

Covered California
Certification Application for Plan Year 2020

Appendix A Definition of Good Standing

Definition of Good Standing	Agency
<u>Verification that issuer holds a state health care service plan license or insurance certificate of authority.</u>	
<ul style="list-style-type: none"> • Approved for lines of business sought in the Exchange (e.g., commercial, small group, individual) 	DMHC and CDI
<ul style="list-style-type: none"> • Approved to operate in what geographic service areas 	DMHC and CDI
<ul style="list-style-type: none"> • Most recent financial exam and medical survey report reviewed 	DMHC
<ul style="list-style-type: none"> • Most recent market conduct exam reviewed 	CDI
<u>Affirmation of no material¹ statutory or regulatory violations, including penalties levied, in the past two years in relation to any of the following, where applicable:</u>	
<ul style="list-style-type: none"> • Financial solvency and reserves reviewed 	DMHC and CDI
<ul style="list-style-type: none"> • Administrative and organizational capacity acceptable 	DMHC
<ul style="list-style-type: none"> • Benefit Design <ul style="list-style-type: none"> • State mandates (to cover and to offer) • Essential health benefits (State required) • Basic health care services • Copayments, deductibles, out-of-pocket maximums • Actuarial value confirmation (using 2019 Federal Actuarial Value Calculator) 	DMHC and CDI
<ul style="list-style-type: none"> • Network adequacy and accessibility standards are met <ul style="list-style-type: none"> • Provider contracts 	DMHC and CDI
<ul style="list-style-type: none"> • Language Access 	DMHC and CDI
<ul style="list-style-type: none"> • Uniform disclosure (summary of benefits and coverage) 	DMHC and CDI
<ul style="list-style-type: none"> • Claims payment policies and practices <ul style="list-style-type: none"> • Provider complaints 	DMHC and CDI
<ul style="list-style-type: none"> • Utilization review policies and practices 	DMHC and CDI
<ul style="list-style-type: none"> • Quality assurance/management policies and practices 	DMHC
<ul style="list-style-type: none"> • Enrollee/Member grievances/complaints and appeals policies and practices 	DMHC and CDI
<ul style="list-style-type: none"> • Independent medical review 	DMHC and CDI
<ul style="list-style-type: none"> • Marketing and advertising 	DMHC and CDI
<ul style="list-style-type: none"> • Guaranteed issue individual and small group 	DMHC and CDI
<ul style="list-style-type: none"> • Rating Factors 	DMHC and CDI
<ul style="list-style-type: none"> • Medical Loss Ratio 	DMHC and CDI
<ul style="list-style-type: none"> • Premium rate review <ul style="list-style-type: none"> • Geographic rating regions • Rate development and justification is consistent with ACA requirements 	DMHC and CDI

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