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Health and Human Services Agency
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California Plain-Language
Rate Filing Description
[for Web site posting, Health & Safety
Code 1385.07(d), Insurance Code
10181.7(d)]

Company Name:

Health Net of California, Inc.

SERFF Tracking Number:

CECO-135013182

Department File Number: (will be completed by Department)

1) Justification for any unreasonable rate increases.

(Include all information as to why the rate increase is justified. Attach supporting documentation to this PDF file.)

Not applicable.

2) Overall annual medical trend factor assumptions for all benefits

8.0%

3) Actual Costs by Aggregate Benefit Category

Hospital Inpatient	Dollar Cost: \$123.04
	Cost as Percentage of Medicare: 192.8%
Hospital Outpatient (including ER)	Dollar Cost: \$109.92
	Cost as Percentage of Medicare: 255.8%
Physician/other professional services	Dollar Cost: \$94.63
	Cost as Percentage of Medicare: 121.4%
Prescription Drug	Dollar Cost: \$138.13
	Cost as Percentage of Medicare: N/A
Laboratory (other than inpatient)	Dollar Cost: \$18.02
	Cost as Percentage of Medicare: Included in Hosp OP

Radiology (other than inpatient)	Dollar Cost: \$24.25
	Cost as Percentage of Medicare: Included in Hosp OP
Capitation (professional)	Dollar Cost and Description: \$43.32
Capitation (institutional)	Dollar Cost and Description: \$31.14
Capitation (other)	Dollar Cost and Description: \$5.36
Other (describe)	Dollar Cost and Description: \$12.09

4) Amount of Projected Trend, by Aggregate Benefit Category, Attributable to Use of Services, Price Inflation, Fees and Risk

Hospital Inpatient	Trend attributable to use of services: 2.5%
	Trend attributable to price inflation: 4.8%
	Trend attributable to fees and risk: 0.0%
Hospital Outpatient (including ER)	Trend attributable to use of services: 3.0%
	Trend attributable to price inflation: 4.7%
	Trend attributable to fees and risk: 0.0%

Physician/other professional services	Trend attributable to use of services: 2.0%
	Trend attributable to price inflation: 5.0%
	Trend attributable to fees and risk: 0.0%
Prescription Drug	Trend attributable to use of services: 4.4%
	Trend attributable to price inflation: 8.0%
	Trend attributable to fees and risk: 0.0%
Laboratory (other than inpatient)	Trend attributable to use of services: 3.0%
	Trend attributable to price inflation: 4.7%
	Trend attributable to fees and risk: 0.0%
Radiology (other than inpatient)	Trend attributable to use of services: 3.0%
	Trend attributable to price inflation: 4.7%
	Trend attributable to fees and risk: 0.0%

Capitation (professional)	Trend attributable to use of services: 0.0%
	Trend attributable to price inflation: 5.0%
	Trend attributable to fees and risk: 0.0%
Capitation (institutional)	Trend attributable to use of services: 0.0%
	Trend attributable to price inflation: 5.0%
	Trend attributable to fees and risk: 0.0%
Capitation (other)	Trend attributable to use of services: 0.0%
	Trend attributable to price inflation: 5.0%
	Trend attributable to fees and risk: 0.0%
Other (describe)	Trend attributable to use of services: 2.0%
	Trend attributable to price inflation: 4.5%
	Trend attributable to fees and risk: 0.0%

5) Other Information

Complete and submit the CA Plain Language Spreadsheet.

See document titled, "CA Plain Language Spreadsheet_HNT-CA_IFP_PY27_071226"

Company Name:	Health Net of California, Inc.
SERFF Tracking Number:	CECO-135013182

	From	To
After Rate Change	01/2027	12/2027
Prior to Rate Change	01/2026	12/2026

*Administrative expenses, i.e., non-claims costs other than taxes and regulatory fees, includes the following:

- (i) Cost containment and quality improvement expenses - § 158.150 and § 158.151.
- (ii) Loss adjustment expenses not classified as a cost containment expense.
- (iii) Direct sales salaries, workforce salaries and benefits.
- (iv) Agent and brokers fees and commissions.
- (v) General and administrative expenses.
- (vi) Community benefit expenditures.
- (vii) Beginning with the 2022 MLR reporting year, prescription drug rebates and other price concessions that are received and retained by an entity providing pharmacy benefit management services to the issuer and are associated with administering the issuer's prescription drug benefits.