COVERED CALIFORNIA

Media Clips

COVERED CALIFORNIA BOARD CLIPS
May 16, 2018 – June 13, 2018

Since the May 15 board meeting, high-visibility media issues included: projected premium increases for California and nationally, profile on Executive Director Peter V. Lee, future of single-payer health care in California, Gov. Brown's appointment of Diana Dooley as executive secretary; and the Trump administration's decision to strike down portions of ACA as unconstitutional.

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News Release

FOR IMMEDIATE RELEASE
May 25, 2018

Covered California Launches New Campaign Focused on College Graduates to Make Sure They Get Health Coverage

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- *Commencement speakers will remind thousands of new graduates that "life can change in an instant" – making it important for them to have health coverage, so they can get the health care they need as they set out in life.*
- *A new video distributed on social platforms will remind graduates who may be losing their health coverage to check out Covered California for affordable options.*
- *Covered California Executive Director Peter Lee congratulates graduates and reminds them to protect their futures by getting health insurance.*
- *Covered California provided more than 70 campus health centers with materials to educate graduating students about new health insurance options available through Covered California*
- *The "special enrollment" campaign for graduates is launching amid new data showing California's uninsured rate is at an all-time low.*

SACRAMENTO, Calif. — Graduation season is in full bloom and Covered California is joining with commencement speakers throughout the state to remind the over 400,000 graduates and their families not to forget about the importance of health insurance during this busy time of year.

"Congratulations graduates for everything you have achieved," said Peter V. Lee, Executive Director of Covered California. "As you prepare to move on to the next stage of your life, be sure to protect the one thing essential to pursuing your dreams — your health. We want to remind everyone that if you’re losing your coverage after graduation you could qualify for special enrollment through Covered California.”

Californians may enroll during Covered California’s special-enrollment period if they have a qualifying life event, like losing their coverage. For example, students who had their health care needs provided by their school and are losing that coverage upon graduation, or who will lose coverage through their parents’ plan when they turn 26, are eligible to sign up for a new plan through Covered California.

There are currently more than 250,000 Californians between the ages of 19 and 29 enrolled in a plan through Covered California, and they are receiving affordable, name-brand insurance coverage.

Covered California is being joined by commencement speakers from across the state who are weaving the importance of getting and keeping coverage into their remarks. Among those who have agreed to participate are commencement speakers at California State University - Los Angeles, the University of California at Irvine and the University of California at Merced have agreed to carry the message to graduates in their speeches.

“Taking care of their health gives graduates the freedom to pursue their dreams, so we want to make sure they are covered,” said Cástulo de la Rocha, President and CEO of AltaMed Health Services, who delivered commencement speeches at Cal State Los Angeles. “These graduates may be working at a start-up or small business, or going into business for themselves, and regardless of which path they take, they will need health insurance. Whether they qualify for Medi-Cal or a subsidized insurance plan, Covered California can help them get into the plan that’s right for them.”

Mr. de la Rocha was joined by another commencement speaker, Dr. Kenneth Kizer – who is the Director of the Institute for Population Health Improvement at the University of California, Davis and the former director California’s Department of Health Services – to co-author an op-ed which has been sent to 96 college newspapers throughout the state (read the Op-Ed here:
https://www.coveredca.com/news/pdfs/SEP_Graduation_Op_Ed_Final.pdf).

In addition, Covered California is collaborating with colleges and universities to promote the value of health insurance, sending more than 70 campus health centers educational materials to help inform students about their health care options. Covered California is also promoting special enrollment through its social media channels and a direct email campaign (see example social media image to the left).

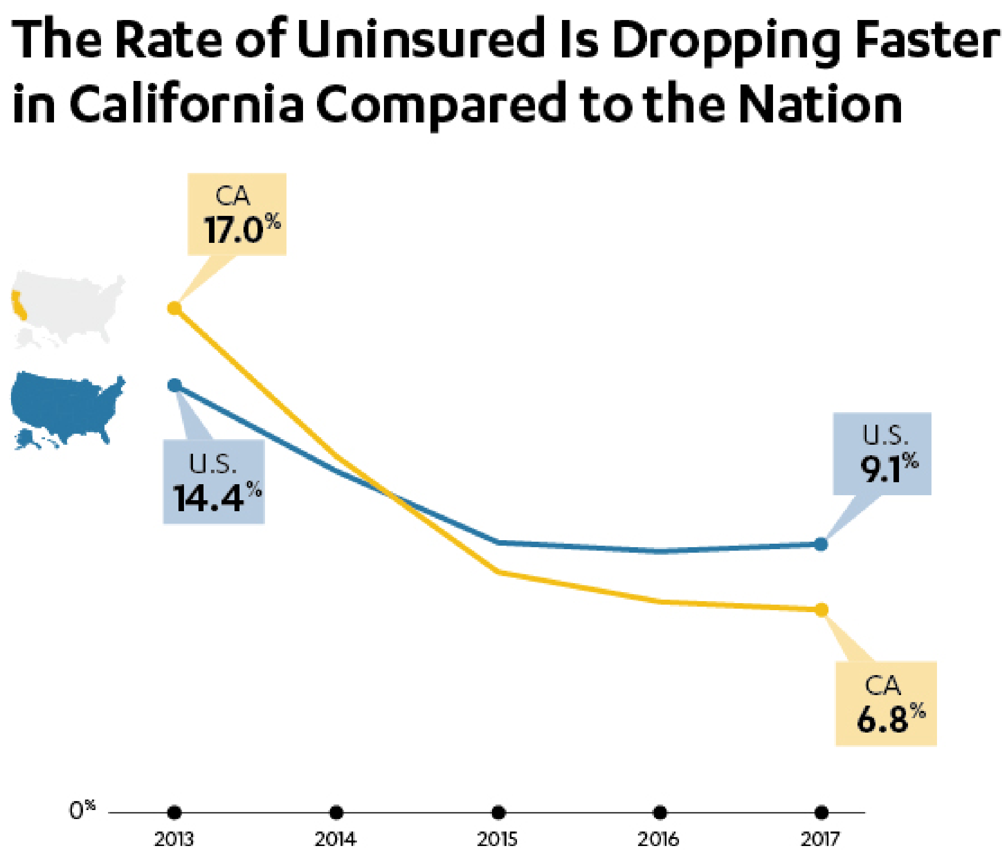
At a recent graduation ceremony for California State University, Sacramento, Covered California spoke with graduates about their health care plans.

"We asked them a simple question: What are your plans for health insurance once you graduate?" Lee said. "Graduates knew they needed insurance, but many did not know where to turn. We want to make sure every graduating Californian knows about their options, including Covered California."

Click here to see Lee's congratulatory message for graduates: https://vimeo.com/271777243/6f94989b59.

Click here to see a video of recent graduates talking about health care coverage: https://vimeo.com/271754351/a43ad72561.

This outreach campaign comes on the heels of a new report from the Centers for Disease Control and Prevention that shows California finished 2017 with a record-low uninsured rate of 6.8 percent, down from 7.2 percent at the end of 2016. California's good work at lowering the rate of uninsured is happening when the national rate of uninsured is showing an increase. The state uninsured rate stood at 17 percent in 2013, the year before the exchange began offering coverage through the Patient Protection and Affordable Care Act (see the complete report here: https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201805.pdf)



"Covered California is proud to be part of the effort to help millions of Californians get the coverage and care they need," said Lee. "We will continue to invest in reaching out to every corner of the state to make sure Californians know about their health care options and the financial help available through Covered California."

During the recently completed open-enrollment period, 85 percent of Covered California enrollees received some level of financial help. Nearly 60 percent of subsidy-eligible enrollees have access to Silver coverage for less than $100 per month, and 74 percent can purchase Bronze coverage for less than $10 per month.

Special enrollment for health insurance through Covered California continues until Oct. 15, when open enrollment begins. At that time, individuals can get financial help to buy health insurance without a qualifying condition.

For more information on special-enrollment rules, visit: http://www.CoveredCA.com/individuals-and-families/getting-covered/special-enrollment. Applicants have 60 days from the date on which the qualifying life event happens to enroll in a plan through Covered California.

Those who qualify for Medi-Cal may enroll through Covered California year round. Eligible consumers who are interested in signing up should go to www.CoveredCA.com where they can get help to enroll. They can explore their options and find out if they qualify for financial help by using the Shop and Compare Tool. They can also get free and confidential enrollment assistance by visiting www.coveredca.com/find-help/ and searching among 800 storefronts statewide, or more than 17,000 certified enrollers who can assist consumers in understanding their choices and enrolling, including individuals who can assist in other languages. In addition, consumers can reach the Covered California service center by calling (800) 300-1506.

About Covered California

Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the legislature. For more information about Covered California, please visit www.CoveredCA.com.

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The New York Times

Justice Dept. Says Crucial Provisions of Obamacare Are Unconstitutional
By Robert Pear

WASHINGTON — The Trump administration told a federal court on Thursday that it would no longer defend crucial provisions of the Affordable Care Act that protect consumers with pre-existing medical conditions.

Under those provisions of the law, insurance companies cannot deny coverage or charge higher rates to people with pre-existing conditions.

The Justice Department said the provisions were part of an unconstitutional scheme that required most Americans to carry health insurance.

In a court case filed by Texas and 19 other states, the Justice Department said in a brief on Thursday that the requirement for people to have insurance — the individual mandate — was unconstitutional.

If that argument is accepted by the federal court, it could eviscerate major parts of the Affordable Care Act that remain in place despite numerous attacks by President Trump and his administration. Insurers could again deny people coverage because of their medical condition or history.

A definitive court ruling could be months away and appeals of any decision could take many more months, during which the law is likely to stay in effect.

The Supreme Court upheld the individual mandate in 2012 as an exercise of the government's power to tax. But since Congress repealed the tax last year, the mandate and the law's consumer protections can no longer be justified, the Justice Department said.

The mandate cannot be interpreted as a tax "because it will raise no revenue as Congress has eliminated the monetary penalty," the department said in a brief filed in the Federal District Court in Fort Worth.

Brad Woodhouse, the director of the Protect Our Care Campaign, an advocacy group that supports the health law, said the Justice Department's position threatened to "steal coverage from millions of Americans." It is, he said, Mr. Trump's "most dangerous sabotage effort yet."

Even though the Justice Department is not defending crucial provisions of the law, California and 15 other states have intervened in the court proceeding, and they filed a brief on Thursday defending the law, including its consumer protections.

The Justice Department said that the protections for people with pre-existing conditions were inseparable from the individual mandate and must also be struck down.

But it did not go as far as Texas and the other states, which argued that all of the Affordable Care Act and the regulations issued under it were now invalid.

The 2010 health care law includes many other provisions, such as the creation of health insurance marketplaces, premium subsidies for low- and moderate-income people and expansion of the Medicaid program, as well as changes in Medicare and public health services.

The Justice Department did not challenge those provisions of the law. Indeed, it said, they can continue to operate without the individual mandate.

By contrast, the department said, the Supreme Court held that the individual mandate was “closely intertwined” with the requirement for insurers to offer coverage to all consumers at the same basic prices, regardless of their health status.

Attorney General Jeff Sessions sent a letter to congressional leaders on Thursday notifying them that he would not defend the constitutionality of the individual mandate or the requirement for insurers to sell insurance to all applicants at standard rates — the “guaranteed issue” and “community rating” provisions.

The Justice Department has a long tradition of defending statutes enacted by Congress, regardless of whether it supports the policies reflected in those laws.

But, Mr. Sessions said, this is “a rare case” in which the Justice Department has decided not to defend certain provisions of a law, because he could not find any “reasonable arguments” to support the constitutionality of the provisions.

Earlier on Thursday, three career lawyers at the Justice Department who had been working on the Texas case abruptly withdrew from the litigation.

Brett A. Shumate, a Trump administration political appointee in the civil division of the Justice Department who has played a leading role in defending the White House in a range of lawsuits, has joined the team handling the Texas case.

Even before the litigation is resolved, it could have more immediate effects on consumers’ wallets.

“The Justice Department’s brief creates another cloud of uncertainty for insurers, just as they’re filing proposed rates for 2019,” said Larry Levitt, a senior vice president of the Kaiser Family Foundation. “When insurance companies face uncertainty, they increase premiums.”

Xavier Becerra, the attorney general of California, said the Texas lawsuit was “based on a dubious legal claim.”

“We’re leading 16 attorneys general in court to stop Texas from destroying the Affordable Care Act” because “the Trump administration won’t defend the law of the land,” Mr. Becerra said.

Under the $1.5 trillion tax cut that Mr. Trump signed into law in December, the tax penalties for people who go without insurance will be eliminated next year.

“The individual mandate thus still exists, but it will no longer be fairly possible to describe it as a tax because it will no longer generate any revenue,” the Justice Department said in its brief on Thursday. “As of 2019, therefore, the individual mandate will be unconstitutional under controlling Supreme Court precedent holding that ‘the federal government does not have the power to order people to buy health insurance.’”

The Supreme Court said in 2012 that the individual mandate could not be upheld as an exercise of Congress’s broad power to regulate commerce, but was a valid exercise of the taxing power.

The Justice Department’s latest position, though framed as an interpretation of federal law, is consistent with the president’s political views.

“We have essentially repealed Obamacare,” Mr. Trump said in December as Congress finished work on the tax bill.

Likewise, at a cabinet meeting in October, he said: “Obamacare is finished. It’s dead. It’s gone. It’s no longer — you shouldn’t even mention. It’s gone. There is no such thing as Obamacare anymore.”

In their lawsuit, filed in February, Texas and other Republican-led states argued that the individual mandate was no longer constitutional after passage of the Republican tax bill.

“Once the heart of the Affordable Care Act — the individual mandate — is declared unconstitutional,” they said, “the remainder of the A.C.A. must also fall.”

The Washington Post
Democracy Dies in Darkness

Trump administration won't defend ACA in case brought by GOP states

By Amy Goldstein
June 8, 2018

The Trump administration said Thursday night that it will not defend the Affordable Care Act against the latest legal challenge to its constitutionality — a dramatic break from the executive branch's tradition of arguing to uphold existing statutes and a land mine for health insurance changes the ACA brought about.

In a brief filed in a Texas federal court and an accompanying letter to the House and Senate leaders of both parties, the Justice Department agrees in large part with the 20 Republican-led states that brought the suit. They contend that the ACA provision requiring most Americans to carry health insurance soon will no longer be constitutional and that, as a result, consumer insurance protections under the law will not be valid, either.

The three-page letter from Attorney General Jeff Sessions begins by saying that Justice adopted its position "with the approval of the President of the United States." The letter acknowledges that the decision not to defend an existing law deviates from history but contends that it is not unprecedented.

The bold swipe at the ACA, a Republican whipping post since its 2010 passage, does not immediately affect any of its provisions. But it puts the law on far more wobbly legal footing in the case, which is being heard by a GOP-appointed judge who has in other recent cases ruled against more minor aspects.

The administration does not go as far as the Texas attorney general and his counterparts. In their suit, lodged in February in the U.S. District Court for the Northern District of Texas, they argue that the entire law is now invalid.

By contrast, the Justice brief and letter say many other aspects of the law can survive because they can be considered legally distinct from the insurance mandate and such consumer protections as a ban on charging more or refusing coverage to people with preexisting medical conditions.

A group of 17 Democratic-led states that have won standing in the case also filed a brief on Thursday night arguing for the ACA's preservation.

While the case has to play out from here, the administration's striking position raises the possibility that major parts of the law could be struck down — a year after the Republican Congress failed at attempts to repeal core provisions.

In an unusual filing just before 6 p.m. Thursday, when the brief was due, the three career Justice attorneys involved in the case — Joel McElvain, Eric Beckenhauer and Rebecca Kopplin — withdrew.

The department's argument, if adopted by U.S. District Judge Reed O'Connor, "would be breathtaking in its effect,' said Timothy Jost, a retired Washington and Lee law professor who follows such litigation closely. "Of all of the actions the Trump administration has taken to undermine individual insurance markets, this may be the most destabilizing. . . . [If] I'm an insurer, I don't know what I am supposed to do or not."

Jost, an ACA supporter, noted that the administration's decision not to defend the law comes during the season when participating insurers must file their rates for next year with state regulators. It raises new questions about whether insurers still will be required to charge the same prices to all customers, healthy or sick.

And Topher Spiro, vice president of health policy at the liberal Center for American Progress, said the administration's legal argument contradicts promises by Trump that he would not tamper with the ACA's protections for people with preexisting medical conditions.

University of Michigan law professor Nicholas Bagley, another ACA defender, went even further in a blog post. "If the Justice Department can just throw in the towel whenever a law is challenged in court, it can effectively pick and choose which laws should remain on the books," he wrote. "That's not a rule of law I recognize. That's a rule by whim. And it scares me."

Crusading against the ACA has been a priority of Trump's since his campaign for the White House. On his first night in office, Trump issued an executive order, directing federal agencies to lighten the regulatory burden placed by the law. Last October, the president unilaterally ended a significant part of the law that cushions insurers financially from an obligation to give discounts to decrease out-of-pocket costs to lower-income customers with ACA coverage.

More recently, the White House and Department of Health and Human Services have been working to make it easier for consumers to buy relatively inexpensive health plans that exclude some of the benefits the ACA requires.

The new challenge comes six years after the Supreme Court's divided ruling that the ACA is constitutional. That ruling hinged on the reasoning that, while the government "does not have the power to order people to buy health insurance," as Chief Justice John G. Roberts Jr. wrote for the majority, it "does have the power to impose a tax on those without health insurance."

The case in Texas, which has attracted relatively little notice until now, emerges from the massive tax bill Congress passed late last year. In that, lawmakers decided to eliminate the tax penalty the ACA requires people to pay if they flout the insurance mandate. The enforcement of that requirement will end in January.

As a result, the Texas lawsuit contends, “the country is left with an individual mandate to buy health insurance that lacks any constitutional basis. . . . Once the heart of the ACA — the individual mandate — is declared unconstitutional, the remainder of the ACA must also fall.”

Texas and the accompanying states have asked for a preliminary injunction that could suspend the entire law while the case plays out in court.

But the administration disagrees with that position. Instead, Justice officials argue in their brief that the ACA’s insurance requirement will not become unconstitutional until January, so that “the injury imposed by the individual mandate is not sufficiently imminent” and that the judge could issue a final ruling in the case before then.

O’Connor, who is hearing the suit, was appointed by President George W. Bush and has ruled against the ACA in other cases the past few years.

Until Thursday’s filing, the Trump administration had not indicated its position on either this latest lawsuit or the Republican states’ effort to block the law while the case moved along.

Los Angeles Times

Trump administration urges court to strike down Obamacare rule that requires insurers cover the sick

By Noam L. Levey
June 8, 2018

The Trump administration has elected not to defend key parts of the Affordable Care Act against a sweeping legal challenge filed by a group of conservative states, marking an unusual departure from the Justice Department's traditional responsibility to safeguard federal law.

The practical impact of the move may be relatively minor, as the challenge is widely viewed as a long shot that stands little chance of threatening the 2010 law, often called Obamacare.

And though the federal government will apparently no longer defend a pillar of the law, a group of left-leaning states, including California, have stepped in to back it in court.

The Justice Department legal position nevertheless signals a remarkable willingness by the Trump administration to abandon landmark consumer protections in the healthcare law that for the first time prohibit health insurers from turning away sick consumers.

The administration's decision also is likely to further roil insurance markets that are seeing very large premium increases, fed in part by other moves by the Trump administration to loosen insurance regulations.

The president has backed new rules that would allow for an expansion of skimpier health plans that do not have to cover a full range of health benefits. These plans are overwhelmingly opposed by consumer and patient advocates and others, who have warned that they will drive up costs for sicker consumers who need more comprehensive health coverage.

The healthcare law's core consumer protections, which the president once signaled he supported, have been among the most popular parts of the law and have helped extend coverage to millions of previously uninsured Americans.

The legal challenge led by the state of Texas argues that these consumer protections – as well as the law's multi-billion dollar program for expanding the Medicaid safety net to poor Americans – should be scrapped because Congress last year repealed the penalty on Americans who don't have health coverage.

That penalty, Texas and the other conservative states argue, is so central to the law that without it, the rest cannot stand.

Many healthcare experts disagree with that position. And the Trump administration has not asserted that the Medicaid expansion made possible by the healthcare law should be rolled back.

But Justice Department lawyers do argue that with no penalty for not having coverage, the federal government cannot make health insurers cover sick consumers or prohibit insurers from charging sick consumers higher premiums, as was routinely done before the healthcare law was implemented.

“The individual mandate is not severable from the [Affordable Care Act’s] guaranteed-issue and community-rating requirements,” the department noted in its legal filing. The Trump administration’s move drew strong criticism from defenders of the healthcare law and some legal scholars, who noted how unusual it is for the Justice Department not to defend federal law.

Equally notable, three career prosecutors in the department withdrew from the case just before the administration announced the decision not to defend the healthcare law.

“Withdrawing from a case en masse like this, right before the brief is filed, is unheard of,” noted Nicholas Bagley, a former Justice Department lawyer who now teaches at the University of Michigan Law School.

“These attorneys are civil servants. They routinely defend policies they dislike and make arguments they personally disagree with. That's the nature of the job. Their withdrawal signals that they believed the arguments in the brief went far beyond the pale -- that they were so frivolous they could not endorse them and remain faithful to their professional duties.”

Could California Shape The Fate Of The Affordable Care Act In November?

By Chad Terhune and Pauline Bartolone and Ana B. Ibarra and Alex Leeds Matthews
June 7, 2018

In the state that's leading the opposition to many of President Donald Trump's health policies, California voters will face a stark choice on the November ballot: keep up the resistance or fall in line.

The results of Tuesday's primary have set up general-election contests between candidates — for governor, attorney general, insurance commissioner and some congressional seats — with sharply differing views on government's role in health care.

The outcome in the Golden State could help shape the fate of the Affordable Care Act and influence whether Republicans in Washington take another shot at dismantling the landmark law.

"For the Affordable Care Act, California is a bellwether state," said David Blumenthal, president of the Commonwealth Fund, a New York-based health policy research organization. If California voters don't elect more Democrats to Congress, it will be harder for the party to gain legislative control and "the Affordable Care Act will continue, as it has been, to be under attack from an empowered Republican majority," he said.

Despite being targeted for voting last year to repeal the ACA and cut Medicaid funding, several Republican incumbents performed well at the polls in California.

"California was supposed to lead the blue wave, but that's not what we saw" in the primary, said Ivy Cargile, an assistant professor of political science at California State University-Bakersfield.

In the California governor's race, Democratic front-runner Gavin Newsom quickly sought to cast the November contest as a referendum on Trump and his effort to undo much of President Barack Obama's legacy, particularly on health care.

A series of Trump tweets endorsing Republican candidate John Cox, a multimillionaire real estate investor, helped propel the political outsider to the general election.

"It looks like voters will have a real choice — between a governor who will stand up to Donald Trump and a foot soldier in his war on California," Newsom said Tuesday night to supporters in San Francisco.

California has embraced the federal health law enthusiastically and stands to lose more than any other state if the ACA is gutted. About 1.5 million Californians buy coverage through the state's Obamacare exchange, Covered California, and nearly 4 million have joined Medicaid as a result of the program's expansion under the law.

Newsom, a former San Francisco mayor and the current lieutenant governor, has pledged to defend the coverage gains made under the ACA. He has vowed to go even further by pursuing a state-run, single-payer system for all Californians.

Newsom won the primary with 33 percent of the vote and Cox placed second with 26 percent. Some mail-in votes and provisional ballots continue to be counted.

Cox has slammed Newsom and fellow Democrats for imposing government controls on health care that he says make coverage too expensive for families. He said he isn't interested in defending the Affordable Care Act and that, if the law is scrapped, millions of Californians can go into high-risk insurance pools — an idea that predates the health law.

Andrew Busch, a government professor at Claremont McKenna College, said the political divide over health care has grown even wider this year as single-payer has gained support from mainstream Democrats in California.

"I'd say the Republican candidates are pretty much where the Republicans have been, but the Democratic candidates have shifted to the left, so the choice is starker than it has been," Busch said.

Heading into Tuesday's primary, it wasn't clear that California voters would face such drastically different choices on the November ballot. Under the state's primary system, the top two vote-getters, regardless of party affiliation, advance to the general election. That left many experts predicting single-party matchups across the state.

But that scenario also didn't pan out in the race for attorney general, a position that has played a key role in California's resistance politics since Trump was elected. Democratic incumbent Xavier Becerra, who has become a national leader against Trump's agenda, will face off against Republican Steven Bailey in the fall.

Becerra has filed more than 30 lawsuits on health care and other issues since taking office in January 2017.

Bailey, a criminal attorney and former judge, has blamed the Affordable Care Act for driving up health care costs, and he favors less industry regulation. He also has criticized Becerra for fixating too much on Trump.

"Just because a tweet comes out of Washington, it doesn't require a lawsuit to be filed the next day," Bailey said.

Health care could also play a role in several of California's congressional races. Democrats are trying to win back control of the House, in part to better block Republican efforts to roll back the ACA.

“The actions of the Trump administration, the elimination of the individual mandate and its impact on markets will become more of an issue,” said Chris Jennings, a former health care adviser in the Obama administration. “The conservative caucus has been forcefully advocating for another aggressive return to the repeal effort.”

One of the most-watched races nationally is in a district of California’s San Joaquin Valley where Republican incumbent Jeff Denham drew several Democratic opponents after voting to repeal the health law last year — as did all of California’s Republican House members.

Denham led a crowded primary field with 38 percent of the vote Tuesday. Democrat Josh Harder is holding on to second place with nearly 16 percent, just ahead of a Republican challenger. The results are pending until late-arriving ballots are counted.

Harder said the Republicans’ repeal-and-replace effort on health care was a major reason he decided to run. He made it a centerpiece of his campaign and ran ads criticizing Denham for voting to take away coverage from thousands of his constituents. About 40 percent of residents in this Modesto-area district are enrolled in Medicaid, the government insurance program for the poor and disabled.

Denham has defended his repeal vote, saying that patients’ access to doctors has only gotten worse since coverage was expanded under the ACA. In a statement last year, Denham said, “coverage does not necessarily equal care and families must resort to overflowing emergency rooms to be seen.”

But Dan Schnur, a Republican political strategist who teaches at the University of Southern California and the University of California-Berkeley, said health care has gone from a negative to a positive for Democratic candidates, who have spent the past several elections defending Obamacare.

“As a result, they’re doing everything they can to emphasize the health care debate rather than run away from it,” he said.

THE SACRAMENTO BEE

Jerry Brown appoints Diana Dooley as executive secretary

By Adam Ashton
May 31, 2018

Gov. Jerry Brown will close out his last year in office with a top adviser who first worked for him 43 years ago.

Brown on Thursday named Diana Dooley, the secretary of the state Health and Human Services Agency, to be his executive secretary. She follows Nancy McFadden, who died at age 59 in March.

Dooley, 67, worked for Brown during his first run as governor. She was a special assistant and legislative director for his office from 1975-83.

Dooley has led the Health and Human Services Agency since 2011, and previously was president of the California Children's Hospital Association.

She'll be succeeded at the health agency by its current undersecretary, Michael Wilkening, 47, of Sacramento. He has worked there since 2008 and previously worked for the state Finance Department.

Los Angeles Times

Trump's new insurance rules are panned by nearly every healthcare group that submitted formal comments

By Noam N. Levey
May 31, 2018

More than 95% of healthcare groups that have commented on President Trump's effort to weaken Obama-era health insurance rules criticized or outright opposed the proposals, according to a Times review of thousands of official comment letters filed with federal agencies.

The extraordinary one-sided outpouring came from more than 300 patient and consumer advocates, physician and nurse organizations and trade groups representing hospitals, clinics and health insurers across the country, the review found.

Kris Haltmeyer, vice president of health policy and analysis at the Blue Cross Blue Shield Assn., said he couldn't recall a similar show of opposition in his more than 22 years at the trade group, which represents Blue Cross and Blue Shield health plans and is among the organizations that have expressed serious reservations about the administration's proposed regulations.

"This seems to be a pretty overwhelming statement of concern," Haltmeyer said. State insurance regulators from both political parties have also warned that the administration's proposals could destabilize insurance markets, raise premiums for sick Americans and open the door to insurance fraud.

And dozens of industry leaders and other experts have called on the administration to rethink moves to scale back consumer protections enacted through the Affordable Care Act, often called Obamacare.

"Basically anybody who knows anything about healthcare is opposed to these proposals," said Sandy Praeger, a former Republican state insurance regulator in Kansas and onetime president of the National Assn. of Insurance Commissioners. "It's amazing."

After the failure to repeal the healthcare law last year, the Trump administration is weighing two controversial new rules to loosen regulations governing health plans. One would expand the availability of short-term coverage plans that last less than a year. The other would make it easier for self-employed Americans and small businesses to band together to form so-called association health plans.

These plans — which administration officials say will be more affordable — would not have to offer the full set of health benefits required under the 2010 law and in some cases could turn away sick customers.

Altogether, more than 95% — or 266 of 279 — of the healthcare groups that filed comments about the proposed association health plan regulation expressed serious concern or opposed it, the Times analysis found.

And more than 98% — or 335 of 340 — of the healthcare groups that commented on the proposal to loosen restrictions on short-term health plans criticized it, in many cases warning that the rule could gravely hurt sick patients.

“As advocates for our communities, we implore you to protect patients and consumers, including individuals with preexisting conditions and persons with disabilities,” a coalition of 106 groups noted in one letter urging the administration to withdraw the proposal. Among the groups were virtually every leading patient advocate in the country, including the American Lung Assn., the American Heart Assn., the Cystic Fibrosis Foundation, the March of Dimes, the National Multiple Sclerosis Society, Susan G. Komen, AARP and the advocacy arm of the American Cancer Society.

Not a single group representing patients, physicians, nurses or hospitals voiced support in the public comments for the two Trump administration proposals.

Before finalizing proposed regulations, federal agencies typically provide a comment period during which individuals and interest groups can share their opinions. Comment letters are then posted on an agency’s website or on regulations.gov.

A total of 722 comments were posted by the Department of Labor on the administration’s association health plan rule; 9,205 were posted on the proposed short-term health plan rule.

Most of the comments were from individual Americans, many of whom shared concerns about access to health coverage. The Times identified comments from healthcare groups to gauge the opinions of experts who work in the system or advocate for patients.

Officials from 25 states — including insurance regulators, attorneys general and insurance marketplace directors — also submitted comments. Most were highly critical, with the exception of insurance officials from six states who welcomed one or both of the administration proposals.

Several dozen individual healthcare businesses, including insurers, medical systems and benefit consultants, filed comments on the two proposals, offering more mixed views.

Administration officials have said relaxing regulations and allowing more health plans that offer limited benefits or that may exclude sick consumers will provide more options to people who are currently being priced out of the health insurance market.

“We want people to have access to competitive, affordable health insurance,” Health and Human Services Secretary Alex Azar told lawmakers on Capitol Hill recently. “Unfortunately the Affordable Care Act is not delivering on that.”

The healthcare law has helped expand coverage to some 20 million previously uninsured Americans, through the expansion of state Medicaid programs for the poor and through new marketplaces that offer subsidized health plans for low- and moderate-income people who don’t get coverage through an employer.

But the marketplace plans — which must offer a basic set of health benefits and cannot turn away sick consumers — have become more and more expensive, as premiums that began to rise under President Obama have shot up further under the current administration.

That has made coverage increasingly unaffordable for the small share of Americans — perhaps as many as 15 million — who don’t receive coverage from their employers or from a government plan and make too much to qualify for federal marketplace subsidies. The subsidies cut off after about $48,000 for an individual and $100,000 for a family of four.

The Trump administration’s proposals may make some insurance more affordable, largely by allowing plans to skip currently mandated benefits, such as prescription drugs, maternity care, mental health and addiction services.

Short-term plans — which are currently limited to three months but which the administration wants to extend to a year — could also be allowed to turn away sick people. That would allow them to charge even lower rates.

Easing insurance rules has cheered some business groups, particularly those representing small employers and independent workers such as real estate agents and court reporters, which backed an expansion of association health plans.

Several associations representing insurance agents, who can often earn large commissions on short-term health plans, support easing rules on these plans.

“While such plans are clearly not the best option for many Americans, [short-term] plans could expand affordable access to health coverage for certain individuals,” said the Health Agents for America, one of the five healthcare groups writing in support of the Trump administration rule.

The rising cost of health coverage has generated widespread concern among healthcare groups as well, including patient advocates, physicians, nurses, hospitals and health insurers.

But they have cautioned the administration that loosening current rules creates many more problems than it solves.

Many warned that allowing healthier Americans to buy plans that don't cover expensive medications or other medical benefits will drive up costs for sick patients who have no choice but to buy more costly, comprehensive coverage.

The American Academy of Pediatrics, for example, noted that the administration's proposal to allow more association health plans "could leave children, particularly children with serious, chronic, or complex medical needs, with less comprehensive coverage and higher out-of-pocket costs."

The academy was among 16 physician groups — including the American Medical Assn., the American College of Emergency Physicians, the American Academy of Family Physicians and the American College of Obstetricians and Gynecologists — that expressed concerns about the association health plan rule.

They were joined by 10 hospital associations, five nursing groups and 176 patient and consumer advocates who criticized the proposal.

AARP said that the proposal would "greatly increase the likelihood that working Americans, especially those age 50-64, would face higher insurance premiums and loss of access to critical health insurance coverage."

The outpouring against the proposed short-term rule was even more overwhelming. Among those who filed critical comments were 233 patient and consumer advocates, 17 physician groups, 30 nursing associations, 11 hospital groups and 41 groups representing other medical providers, such as physical therapists, social workers, physician assistants and multiple sclerosis clinics.

Many sounded the same concern about the unfairness of making Americans suffering from mental illness, cancer, HIV/AIDS or other diseases pay more for coverage. Mental Health America warned that the short-term plans were "not a realistic option for people with chronic behavioral health concerns."

And the American Diabetes Assn. said that diabetics would be left with "two undesirable options": an expensive plan with adequate benefits or a short-term plan "with severely limited coverage and high out-of-pocket costs."

Many patient advocates, physician groups and others also cautioned that expanding skimpier plans could leave healthier consumers who buy those plans without protection if they got sick, something that happened often before the 2010 heathcare law.

The American Academy of Family Physicians, for example, noted that expanding short-term plans “could subject patients to catastrophic medical bills and medical bankruptcy.” And the National Assn. of Insurance Commissioners warned that association health plans had a long history of fraud and insolvency that left consumers in the lurch.

These concerns were echoed by the leading health insurance trade groups, as well as many individual health insurers that cautioned that rates would only increase as looser rules further destabilized insurance markets across the country.

The Trump administration has not indicated when it will finalize the proposed new insurance regulations.

Sierra Sun Times

Covered California Launches New Campaign Focused on College Graduates to Make Sure They Get Health Coverage

Staff
May 26, 2018

- Commencement speakers will remind thousands of new graduates that “life can change in an instant” – making it important for them to have health coverage, so they can get the health care they need as they set out in life.
- A new video distributed on social platforms will remind graduates who may be losing their health coverage to check out Covered California for affordable options.
- Covered California Executive Director Peter Lee congratulates graduates and reminds them to protect their futures by getting health insurance.
- Covered California provided more than 70 campus health centers with materials to educate graduating students about new health insurance options available through Covered California.
- The “special enrollment” campaign for graduates is launching amid new data showing California’s uninsured rate is at an all-time low.

SACRAMENTO, Calif. — Graduation season is in full bloom and Covered California is joining with commencement speakers throughout the state to remind the over 400,000 graduates and their families not to forget about the importance of health insurance during this busy time of year.

“Congratulations graduates for everything you have achieved,” said Peter V. Lee, Executive Director of Covered California. “As you prepare to move on to the next stage of your life, be sure to protect the one thing essential to pursuing your dreams — your health. We want to remind everyone that if you’re losing your coverage after graduation you could qualify for special enrollment through Covered California.”

Californians may enroll during Covered California’s special-enrollment period if they have a qualifying life event, like losing their coverage. For example, students who had their health care needs provided by their school and are losing that coverage upon graduation, or who will lose coverage through their parents’ plan when they turn 26, are eligible to sign up for a new plan through Covered California.

There are currently more than 250,000 Californians between the ages of 19 and 29 enrolled in a plan through Covered California, and they are receiving affordable, name-brand insurance coverage.

Covered California is being joined by commencement speakers from across the state who are weaving the importance of getting and keeping coverage into their remarks. Among those who have agreed to participate are commencement speakers at California State University - Los Angeles, the University of California at Irvine and the University of California at Merced have agreed to carry the message to graduates in their speeches.

“Taking care of their health gives graduates the freedom to pursue their dreams, so we want to make sure they are covered,” said Cástulo de la Rocha, President and CEO of AltaMed Health Services, who delivered commencement speeches at Cal State Los Angeles. “These graduates may be working at a start-up or small business, or going into business for themselves, and regardless of which path they take, they will need health insurance. Whether they qualify for Medi-Cal or a subsidized insurance plan, Covered California can help them get into the plan that’s right for them.”

Mr. de la Rocha was joined by another commencement speaker, Dr. Kenneth Kizer – who is the Director of the Institute for Population Health Improvement at the University of California, Davis and the former director California’s Department of Health Services – to co-author an op-ed which has been sent to 96 college newspapers throughout the state (read the Op-Ed here:
https://www.coveredca.com/news/pdfs/SEP_Graduation_Op_Ed_Final.pdf).

In addition, Covered California is collaborating with colleges and universities to promote the value of health insurance, sending more than 70 campus health centers educational materials to help inform students about their health care options. Covered California is also promoting special enrollment through its social media channels and a direct email campaign (see example social media image to the left).

At a recent graduation ceremony for California State University, Sacramento, Covered California spoke with graduates about their health care plans.

“We asked them a simple question: What are your plans for health insurance once you graduate?” Lee said. “Graduates knew they needed insurance, but many did not know where to turn. We want to make sure every graduating Californian knows about their options, including Covered California.”

Click here to see Lee’s congratulatory message for graduates:
https://vimeo.com/271777243/6f94989b59.

Click here to see a video of recent graduates talking about health care coverage:
https://vimeo.com/271754351/a43ad72561.

This outreach campaign comes on the heels of a new report from the Centers for Disease Control and Prevention that shows California finished 2017 with a record-low uninsured rate of 6.8 percent, down from 7.2 percent at the end of 2016. California's good work at lowering the rate of uninsured is happening when the national rate of uninsured is showing an increase. The state uninsured rate stood at 17 percent in 2013, the year before the exchange began offering coverage through the Patient Protection and Affordable Care Act (see the complete report here: https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201805.pdf)

"Covered California is proud to be part of the effort to help millions of Californians get the coverage and care they need," said Lee. "We will continue to invest in reaching out to every corner of the state to make sure Californians know about their health care options and the financial help available through Covered California."

During the recently completed open-enrollment period, 85 percent of Covered California enrollees received some level of financial help. Nearly 60 percent of subsidy-eligible enrollees have access to Silver coverage for less than $100 per month, and 74 percent can purchase Bronze coverage for less than $10 per month.

Special enrollment for health insurance through Covered California continues until Oct. 15, when open enrollment begins. At that time, individuals can get financial help to buy health insurance without a qualifying condition.

For more information on special-enrollment rules, visit: http://www.CoveredCA.com/individuals-and-families/getting-covered/special-enrollment.

Applicants have 60 days from the date on which the qualifying life event happens to enroll in a plan through Covered California.

Those who qualify for Medi-Cal may enroll through Covered California year round. Eligible consumers who are interested in signing up should go to www.CoveredCA.com where they can get help to enroll. They can explore their options and find out if they qualify for financial help by using the Shop and Compare Tool. They can also get free and confidential enrollment assistance by visiting www.coveredca.com/find-help/ and searching among 800 storefronts statewide, or more than 17,000 certified enrollers who can assist consumers in understanding their choices and enrolling, including individuals who can assist in other languages. In addition, consumers can reach the Covered California service center by calling (800) 300-1506.

About Covered California
Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget.

Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the legislature. For more information about Covered California, please visit www.CoveredCA.com.
Source: Covered California

The New York Times

Single-Payer Health Care in California: Here's What It Would Take

By Patricia Cohen and Reed Abelson
May 25, 2016

If wholesale opposition to President Trump is one litmus test for progressive Democrats, another — as the governor's race in California is proving — is health care.

All the leading Democratic contenders in the June 5 primary have pledged support for a single-payer system run by the state. The front-runner, Lt. Gov. Gavin Newsom, the former mayor of San Francisco, has made it the centerpiece of his campaign.

"There's no reason to wait around on universal health care and single-payer in California," he has declared.

Even beyond California, many Democrats are hoping to energize supporters by taking a cue from Bernie Sanders's 2016 presidential campaign, which embraced a single-payer system, "Medicare for All." But the idea primarily functions as a rallying cry.
"Voters are thinking about the fundamental values associated with single-payer," said Kelly Hall, an independent health consultant who works with the Service Employees International Union-United Healthcare Workers in California, which has endorsed Mr. Newsom. "Almost zero voters have thought about the policy implications."

In this case, "implications" could be another word for booby traps. Even a state as big, wealthy and liberal as California — with the world's fifth-largest economy and nearly 40 million people — would find itself hamstrung by money, a legal and regulatory thicket, and highly motivated opposition.

"You're talking 20 percent of California's economy," said Dana Goldman, the director of the Schaeffer Center for Health Policy and Economics at the University of Southern California. "The savings you're going to get are going to come out of someone's pockets."

Even Mr. Newsom sounded a cautious note recently, conceding it could take years to erect such a system: "It is not an act that would occur by the signature of the next governor."

Visionary thinking is needed to create an independent, state-run system that's responsible for every resident's health care and prescription drugs — but so is getting the authority, financing and political support.

Start with who's in charge.

Any state trying a go-it-alone strategy will face challenges possibly more vexing than the ones Congress would confront in passing a nationwide law.

California cannot simply decide to divert health care money spent in the state to a single-payer insurance plan of its own. Federal rules govern nearly all health-insurance coverage.

Medi-Cal — the state's version of Medicaid, the health insurance program for low-income Americans — covers about a third of the population. Here, the state has lots of leeway to experiment, and the federal government has tended to let that happen.

But almost everyone else gets coverage through an employer, Medicare or the individual marketplace. And in these arenas, the state has less authority.

To redirect Medicare funds, California would require a federal waiver — something unlikely to be granted by any administration.

Medicare is popular, and federal officials are unlikely to allow a state to engineer a wholesale Medicare takeover. Californians might not be too happy, either. Once California — and not the federal government — were to be the single payer, then the current Medicare program would no longer be an option. If would be replaced by a new California version.

A bigger stumbling block comes from employer plans, which cover roughly 43 percent of Californians. Federal law, in effect, prohibits states and localities from dictating how private employers that self-insure should structure their plans. So employers unwilling to take part in a California-run insurance system wouldn't have to.

Officials could try to persuade them by offering cheaper coverage and fewer administrative headaches. But if, say, Google and Disney want to stick with the coverage they have, they can. Changing that law would require an act of Congress.

The phrase 'higher taxes' is less popular than 'single payer.'

Let's, for the moment, magically eliminate the legal and regulatory roadblocks: Poof! California transfers its share of Medicaid and Medicare money to its own single-payer system, and it convinces every private employer to drop its existing coverage and join.

Where is the rest of the money to cover the uninsured going to come from? The state could look to cut costs: eliminate intermediaries, including insurance companies; reduce administrative costs; negotiate lower prices for drugs; and pay hospitals and doctors Medicare rates rather than higher private-plan prices.

Broader health coverage could also help reduce pricey emergency-room visits and improve preventive care, which could head off more serious illnesses and higher costs down the road.

Still, expanding coverage costs more for a reason: When people have it, they use it. The total price tag would depend on what's covered, but eliminating deductibles and co-payments, as a recent California bill proposed, further raises costs. A legislative analysis of that bill, which offered free medical care for every resident including undocumented immigrants, estimated the final tally would be about $400 billion a year — more than double the state's budget.

About half that sum could come from existing Medicare and Medicaid dollars, according to the analysis. What employees and employers currently spend would cover another $100 billion to $150 billion. But the remaining $50 billion to $100 billion would require new taxes — such as a 15 percent payroll tax on earned income.

A separate analysis put the bill's cost at $331 billion, accounting for savings achieved through efficiencies and preventive care, among other things. Whatever the figure, even supporters concede that it would require a higher sales tax and increased taxes on large businesses.

Ardent proponents, like the California Nurses Association, are undeterred. "It really is about the political will," said Catherine Kennedy, a longtime nurse who lives in Carmichael, outside of Sacramento. "We can find the money."

'Single-payer' has no single definition.

Democrats overwhelmingly favor single-payer plans in polls, but the phrase means different things to different people. To some, "single-payer" is just a way of saying coverage for everyone. To others, it means eliminating the profit motive from health care. Or it represents simplicity — an end to paperwork, deductibles, co-payments and preapprovals.

"I do support a single-payer system," said Steven Cohen, a retired engineer, who lives with his wife, Terri, a retired schoolteacher, in Valencia. Even though he is on Medicare, Mr. Cohen, 71, said a recent switch in his medication for rheumatoid arthritis caused his out-of-pocket drug costs to rise sharply. The insurance and pharmaceutical industries now have too much clout, he said.

When asked if he would still support single-payer if it meant higher taxes, however, Mr. Cohen said no: "Raising taxes to offset the cost of health insurance is not the best approach." And he is unwilling to trade his Medicare coverage for a state-based version, "unless it changes for the better."

A nationwide Kaiser Family Foundation survey last September found similar sentiments. A majority favored the idea of a single-payer national health plan. But when those surveyed were told that the role of employers in health care would be ended, that governmental control would grow, or that people would have to trade in their existing coverage, support fell below 40 percent.

Consider what happened in Colorado. In 2016, surveys showed wide support for a single-payer plan, but when an initiative was put on the ballot, it got just 21 percent of the vote.

Of course, changing the message — and the details — can similarly drum up support, or flop those who previously flipped, but the variability shows how quickly voters can turn.

Correction: May 25, 2018
An earlier version of this article misstated the name of the organization that conducted a survey on public attitudes toward a single-payer national health plan. It was the Kaiser Family Foundation, not Kaiser Permanente. The earlier version also misstated an estimate of the cost of a proposed California bill that would offer free medical care for every resident. It was $331 billion, not $331 million.

THE HILL

CBO: ObamaCare premiums to rise 15 percent in 2019

By Rachel Roubein
May 23, 2018

ObamaCare premiums are expected to rise an average of 15 percent next year, an increase largely due to the GOP's repeal of the law's individual mandate, according to a Congressional Budget Office (CBO) analysis released Wednesday.

The CBO estimates that gutting the requirement that Americans have health insurance or face a tax penalty will contribute to about a 10 percent rise in premiums for 2019, with insurers expected to see healthier people dropping out of the marketplaces, leaving sicker enrollees on the plans.

The nonpartisan agency attributed the rest of the expected increase to rising health-care costs and the lack of insurers receiving a key ObamaCare payment compensating them for subsidizing out-of-pocket costs for certain enrollees.

The price hikes don't affect the majority of people with ObamaCare plans, as lower-income Americans receive federal subsidies to help cover their insurance.

Political rhetoric surrounding ObamaCare premiums has escalated in recent weeks as several states have unveiled proposed rate hikes, including some by double digits.

Both parties are scrambling to blame the other for the expected increases, which won't be finalized until early fall — about a month before the November midterm elections.

Democrats argue the price hikes are the result of GOP efforts to sabotage ObamaCare, pointing to the repeal of the individual mandate in the tax bill that President Trump signed into law in December.

Republicans contend that Democrats were the ones who passed the health-care law in the first place, without any GOP support. They blame Democrats for the failure to pass a bill to shore up the ObamaCare exchanges, though Democrats protest that characterization of why the legislation wasn't able to become law.

CBO also projected that there will be 3 million more uninsured people between 2018 and 2019, largely due to the repeal of the individual mandate and higher premiums.

The agency estimated the ObamaCare marketplaces will be "stable in most areas of the country" over the next decade, yet that "stability may be fragile in some places."

San Francisco Chronicle

Shaped by AIDS crisis, Covered California's leader champions health access

By Catherine Ho
May 20, 2018

In the 1980s, Peter Lee headed for the front lines of the HIV/AIDS crisis. In Washington, D.C., the Pasadena native helped organize rallies in front of the White House to protest the Reagan administration's tepid response to the epidemic.

It was his first job in health care, and 30 years later, the lessons still resonate as he heads the enormous insurance marketplace known as Covered California.

"I was a young gay man seeing people my age dying," he recalled. "That was such an immediate thing. And it was issues of insurance companies denying coverage to people because they tested for HIV. Or because they were gay and they might test for HIV."

Lee now stands firmly on the other side — crafting policy, rather than waving fists. But he is not your typical bureaucrat, despite running one of the most closely watched government agencies in the nation's most populous state. Chatty and energetic, he's been front and center in three statewide bus tours to promote Covered California health insurance signups — grueling weeklong bus drives from San Diego to San Francisco, an operation not unlike a political campaign.

"People tell me stories about access to care," he said, recalling conversations with Uber drivers and families with chronically ill children who are able to buy coverage because of financial assistance they receive under the Affordable Care Act — the 2010 federal law that created Covered California and Lee's job.

Lee, 59, is driven by a desire to make health care more attainable. And by many measures, he is succeeding. Covered California, now in its fifth year, weathered a rocky rollout marred by technical mishaps. It maintains enrollment of about 1.3 million people, more than any other state-run exchange. Most receive subsidies to buy insurance. Covered California has one of the healthiest pools of patients among all state exchanges — an important metric because a smaller proportion of sick people means lower premiums overall. Covered California has managed to keep the state's largest health insurers on board and selling through its marketplace, while many other states are struggling to get even one insurer to sell in many counties. Yearly premium increases, while sizable, are less dramatic than they are in many states.

"Peter created a well-functioning health insurance exchange in California when other states and the federal government struggled to even make it work at all," said Larry

Levitt of the Kaiser Family Foundation, who has known Lee for 20 years. “That would have to be counted as a major success.”
If Covered California is an experiment, Lee is its chief scientist. He’s taken liberties to be a more outspoken defender of the Affordable Care Act than many of his counterparts, even in other blue states. Lee tests the limits of how far a state health exchange can go, some observers say, such as when he pushed to standardize deductibles and co-pays across its health plans. The move, designed to help consumers more easily comparison-shop for plans, is considered “very uncommon in most states,” Levitt said.

Last year, when the GOP-led Senate was considering a bill to repeal the Affordable Care Act, Lee joined 11 other directors of state health exchanges in voicing their “serious concerns” about the proposal. When the Department of Health and Human Services slashed its marketing budget for the federal exchange Healthcare.gov by 90 percent to $10 million, Lee went the opposite direction, pushing to boost Covered California’s marketing spending 5 percent to $111 million. Last month, he urged Health and Human Services Secretary Alex Azar to restore the federal funding, writing in a letter that it “is not too late to act” and that “we at Covered California would be happy to make our creative assets available for use.”

The next few years will be a test for Covered California’s durability in the face of efforts out of Washington to roll back the Affordable Care Act. Starting in 2019, the health law’s requirement to buy insurance, the individual mandate, will no longer exist. Federal regulators are also working to loosen restrictions on the sale of short-term insurance plans, which would make it easier for consumers to buy cheaper plans that cover less. Partly as a result, Covered California expects premiums to rise 11 percent next year and enrollment in the exchange to drop 12 percent.

Peter Lee, executive director of Covered California, has built and championed the state’s health care exchange program to make care attainable for more people. Photo: Paul Chinn / The Chronicle Photo: Paul Chinn / The Chronicle Peter Lee, executive director of Covered California, has built and championed the state’s health care exchange program to make care attainable for more people.
“Covered California may face its biggest challenge going into next year,” Levitt said.

In California, where state officials pride themselves as leaders of “the resistance,” perhaps no one shoulders as much responsibility for — or can claim as much credit for — the outcome of health insurance markets as Lee.

Former colleagues who’ve worked with or for Lee consistently offer descriptions such as “indefatigable,” “unstoppable” and “passionate.” One recalled hearing Lee, when Covered California was still in startup mode, comparing its creation to that of the Empire State Building.

“He fills the room,” said Gary Cohen, who briefly served as Covered California’s general counsel in 2012 and is now an executive at Blue Shield of California, one of the largest insurers on Covered California. “Every meeting I ever was in with Peter, he commands the stage and has a point of view. You know where he stands and what he wants.” Even some skeptical of Lee’s aggressive tactics back him publicly, out of solidarity among state health policy regulators and professionals who want the Affordable Care Act to work in California.

Lee is working to minimize next year’s enrollment drop-off by expanding an already-aggressive marketing campaign to caution consumers about the risks of not buying insurance.

“If consumers are left to their own devices, more will take that gamble,” he said. “If consumers are educated and reminded of what insurance is about, fewer will make that bad bet. It’s a bad bet to go without insurance.”

Born in Pasadena, Lee grew up around prominent physicians. His father, Dr. Peter Lee, led the family medicine department at the county hospital at the University of Southern California, and was an early and outspoken champion of Medicare in the 1960s. His stance riled the local medical association enough to prompt calls for his ouster for “promoting the evil socialism of Medicare,” Lee said.

Lee’s uncle, Dr. Philip Lee, was the first health commissioner for San Francisco and helped implement Medicare during President Lyndon B. Johnson’s administration.

A generation earlier, Lee’s grandfather, Dr. Russel Lee, co-founded Palo Alto Medical Foundation and served on a committee assembled by President Harry Truman that recommended a national health insurance program — a revolutionary idea at the time.

“The fruit doesn’t fall far from the tree,” Lee said.

Lee earns $436,800 a year — more than Gov. Jerry Brown’s $190,000 and many of Lee’s counterparts at other large state health insurance marketplaces such as New York.

Covered California does not work well for everyone, and Lee acknowledges cost is a challenge for many. Consumers who buy insurance on the individual market pay an average of $503 a month in premiums. Some receive federal subsidies to offset the cost, but many pay the full premium on their own. Deductibles for some of the health plans sold through the exchange are several thousand dollars — out of reach for many Californians struggling to balance health costs with other expenses.

While “$500 is a boatload of money,” Lee said, “we believe no deductible between you and your doctor is a good thing.”

The New York Times

Trump's Plan for Cheaper Health Insurance Could Have Hidden Costs

By Robert Pear
May 15, 2018

WASHINGTON — President Trump's plan to expand access to skimpy short-term health insurance policies, as an alternative to the Affordable Care Act, would affect more people and cost the government more money than the administration estimated, an independent federal study says.

The study, by Medicare's chief actuary, suggests that the new policies would appeal mainly to healthy people, including many who have had comprehensive coverage under the Affordable Care Act.

The administration estimated in February that a few hundred thousand people might sign up for the "short-term, limited-duration policies," which would not have to provide the standard health benefits like preventive services, maternity care or prescription drug coverage.

But the chief actuary, Paul Spitalnic, estimates that 1.4 million people could sign up for the short-term policies in the first year, with enrollment reaching 1.9 million by 2022.

Under current rules, such short-term insurance cannot last for more than three months. Under a rule proposed by the Trump administration in February, the limit would be 364 days.

The new policies would probably attract people who do not need the full suite of benefits guaranteed by the Affordable Care Act, Mr. Spitalnic wrote in a recent memorandum.

Those remaining in Affordable Care Act marketplaces "would be relatively less healthy," Mr. Spitalnic said, and as a result, the average premiums for those insurance policies would increase.

The federal government subsidizes premiums for most people who buy insurance in the marketplace. When premiums rise, the subsidy payments from the federal Treasury also increase.

The Trump administration estimated the extra cost to the federal government at $96 million to $168 million a year.

But the chief actuary, whose independence is protected by federal law, estimates that the rule proposed by the administration could increase federal spending by $1.2 billion next year and by a total of $38.7 billion over 10 years.

In its latest regulatory agenda, the administration said that a final rule expanding access to short-term policies could come next month. The rule would carry out an executive order signed by Mr. Trump with fanfare in October.

The executive order said the new policies would provide “an appealing and affordable alternative” because they would be “exempt from the onerous and expensive insurance mandates” in the Affordable Care Act.

When he signed the order, Mr. Trump said that short-term insurance would become “much more widely available” and that it would “cost us nothing.”

Mr. Spitalnic confirmed that the new policies would be cheaper for many consumers. He estimated that the full unsubsidized premium for a marketplace plan would be about $600 a month next year, on average — about 75 percent more than the premium of roughly $340 for short-term policies.

But the new short-term plans would also offer less protection to consumers.

Seema Verma, the administrator of the Centers for Medicare and Medicaid Services, defended the president’s proposal.

“Because costs have gone up so much, there are a lot of individuals who can’t afford any coverage,” she said on Tuesday at a Washington Post event exploring the future of health care. For some of these people, she said, short-term plans “potentially could be a lifeline.”

Mr. Trump announced a major initiative last week to reduce consumers’ out-of-pocket costs for prescription drugs. But a new study by the Kaiser Family Foundation says that many short-term insurance plans do not cover prescription drugs outside the hospital, leaving consumers to pay the bills.

Short-term insurance policies were originally intended for people who were between jobs or needed temporary coverage for other reasons. Under the proposed rule, they could play a larger role.

“There is nothing in the proposed rule that would prevent companies from underwriting and issuing new policies to individuals at the end of the one-year coverage term,” Mr. Spitalnic said.

Under the Affordable Care Act, the most popular type of marketplace plans, so-called silver plans, cover 70 percent of health care costs for a typical population. By contrast, Mr. Spitalnic said, the new short-term plans would cover 50 percent of costs, on average.

Short-term plans can exclude coverage for pre-existing conditions and can omit some benefits deemed essential in the Affordable Care Act.

Thus, for example, some short-term plans offered by UnitedHealth Group do not provide prescription drug coverage and do not pay expenses related to a normal pregnancy or the treatment of mental disorders, according to a brochure from the company.

Another insurer, National General, says in a brochure that its short-term medical plans may not cover outpatient prescription drugs, normal pregnancy or childbirth, routine well-baby care or costs resulting from a pre-existing condition.