

Health Life Insurance Company Rate Filing
Individual Major Medical Non-Grandfathered EPO/PPO Policies
State Tracking Number: HAO-2016-0086
Effective date: January 1, 2017
Determination by the Department of Insurance: Not Unreasonable

The California Department of Insurance finds the amended rate increases submitted by Health Net Life Insurance Company for Individual EPO and PPO plans effective January 1, 2017 to be not unreasonable (State Tracking Number: HAO-2016-0086). The rates pertain to all of the company's non-grandfathered ACA compliant individual market EPO/PPO plans in California regulated by the Department of Insurance. The policies are required to cover a comprehensive set of health care services referred to as Essential Health Benefits and to comply with the Affordable Care Act and California law. Health Net had approximately 27,100 members in non-grandfathered individual market plans as of June 2016.

The rate filing was submitted to the Department on May 2, 2016 and subsequently amended and resubmitted on August 8, 2016 and was further revised on October 3, 2016. The filing and related documents are posted on the California Department of Insurance website for the public to view.

Pursuant to [Guidance 1163:2](#) and [1163:6](#), the Department considered a number of factors in making the determination that the rate increases are not unreasonable:

The company, in its preliminary filing, submitted an average rate increase of 23%, with a maximum increase as high as 58% on the off-Exchange PPO plan designs in rating region 17.

After discussions with the Department, Health Net submitted the October 3, 2016 revised rate filing with an average rate increase of 12.1%. This reduction will result in approximately \$15.1 million in savings to the policyholders affected by this rate increase as their policies renew.

The pricing trend used in the rate filing is 7.9%. The company projects the PPACA three-year average medical loss ratio to be over 100%, which exceeds the 80% minimum requirement as specified by HHS Regulation, Section 45 CFR 158 for individual business.

Finding: This Rate Filing, as lowered at the request of the Department of Insurance is Not Unreasonable