**Appendix A: Definition of Good Standing**

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| **Definition of Good Standing** | **Agency** |
| Verification that issuer holds a state health care service plan license or insurance certificate of authority. |  |
| Approved for lines of business sought in the Exchange (e.g., commercial, small group, individual) | DMHC |
| Approved to operate in what geographic service areas | DMHC |
|  Most recent financial exam and medical survey report reviewed | DMHC |
| Most recent market conduct exam reviewed | CDI |
| Affirmation of no material[[1]](#footnote-1) statutory or regulatory violations, including penalties levied, in the past two years in relation to any of the following, where applicable: |  |
| Financial solvency and reserves reviewed | DMHC and CDI |
|  Administrative and organizational capacity acceptable | DMHC |
|  Benefit Design |  |
| State mandates (to cover and to offer) | DMHC and CDI |
| Essential health benefits (State required) | DMHC and CDI |
| Basic health care services | CDI |
| Copayments, deductibles, out-of-pocket maximums | DMHC and CDI |
| Actuarial value confirmation (using 2016 Federal Actuarial Value Calculator) | DMHC and CDI |
|  Network adequacy and accessibility standards are met | DMHC and CDI |
| Provider contracts | DMHC and CDI |
|  Language Access | DMHC and CDI |
|  Uniform disclosure (summary of benefits and coverage) | DMHC and CDI |
|  Claims payment policies and practices | DMHC and CDI |
| Provider complaints | DMHC and CDI |
| Utilization review policies and practices | DMHC and CDI |
| Quality assurance/management policies and practices | DMHC |
|  Enrollee/Member grievances/complaints and appeals policies and practices | DMHC and CDI |
|  Independent medical review | DMHC and CDI |
| Marketing and advertising | DMHC and CDI |
| Guaranteed issue individual and small group | DMHC and CDI |
|  Rating Factors | DMHC and CDI |
| Medical Loss Ratio | DMHC and CDI |
| Premium rate review | DMHC and CDI |
| Geographic rating regions  Rate development and justification is consistent with ACA requirements | DMHC and CDI |

1. Covered California, in its sole discretion and in consultation with the appropriate health insurance regulator, determines what constitutes a material violation for this purpose. [↑](#footnote-ref-1)