

ACA Rating Structure Rules

Member Level Rating

- Each member of a family will be rated on their own age.
- Child rating is divided into two segments:
 - The first three children under the age of 21 will be individually rated toward the family cost; any additional children under the age of 21 will be added on at no additional cost.
 - Any dependent child between age 21–25 will be rated individually based on their age.

Community Rating

- Community rating requires health insurance companies to offer policies to all people in an area, at the same price and without medical underwriting, regardless of their health status.
- All carriers share a set of 19 rating regions spread throughout the state.

Age Bands and Rate Ratio Requirements

PLAN YEARS 2018 AND BEYOND	
NUMBER OF AGE BANDS	51
AGE BAND DEFINITIONS	Single age band: 0-14 One-year age bands: 15-63 Single age band: 64+
3:1 RATIO RULE	The premium difference between age 21 and the oldest age can be no more than 3:1. Premiums for age 20 and below may be outside the 3:1 ratio if actuarially justified.

Rating Example

The below example does not represent, and was not taken from, any carrier or region in particular. It is meant only to illustrate how child rating can affect a members total premium.

EXAMPLE 1			EXAMPLE 2		
Family with 3 children under age 21; all children are rated individually.			Family with 4 children under age 21; the first 3 children are rated individually, the youngest is added at no additional cost.		
MEMBERS	AGE	RATE	MEMBERS	AGE	RATE
Employee	50	\$673	Employee	50	\$673
Spouse	48	\$616	Spouse	48	\$616
Child 1	22	\$377	Child 1	22	\$377
Child 2	20	\$366	Child 2	20	\$673
Child 3	17	\$334	Child 3	17	\$334
Child 4	14	\$288	Child 4	14	\$288
			Child 5	12	\$0
TOTAL PREMIUM		\$2,654	TOTAL PREMIUM		\$2,654

ACA Rating Region Definitions

AB1083 established the following 19 rating regions in the State of California. These region definitions apply to all carriers.

Region 01: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba counties

Region 02: Marin, Napa, Solano, and Sonoma counties

Region 03: El Dorado, Placer, Sacramento, and Yolo counties

Region 04: San Francisco county

Region 05: Contra Costa county

Region 06: Alameda county

Region 07: Santa Clara county

Region 08: San Mateo county

Region 09: Monterey, San Benito, and Santa Cruz counties

Region 10: Mariposa, Merced, San Joaquin, Stanislaus, and Tulare counties

Region 11: Fresno, Kings, and Madera counties

Region 12: San Luis Obispo, Santa Barbara, and Ventura counties

Region 13: Imperial, Inyo, and Mono counties

Region 14: Kern county

Region 15: Los Angeles county (ZIP Codes starting with 906-912, 915, 917-918, and 935)

Region 16: Los Angeles county (ZIP Codes not included in region 15)

Region 17: Riverside and San Bernardino counties

Region 18: Orange county

Region 19: San Diego county

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