

Covered California  
 Certification Application for Plan Year 2020

**Appendix A Definition of Good Standing**

Definition of Good Standing	Agency
<p><u>Verification that issuer holds a state health care service plan license or insurance certificate of authority.</u></p> <ul style="list-style-type: none"> <li>• Approved for lines of business sought in the Exchange (e.g., commercial, small group, individual)</li> <li>• Approved to operate in what geographic service areas</li> <li>• Most recent financial exam and medical survey report reviewed</li> <li>• Most recent market conduct exam reviewed</li> </ul>	<p>DMHC and CDI            DMHC and CDI            DMHC            CDI</p>
<p><u>Affirmation of no material<sup>1</sup> statutory or regulatory violations, including penalties levied, in the past two years in relation to any of the following, where applicable:</u></p> <ul style="list-style-type: none"> <li>• Financial solvency and reserves reviewed</li> <li>• Administrative and organizational capacity acceptable</li> <li>• Benefit Design               <ul style="list-style-type: none"> <li>• State mandates (to cover and to offer)</li> <li>• Essential health benefits (State required)</li> <li>• Basic health care services</li> <li>• Copayments, deductibles, out-of-pocket maximums</li> <li>• Actuarial value confirmation (using 2019 Federal Actuarial Value Calculator)</li> </ul> </li> <li>• Network adequacy and accessibility standards are met               <ul style="list-style-type: none"> <li>• Provider contracts</li> </ul> </li> <li>• Language Access</li> <li>• Uniform disclosure (summary of benefits and coverage)</li> <li>• Claims payment policies and practices               <ul style="list-style-type: none"> <li>• Provider complaints</li> </ul> </li> <li>• Utilization review policies and practices</li> <li>• Quality assurance/management policies and practices</li> <li>• Enrollee/Member grievances/complaints and appeals policies and practices</li> <li>• Independent medical review</li> <li>• Marketing and advertising</li> <li>• Guaranteed issue individual and small group</li> <li>• Rating Factors</li> <li>• Medical Loss Ratio</li> <li>• Premium rate review               <ul style="list-style-type: none"> <li>• Geographic rating regions</li> <li>• Rate development and justification is consistent with ACA requirements</li> </ul> </li> </ul>	<p>DMHC and CDI            DMHC            DMHC and CDI            DMHC            DMHC and CDI            DMHC and CDI</p>

<sup>1</sup>Covered California, in its sole discretion and in consultation with the appropriate health insurance regulator, determines what constitutes a material violation for this purpose.