section 1300.75.4.(h), reflecting the amount of claims that the organization is paying on a timely basis; and, 7. To the extent feasible, each financial item described in paragraphs 1. through 5. shall be presented for both the current and the four previous reporting periods, following the effective date of these regulations. (C) A list of all "non-compliant" organizations that fail to substantially comply with the reporting obligations, including the submission of the financial survey reports specified in section 1300.75.4.2 of Title 28, California Code of Regulations; and (D) All information contained in the Statement of Organization of a risk-bearing organization, except responses to sections 1300.75.4.2(d)(8)(A), (d)(14) and financial documentation provided pursuant to section 1300.75.4.2 (d)(4); and (E) Comparative, aggregated data on all organizations, and information that enables consumers to assess an organization's relative financial viability in a format that does not identify any individual organizations and consistent with section 1300.75.4.4 of Title 28, California Code of Regulations.

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designed to remedy any deficiencies reported in the Grading Criteria;

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The relative working capital of each organization, consistent with section 1300.75.4(h), presented as a ratio of current assets divided by current liabilities;

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The relative tangible net equity (TNE) of each organization, consistent with section 1300.75.4(h), presented as a ratio of tangible net assets divided by total liabilities;

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Claims payment timeliness in a percentage format, consistent with section 1300.75.4.(h), reflecting the amount of claims that the organization is paying on a timely basis; and,

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To the extent feasible, each financial item described in paragraphs 1. through 5. shall be presented for both the current and the four previous reporting periods, following the effective date of these regulations.

**(C)**

A list of all "non-compliant" organizations that fail to substantially comply with the reporting obligations, including the submission of the financial survey reports specified in section 1300.75.4.2 of Title 28, California Code of Regulations; and

**(D)**

All information contained in the Statement of Organization of a risk-bearing organization, except responses to sections 1300.75.4.2(d)(8)(A), (d)(14) and financial documentation provided pursuant to section 1300.75.4.2 (d)(4); and

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Comparative, aggregated data on all organizations, and information that enables consumers to assess an organization's relative financial viability in a format that does not identify any individual organizations and consistent with section 1300.75.4.4 of Title 28, California Code of

Regulations.

**(c)**

Information received and maintained on a confidential basis pursuant to this section may be disclosed by the Director under the following circumstances: (1) To other local, state or federal regulatory or law-enforcement agencies in accordance with the law; (2) When necessary or appropriate in any proceeding or investigation conducted by the Department to enforce the provisions of the Knox-Keene Act; (3) In the event that an organization publicly questions or challenges the Department's decision to approve or disapprove an organization's proposed CAP submitted in accordance with section 1300.75.4.8 of Title 28 of the California Code of Regulations, the Department may release the relevant portions of the organization's financial information to explain the Department's decision; and, (4) Upon a determination by the Director, pursuant to Health and Safety Code section 1375.4(b)(7), that the justification for the confidential treatment no longer exists, provided that the information that is disclosed is at least two (2) years old.

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To other local, state or federal regulatory or law-enforcement agencies in accordance with the law;

**(2)**

When necessary or appropriate in any proceeding or investigation conducted by the Department to enforce the provisions of the Knox-Keene Act;

**(3)**

In the event that an organization publicly questions or challenges the Department's decision to approve or disapprove an organization's proposed CAP submitted in accordance with section 1300.75.4.8 of Title 28 of the California Code of Regulations, the Department may release the relevant portions of the organization's financial

information to explain the Department's decision; and,

**(4)**

Upon a determination by the Director, pursuant to Health and Safety Code section 1375.4(b)(7), that the justification for the confidential treatment no longer exists, provided that the information that is disclosed is at least two (2) years old.