

§ 1385.01. Definitions

For purposes of this article, the following definitions shall apply:

(a)(1) “Blended” means a rating method that combines community rating and experience rating methods.

(2) “Community rated” means a rating method in the large group market that bases rates on the expected costs to a health care service plan of providing covered benefits to all enrollees, including both low-risk and high-risk enrollees. Premiums may vary according to the factors in this article.

(3) “Experience rated” means a rating method in the large group market under which a health care service plan calculates the premiums for a large group in whole or blended based on the group’s prior experience.

(b)(1) For individual and small group market products, “geographic region” has the same meaning as in Sections 1357.512 and 1399.855.

(2) For large group market products, “geographic region” means one of the following areas composed of the regions defined in Sections 1357.512 and 1399.855:

(A) An area composed of regions 2, 4, 5, 6, 7, and 8, which consist of the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma and the City and County of San Francisco.

(B) An area composed of regions 1 and 3, which consist of the Counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba.

(C) An area composed of regions 9 and 12, which consist of the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura.

(D) An area composed of regions 10, 11, and 14, which consist of the Counties of Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, Stanislaus, and Tulare.

(E) An area composed of regions 13 and 17, which consist of the Counties of Imperial, Inyo, Mono, Riverside, and San Bernardino.

(F) An area composed of regions 15 and 16, which consist of the County of Los Angeles.

(G) An area composed of regions 18 and 19, which consist of the Counties of Orange and San Diego.

(c) “Large group health care service plan contract” means a group health care service plan contract other than a contract issued to a small employer, as defined in Section 1357, 1357.500, or 1357.600.

(d) “Small group health care service plan contract” means a group health care service plan contract issued to a small employer, as defined in Section 1357, 1357.500, or 1357.600.

(e) “PPACA” means Section 2794 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-94), as amended by the federal Patient Protection and Affordable Care Act (Public Law (111-148)), and any subsequent rules, regulations, or guidance issued under that section.

(f) “Unreasonable rate increase” has the same meaning as that term is defined in PPACA.

HISTORY:

Added Stats 2010 ch 661 § 4 (SB 1163), effective January 1, 2011. Amended Stats 2011 ch 296 § 142 (AB 1023), effective January 1,

2012; Stats 2012 ch 852 § 7 (AB 1083), effective January 1, 2013; Stats 2019 ch 807 § 2 (AB 731), effective January 1, 2020.