



**COVERED**  
**CALIFORNIA**

**COVERED CALIFORNIA POLICY AND ACTION ITEMS**

May 22, 2014

# COVERED CALIFORNIA BUDGET

# MULTI-YEAR FORECAST - ASSUMPTIONS

- The following pages contain Multi-Year enrollment and revenue forecasts for the Individual Exchange, the SHOP program and Covered California in total. Similar to last year, we have developed high, medium and low enrollment scenarios.
- The enrollment estimates are based on Covered California's experience to date, retention assumptions based on data available from other programs, and projections of new enrollment periods in 2015 and 2016 developed by the University of California.
- Consistent with last month's budget presentation, revenue projections reflect continuing per member per month assessments for the Individual Exchange and SHOP at their current level into the future. Depending on actual enrollment and updated expenditure plans, assessments could be lowered for the 2016 plan year to maintain a reserve level of 6 months.
- The 2014 assessment rate for individuals on average equaled 3.7 percent of premium for enrollees in the Individual Exchange and 4.0 percent of premium for SHOP enrollees. They represent a lower share of premium for Covered California enrollees as assessments are distributed across a carrier's enrollment in both Covered California and the individual market. The 2015 assessment would be a smaller percentage, assuming rates increase.

# ENROLLMENT FORECAST 2014-15 AND BEYOND- INDIVIDUAL

Individual Market	2014	2015	2016
Low (end of Open Enrollment)	1,200,000	1,300,000	1,400,000
Medium (end of Open Enrollment)	1,200,000	1,700,000	2,000,000
High (end of Open Enrollment)	1,200,000	1,900,000	2,400,000

- The Medium enrollment forecast reflects the following major assumptions:
  - 85 percent of the 1.4 million individuals who have enrolled in Covered California will pay their premium. 90 percent of enrollees will pay their premium beginning in May 2015.
  - Approximately 512,000 net increase in enrollment (about 40% of initial open enrollment), an estimated 160,000 of whom will obtain coverage from Covered California during special enrollment as they become ineligible for Medi-Cal, lose employer based coverage, or experience other qualifying circumstances including marriage, births and moves.
  - Approximately 2.5 percent of enrollees will leave the program every month and 15 percent will leave the program at renewal, for an annual loss rate of approximately 37 percent.
  - 88 percent of Covered California enrollees receive subsidies.
  - Enrollment will continue to increase the following year with a net increase of approximately 340,000 individuals enrolling by the end of the 2016 Open Enrollment.
- The High enrollment forecast reflects higher take up among individuals eligible for subsidies, more individuals who do not receive subsidies accessing coverage through Covered California bringing the distribution of subsidized/unsubsidized enrollment closer to the national average, and more enrollees leaving the program every month.
- The Low enrollment forecast reflects lower take up among individuals eligible for subsidies, a higher percentage of enrollees paying their premiums and fewer enrollees leaving the program each month.

# ENROLLMENT FORECAST 2014-15 AND BEYOND - SHOP

SHOP	End of FY 2013-14	End of FY 2014-15	End of FY 2015-16
Low	8,800	20,200	29,500
Medium	9,000	23,400	38,600
High	10,100	42,600	100,200

- Enrollment in SHOP nationally and in California is substantially lower than previously estimated. The updated enrollment forecast is based on experience to date, anticipated program changes to make SHOP more competitive and expert input regarding likely changes in the small employer market.
- The Medium enrollment forecast reflects the following major assumptions:
  - SHOP enrollment support improves and brokers gain more confidence in selling SHOP policies.
  - The overall small group market continues to shrink.
  - Market share will increase in 2016 when employers with up to 100 employees will be eligible to participate
  - High retention rate of existing policies.
  - Strong new enrollment during the 4<sup>th</sup> quarter of each year
- The High enrollment forecast reflects stronger market share gains from stronger new sales.
- The Low enrollment forecast reflects the potential impact of the passage of SB1446 which slows the transition to new small group policies. If enacted, many small group employers would likely stay with their current plans.

# ENROLLMENT AND REVENUE SUMMARY

## Individual Market Scenarios

PMPM: \$13.95

	Low	Medium (Recommended)	High
<b>Millions of Total Effectuated Enrollees</b>			
End of 2014-15 Open Enrollment	1.66	1.70	1.86
End of 2015-16 Open Enrollment	1.97	2.04	2.29
<b>Revenue (\$Millions)</b>			
FY 2013 - 14	\$66.0	\$66.0	\$65.8
FY 2014 - 15	\$217.5	\$238.2	\$246.6
FY 2015 - 16	\$240.9	\$314.1	\$356.0

## SHOP Market Scenarios

PMPM: \$18.60

	Low	Medium (Recommended)	High
<b>Total Effectuated SHOP Enrollees</b>			
End of Calendar Year 2014	10,704	12,777	20,701
End of Calendar Year 2015	19,395	25,894	69,374
End of Calendar Year 2016	25,195	39,119	126,393
<b>Revenue (\$Thousands)</b>			
FY 2013 - 14	\$723.5	\$728.5	\$747.3
FY 2014 - 15	\$3,116.0	\$3,512.2	\$4,794.4
FY 2015 - 16	\$5,316.1	\$6,732.0	\$10,390.6

# PRELIMINARY 2014-15 AND PROJECTED 2015-16 BUDGETS

	Recommended FY 2013-14	Preliminary FY 2014-15	Projected FY 2015-16
Enrollment End of FY	1,200,000	1,800,000	2,000,000
Beginning Balance	\$ 802,134,713	\$ 425,008,431	\$ 288,230,893
Projected Revenue	\$ 66,717,333	\$ 241,678,161	\$ 320,847,987
Expenditures	\$ 443,843,615	\$ 378,455,699	\$ 310,713,674
Year-End Balances	\$ 425,008,431	\$ 288,230,893	\$ 298,365,206

- The budget for fiscal year 2014-15 is preliminary and will be presented to the Board for review and approval at the June meeting.
- The budget for fiscal year 2015-16 is a projection based on anticipated enrollment and the transition from a relatively new organization to sustainability. It will be adjusted based on actual enrollment and experience.
- Revenue projections reflect maintaining assessments at \$13.95 per member per month in 2015 and 2016. Depending on enrollment and expenditure plans, the assessment for 2016 could be lowered to maintain a reserve level of 6 months.

# ASSUMPTIONS

## Enrollment

- The Medium enrollment forecast projects 1.2 million enrollees who pay their premium by May 2014, increasing to 1.7 million by April of 2015 and 2 million by April 2016.

## Reductions in Spending

- Spending for enrollment activities remains relatively level between 2013-14 and 2014-15 and declines by 19 percent by 2015-16.
- Spending for CalHEERS declines by 11.5 percent between 2013-14 and 2014-15 and by an additional 32 percent by 2015-16.

## Federal Funding

- Federal approval will be obtained to spend current grants on establishment costs well into 2015 to reflect the final establishment support required to finish the second round of open enrollment.

## Cost Allocation

- Federal approval will be obtained to change the current cost allocation formula to better reflect the true costs of CoveredCa.com to Medi-Cal and Covered California.
- The May Revision contains \$25 million in General Fund for FY 2014-15 to support CalHEERS costs associated with the assumed changes in cost allocation for CalHEERS beginning July 1, 2014.
- Service Center expenditures will be cost allocated in 2015-16 and the federal government will approve use of assessment revenue as match for federal funds.

## Revenue

- PMPM remain stable at \$13.95 for the individual market and \$18.60 for SHOP in 2015 and 2016.

## Reserve

- Provide an expenditure reserve of \$20 million to account for unknown needs in 2014-15.
- Build an operating reserve of at least 6 months of projected spending by 2015-16 and reassess level of reserve prior to 2016 plan assessment.



# MAJOR RISKS

## Federal Actions

- Inability to use federal grant funds past December 2014.
- Federal Government delays approval of cost allocation changes. For every month of delay Covered California will need to spend approximately \$6 million in additional federal grant funds, or assessment revenue to support CalHEERS.
- Federal Government does not approve cost allocation of Service Center costs.

## Enrollment Forecast

- As shown earlier, an enrollment level at our low projection will result in a loss of \$21 million in revenues in 2014-15 and \$75 million in 2015-16

# RECOMMENDATION FOR APPROVAL

## BOARD RESOLUTION NO. 2014-37

Per Government Code Section 100503(n), which authorizes the Board to charge per member per month fees to fund its operation, the plan year 2015 Per Member Per Month fees are submitted to the Covered California Board for approval.

- Individual health plans with or without embedded dental: \$13.95
- SHOP health plans with or without embedded dental: \$18.60
- Stand alone pediatric dental plans: \$0.83.

These per member per month fees are the same as those in effect in 2014 and would be included in health plan contracts for 2015.

While given the policy adopted by the Board in January 2014 we anticipate minimal, if any, enrollment in stand alone dental policies, as a contingency we recommend adoption of a PMPM for stand alone pediatric dental plans.

# INITIAL OPEN ENROLLMENT EVALUATION FINDINGS AND PROPOSED 2015 PROGRAM CHANGES

# *TESTING, LISTENING, LEARNING, AND ADJUSTING*

- Covered California is committed to improving our strategies and tactics based on learning from our experience
- Major inputs into CoveredCA planning process:
  - Analysis of actual enrollment (by service channel; region; ethnicity; language)
  - Survey results and formal focus groups (conducted by CoveredCA and others; general population and specific to agents, certified enrollment counselors and outreach grantees)
  - Partner feedback (over a dozen regional meetings; advisory groups; elected officials; health plans; regular Outreach/Education Grantee meetings)
  - Engagement with other Exchanges and review of national literature

# EVALUATING OPEN ENROLLMENT AND PLANNING FOR 2015

1. Update on CalSIM eligibility and enrollment projections for 2015 and beyond and Covered California data comparison
  2. Consumer responses to marketing efforts
  3. Covered California Enrollment
  4. Applying Early Lessons and proposed directional changes for 2015
    - Marketing and Outreach
    - CalHEERS
    - Service Center
    - SHOP
    - Proposed Changes to Outreach, Education and Enrollment
- 
- More details in June

UCLA CENTER FOR  
HEALTH POLICY RESEARCH

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**CaSIM**  
California  
Simulation of  
Insurance  
Markets

# Enrollment Projections for 2015 and Beyond

## CaSIM 1.91

Ken Jacobs

UC Berkeley Center for Labor Research and Education

May 2014

## What caused the changes between CalSIM 1.8 and 1.91?

1.91 Adjustment	Result
New data: 2011-12 California Health Interview Survey data, 2010 Census	Adjusts starting point and reduces the overall population projections given demographic changes
Lower premiums than anticipated	More affordable coverage Fewer people get subsidies even if below 400% FPL
Now modeling lowest price bronze plan option	Fewer exempt from penalty due to lack of affordability.
LIHP transition taken into account	Higher take up in Medi-Cal, especially in 2014
Calibration of take-up to actual 2014 Covered California enrollment	Improved estimate precision for 2015 and beyond
Re-classified Pre-ACA undocumented on Emergency Medi-Cal as uninsured	Increased the population of undocumented uninsured and decreased the Medi-Cal population
New estimates of documentation status from Pew	Slightly smaller proportion of undocumented
Minimum wage increase	Moves some from being eligible for Medi-Cal to being eligible for Covered California with subsidies

## Using new survey data adjusts the starting point for CalSIM 1.91

Coverage for Californians under Age 65 (in millions) without the ACA, 2015  
Enhanced Scenario

Type of Coverage	1.8 without the ACA	1.91 without the ACA	Net Change 1.91-1.8
<b>Employer Sponsored Insurance</b>	19.27	<b>17.50</b>	-1.77
<b>Medi-Cal</b>	6.53	<b>6.18</b>	-0.35
<b>Other Public</b>	1.23	<b>1.29</b>	+0.06
<b>Individual Market</b>	2.23	<b>2.04</b>	-0.19
<b>Uninsured—Eligible for ACA coverage</b>	4.61	<b>4.58</b>	-0.03
<b>Uninsured—Not Eligible due to Immigration Status</b>	1.03	<b>1.71</b>	+0.68
<b>Total</b>	34.66	<b>33.13</b>	-1.53

As a result of using the latest estimates from the California Health Interview Survey (CHIS), CalSIM now expects a lower overall non-elderly population, fewer people starting with job-based coverage, and fewer people starting in Medi-Cal.

Source: UC Berkeley / UCLA CalSIM versions 1.8 and 1.91 ([www.calsim.org](http://www.calsim.org)), Enhanced Scenario  
Rows or columns may not sum due to rounding. Medi-Cal includes those formerly in Healthy Families.



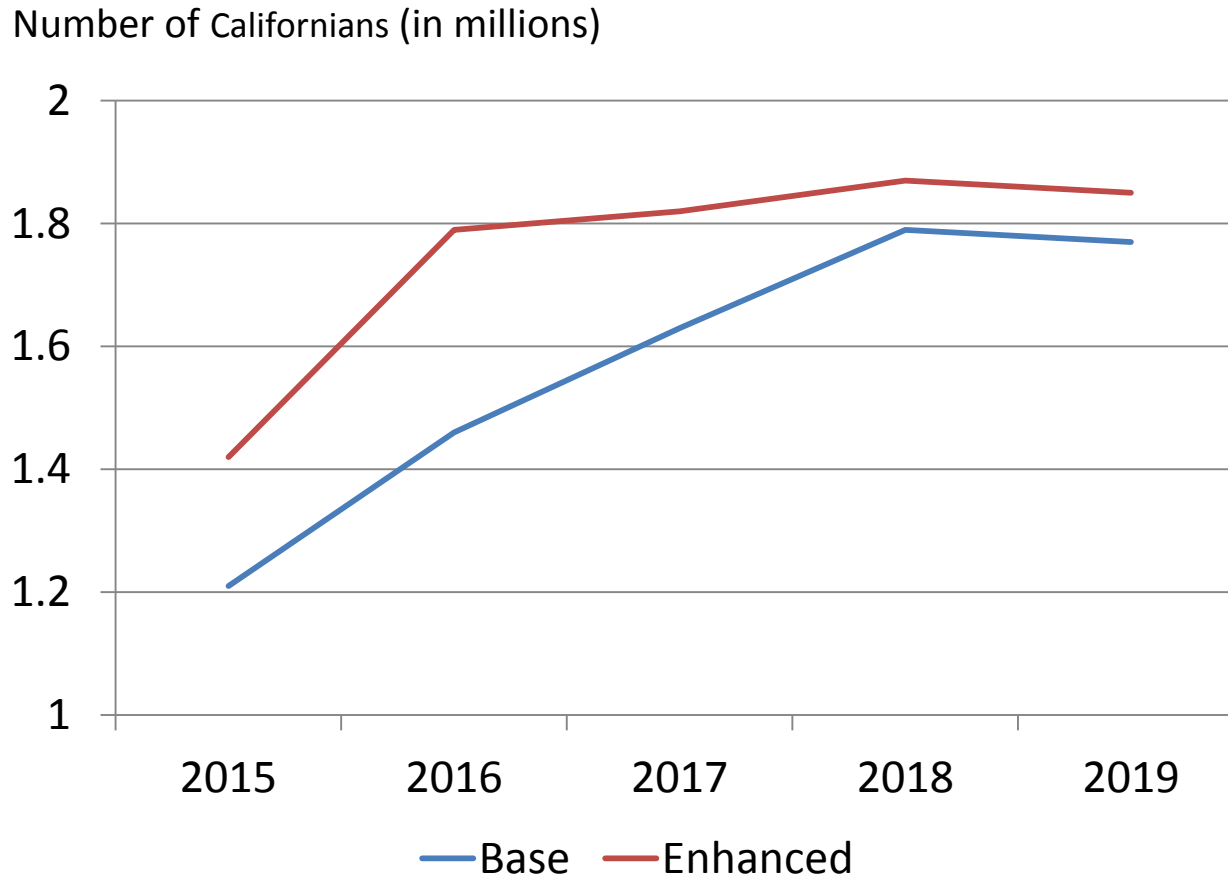
# Projected Changes in Eligibility for Covered CA with Subsidies 2015

	Cal-SIM 1.8	Cal-SIM 1.91
<b>Total Exchange Subsidy Eligible</b>	<b>2,680,000</b>	<b>2,530,000</b>
Employer Sponsored Insurance Dropped	120,000	60,000
Employer Sponsored Insurance Unaffordable	440,000	470,000
Individual Market	570,000	520,000
Uninsured	1,560,000	1,480,000

Source: UC Berkeley / UCLA CalSIM versions 1.8 and 1.91 ([www.calsim.org](http://www.calsim.org))

Rows or columns may not sum due to rounding. Medi-Cal includes those formerly in Healthy Families.

# Projected Subsidized Enrollment in Covered California CalSIM 1.91



Sources: UC Berkeley / UCLA CalSIM version 1.8 and 1.91 ([www.calsim.org](http://www.calsim.org))

Note: CalSIM estimates are for Californians under age 65.



## Eligibility by Race and Ethnicity CalSIM 1.8-1.91 2015

	Covered CA with Subsidies		Medi-Cal Newly Eligible	
	CalSIM 1.8	CalSIM 1.91	CalSIM 1.8	CalSIM 1.91
White	910,000 34%	850,000 33%	480,000 34%	620,000 28%
Asian	370,000 14%	520,000 20%	100,000 7%	310,000 14%
Latino	1,220,000 46%	950,000 37%	690,000 48%	1,120,000 50%
African- American	100,000 4%	130,000 5%	110,000 8%	130,000 6%
Other	70,000 3%	90,000 4%	50,000 3%	60,000 3%
<b>Total</b>	<b>2,600,000 100%</b>	<b>2,530,000 100%</b>	<b>1,420,000 100%</b>	<b>2,240,000 100%</b>

Sources: UC Berkeley / UCLA CalSIM version 1.91 ([www.calsim.org](http://www.calsim.org))

Note: CalSIM estimates are for Californians under age 65.



## Projected Enrollment in by Race and Ethnicity, 2015 Covered CA, with subsidies

	Eligible	Projected Enrollment 2015	
		Base	Enhanced
White	850,000 33%	530,000 44%	570,000 40%
Asian	520,000 20%	150,000 13%	180,000 12%
Latino	950,000 37%	400,000 33%	530,000 37%
African-American	130,000 5%	80,000 6%	80,000 6%
Other	90,000 4%	60,000 5%	60,000 4%
<b>Total</b>	<b>2,530,000 100%</b>	<b>1,210,000 100%</b>	<b>1,420,000 100%</b>

Sources: UC Berkeley / UCLA CalSIM version 1.91 ([www.calsim.org](http://www.calsim.org))

Note: CalSIM estimates are for Californians under age 65.



## Projected Enrollment in by Age, 2015 Covered CA, with subsidies

	Eligible	Projected Enrollment 2015	
		Base	Enhanced
0-18	50,000 2%	30,000 2%	30,000 2%
19-29	660,000 26%	340,000 28%	380,000 27%
30-44	620,000 25%	310,000 26%	370,000 26%
45-64	1,200,000 47%	540,000 44%	630,000 44%
Total	2,530,000 100%	1,210,000 100%	1,420,000 100%

Sources: UC Berkeley / UCLA CalSIM version 1.91 ([www.calsim.org](http://www.calsim.org))

Note: CalSIM estimates are for Californians under age 65.

# Projected Enrollment in by English Proficiency, 2015

## Covered CA, with subsidies

### Age 18-64

	Eligible	Projected Enrollment 2015	
		Base	Enhanced
Speaks English Very Well	1,580,000 63%	940,000 80%	1,010,000 73%
Limited English Proficiency	900,000 36%	240,000 20%	380,000 27%

Sources: UC Berkeley / UCLA CalSIM version 1.91 ([www.calsim.org](http://www.calsim.org))



## Projected Enrollment in by Income, 2015 Covered CA, with subsidies

	Eligible	Projected Enrollment 2015	
		Base	Enhanced
139-200% FPL	900,000 36%	490,000 41%	590,000 42%
201-250% FPL	640,000 25%	300,000 25%	360,000 25%
251-400% FPL	980,000 39%	420,000 35%	470,000 33%
<b>Total</b>	<b>2,530,000</b> <b>100%</b>	<b>1,210,000</b> <b>100%</b>	<b>1,420,000</b> <b>100%</b>

Sources: UC Berkeley / UCLA CalSIM version 1.91 ([www.calsim.org](http://www.calsim.org))

Note: CalSIM estimates are for Californians under age 65.

## Covered CA Enrollment Will Experience Significant Churn

For Individuals enrolled in Covered California Receiving Subsidies, Share Staying and Leaving for Other Coverage or Becoming Uninsured within 12 months

	Stronger Retention	Weaker Retention
Stay in Covered California	57.5%	53.3%
Take-up Medi-Cal/Public Coverage	21.3%	20.5%
Leave for Job-Based Coverage	19.0%	18.3%
Become Uninsured	2.2%	7.9%
Total	100%	100%

Source: CalSIM 1.7, Survey of Income and Program Participation 2004-2005, 2008-2009



# Special Enrollment Periods

In 2012, 7.6 million people lost coverage nationally.  
Reasons cited:

- Job loss: 3.4 million
- Loss of student insurance upon graduation, or aging off parents plan: 600,000
- Divorce: 200,000

This does not include individuals who would have been eligible for special enrollment periods but were able to enroll in other coverage. The actual numbers eligible for enrollment will be much larger.

## For More Information:

- UC Berkeley Center for Labor Research and Education:
  - <http://laborcenter.berkeley.edu/healthcare/>
- UCLA Center for Health Policy Research
  - <http://healthpolicy.ucla.edu/Pages/home.aspx>
- CalSIM
  - [www.calsim.org](http://www.calsim.org)

# COVERED CALIFORNIA ENROLLMENT DATA

# TOTAL ENROLLMENT BY ETHNICITY AND RACE (DISTRIBUTING NON-RESPONDENTS)

	Total Enrollment on 4/15/14 <sup>a</sup>	Total Enrollment Percent (%)	Total Enrollment on 4/15/14 with imputed non-respondents <sup>b</sup>	Total Enrollment Percent (%) with imputation
Asian	230,352	17%	291,000	21%
Black or African American	30,774	2%	51,000	4%
Latino	305,106	22%	399,000	29%
White	386,501	28%	549,000	40%
Mixed Race	62,276	4%	40,000	3%
American Indian or Alaskan Native	2,640	0%	4,000	0%
Native Hawaiian or Pacific Islander	2,576	0%	4,000	0%
Other	30,285	2%	32,000	2%
Non-Respondents	345,419	25%	25,000	
<b>TOTAL<sup>c</sup></b>	<b>1,395,929</b>	<b>100%</b>	<b>1,395,000</b>	<b>100%</b>

a. Includes all enrollments. Not discounted by effectuation, which is about 85%.

b. Racial/Ethnic distribution of enrollments includes imputation for majority of non-respondents using best available Census data at the block group level. Methodology copied from the California Department of Finance. Imputed figures rounded to the nearest thousandth.

c. Sums may not total due to rounding.

# SUBSIDY ELIGIBLE ENROLLMENT (CaSIM 1.91): ETHNICITY AND RACE

	Subsidy Only Enrolled on 4/15/14 (non-respondents imputed) <sup>a, b</sup>	Subsidy Only Percent (%)	CaSIM 1.91 Total Subsidy Eligible	CaSIM 1.91 Total Subsidy Eligible (%)
Asian	262,000	22%	520,000	20%
Black or African American	44,000	4%	130,000	5%
Latino	367,000	31%	950,000	37%
White	458,000	38%	850,000	33%
Mixed Race	33,000	6%	90,000	4%
American Indian or Alaskan Native	4,000			
Native Hawaiian or Pacific Islander	3,000			
Other	28,000			
Non-Respondents	23,000			
<b>TOTAL<sup>c</sup></b>	<b>1,222,320</b>	<b>100%</b>	<b>2,530,000</b>	<b>100%</b>

a. Includes all subsidy eligible enrollments. Not discounted by effectuation, which is about 85%.

b. Racial/Ethnic distribution of enrollments includes imputation for majority of non-respondents using best available Census data at the block group level. Methodology copied from the California Department of Finance. Imputed figures rounded to the nearest thousandth.

c. Sums may not total due to rounding.

# ENROLLMENT IN OTHER STATES

**Enrollment Based on Kaiser Family Foundation (Top Ten States by Number of Subsidy Eligible)**

Location	Marketplace Type	Number of Marketplace Enrollees Eligible for Financial Assistance, as of April 19, 2014	Estimated Total Number of Potential Marketplace Enrollees Eligible for Financial Assistance	Subsidized Enrollees as a Percentage of Subsidy-Eligible Individuals
<b>United States</b>		<b>6,670,458</b>	<b>17,187,000</b>	<b>39%</b>
<b>California * (CaSIM)</b>	<b>State-based</b>	<b>1,250,817</b>	<b>2,530,000</b>	<b>49%</b>
Texas	Federally-facilitated	614,626	2,049,000	30%
<b>California *</b>	<b>State-based</b>	<b>1,250,817</b>	<b>1,903,000</b>	<b>66%</b>
Florida	Federally-facilitated	893,655	1,587,000	56%
New York	State-based	273,840	779,000	35%
Pennsylvania	Federally-facilitated	258,455	715,000	36%
North Carolina	Federally-facilitated	325,105	684,000	48%
Georgia	Federally-facilitated	275,378	654,000	42%
Ohio	Federally-facilitated	131,515	544,000	24%
Virginia	Federally-facilitated	177,240	518,000	34%
Illinois	Partnership	168,185	501,000	34%
Michigan	Partnership	237,337	436,000	54%

\* Note: the California figures reflect as reported by Kaiser Family and its estimate of subsidy eligible Californians; and separately with the estimate of subsidy eligible based on CaSIM 1.91

Source: <http://kff.org/health-reform/state-indicator/marketplace-enrollees-eligible-for-financial-assistance-as-a-share-of-the-subsidy-eligible-population/>

# COMING ATTRACTIONS

In June Covered California will release the following data tables and host a webinar for discussion.

- Service channel by: language, income category, and age category.
- Race and ethnicity details including by Asian sub-population and Hispanic type (Chicano, Puerto Rican, etc.).
- Enrollment information by Region

# SELECTED HIGHLIGHTS: COVERED CALIFORNIA CONSUMER MARKET TRACKING SURVEY

Larry Bye, NORC Senior Fellow



# PURPOSE AND METHODS

- Baseline consumer market survey completed in summer 2013
- First tracking survey: telephone interviews with approximately 2,000 uninsured/individually insured Californians from Jan 17 to Feb 27, 2014. Enrollment was still underway, 45% of enrollments occurred after this date.
- Included broad sampling to ensure valid assessment of general population and Latinos, with oversampling to ensure more representative mix in Spanish speakers, African American and Asian subgroups
- Assess trends in Covered CA awareness, knowledge, attitudes and enrollment experiences and intentions
- Assess ad recall and exposure to other campaign elements as well as impact of exposure

# COVERED CALIFORNIA AWARENESS

- Campaign has greatly increased Covered CA awareness (+ knowledge) through synergy of TV, web & community-based outreach
- Total awareness increased by more than 6 times from 12% to 79% since baseline
- 73% of the uninsured are aware of Covered CA; 42% can name it unaided
- Awareness is high across all demographic age and insurance status groups

# AD RECALL/CAMPAIGN EXPOSURE\*

- 49% total TV ad recall; 28% unaided
- Recall is highest among Covered CA insured (56%); lower among non-English speakers and in Central Valley; otherwise, not a lot of differences based on demographic characteristics
- Ad targeted to Spanish speakers has highest aided recall of any of the individual ads; appeals to English as well as Spanish speaking Latinos
- 48% of entire sample had medium (1-2) or high (3+) exposure to community-based elements (events or contact with agents, Certified Counselor, or other Covered CA representatives)
- Exposure to community-based elements was much higher among Covered CA insured (74%) and about the same among Hispanics (50%), Spanish speakers (47%), and those eligible for richest subsidies (45%).
- 48% of entire sample also reported exposure to internet campaign elements including 63% of Covered CA insured; 54% of 18-34 year olds; 39% of Hispanics and 28% of Spanish speakers; and 39% of those in 139-199% FPL segment

\*Covered CA began a new series of ads which ran through the survey period

# EFFECT OF TV ADVERTISING AND OTHER CAMPAIGN ELEMENTS

- Ad-aware respondents were 50% more likely to have purchased a Covered CA plan than those not aware (37% vs.25%). Also, more likely to have a high level of knowledge (54% vs.17%)
- TV ads drove people to learn more through local/community-based help such as agents or Certified Enrollment Counselors: the ad-aware were more likely to report medium to high exposure to community based campaign elements (53% vs. 43%)
- Those exposed to community-based campaign were more likely to have enrolled in Covered CA plan (40% of those with high exposure vs. 8% with none), at least shopped Covered CA (82% vs. 56%), and believe ACA will be good for them (60% vs. 40%)
- Impact of exposure to internet elements is similar to exposure to TV ads and community-based elements

# COVERED CALIFORNIA WEBSITE

- The website worked well for many purchasers but not so well for others: 44% said it was easy vs. 29% difficult with 26% saying neither
- 44% of Hispanic purchasers, 65% of African American, 36% of Asian/Pacific Islander and 45% of Whites say it was easy or very easy
- Of those purchasers reporting a problem, the website was the most common one (29%) and there were no big differences based on race/ethnicity
- Of those reporting a problem, Spanish speaking purchasers (22%) cited website problems less frequently than English purchasers (32%), but were more likely to report the website purchase process as “very difficult” (33% compared to 15% of all)
- 18% of non-purchasers reported a problem finding information/shopping

# INTENT TO PURCHASE AND REASONS FOR PURCHASING

- 64% of non-purchasers will (32%) or may (32%) get coverage in future
- Top reasons: security (38%), avoid penalty (27%), save money (21%)
- At baseline security and saving money topped the list but avoiding penalty was rarely mentioned
- Main reasons purchasers got covered were the same: saving money (52%) security (33%) and avoiding penalty (14%)

# APPLYING LESSONS LEARNED IN KEY BUSINESS AREAS: EARLY THOUGHTS

# MARKETING AND OUTREACH: APPLYING LESSONS LEARNED

- Covered California should build on the broad/diverse mix of outreach, earned media, paid media on multiple channels to promote enrollment
- Continue paid media and social media that encourages consumers to get in-person assistance from agents, certified counselors and counties
- Build additional capacity to bolster and support community-based outreach, education and enrollment:
  - Develop “ground campaign” structure to support local coordination
  - Consolidate Outreach, Education and Enrollment functions into one Navigator Grant Program (separate discussion)
- Do media buys and messaging with enhanced focus on targets communities that we still need to reach, primarily Latino and African American
- Expand access to customizable local marketing flyers and DM pieces for agents and community outreach partners
- Additional detail in June



# CaIHEERS: APPLYING LESSONS LEARNED

- Clearer language within application to clearly communicate navigation to consumers
- Addition of initial payment functionality to increase consumer experience and avoid enrollment delays
- Clearer language within application to assist in accurate completion; improve accuracy of eligibility results
- Improved site navigation to support consumer use of the various tools on the enrollment website
- Streamlined instructions and process for renewals
- Improved instructions for Medi-Cal to clarify the different timelines for Medi-Cal enrollment
- Improved system performance for handling peak website loads

# SERVICE CENTER: APPLYING LESSONS LEARNED

- Enhance self-service tools including availability after hours for consumers
- Adjust and staff to meet service goal of 80/120 to align with budget capacity
- Increased training on Medi-Cal, income policies and CalHEERS functionality for all channels to increase consumer experience
- Improve notice content to help ensure information being present to consumers are easily understood and minimizes confusion
- Maintain and expand dedicated support for Certified Counselors and Agents

# SHOP: APPLYING LESSONS LEARNED

- Increase service center capacity to provide increased support for agents
- Increase training of SHOP Service Center staff on the individual exchange
- In-depth training on Medi-Cal for service center
- Deeper and more frequent communication with agents and GAs

# ENROLLMENT ASSISTANCE

Sarah Soto-Taylor, Deputy Director of Community Relations

# CONSUMER ASSISTANCE EFFORTS

Role and Responsibility	Funding Source	Federal or State
<p><u>Certified Educator</u>: Work for a Covered California Outreach and Education Grant Recipient. Do not provide assistance with filling out the application. Grant period is July 2013 – December 2014.</p>	<p>Covered California \$43 million Outreach and Education Grant (Federal Grant)</p>	<p>No Federal or State Requirement.</p>
<p><u>Certified Enrollment Counselor</u>: Work for an Enrollment Entity. Provide In-person enrollment assistance. \$58 payment per application that results in effectuation of coverage; \$25 renewal. \$58 new Medi-Cal enrollment.</p>	<p>\$21 million Consumer Assistance Initiative (Federal Grant). Medi-Cal payment from DHCS.</p>	<p>No Federal Requirement. State Regulation.</p>
<p><u>Navigator (Certified Enrollment Counselor)</u>: Work for a Covered California Navigator Grant Recipient. Conduct outreach, education, and enrollment assistance.</p>	<p>Self-sustainable budget.</p>	<p>Federal Requirement. State Regulation.</p>
<p><u>Certified Application Counselor</u>: Work for an Enrollment Entity. Provide non-compensated enrollment assistance and must disclose their conflict of interest to the consumer in writing prior to enrollment assistance.</p>	<p>Covered California does not compensate for enrollment assistance work.</p>	<p>Federal Requirement. State Regulation <i>pending</i>.</p>

# OUTREACH, EDUCATION AND ENROLLMENT PROGRAMS RESTRUCTURE

Recommendation:

1. Expand resources to an integrated Outreach, Education and Enrollment Navigator Grant Program.
  - \$15 - 20M Competitive Request for Application Grant issued in June 2014
    - Round 1 applicants will be allowed to re-open their application
2. Highly encourage Outreach and Education Grantees and Certified Enrollment Entities to apply for the Grant and “convert” as soon as possible to Navigator model that focuses on Enrollment
  - Grantees’ funds that convert to the Navigator Grant Program could be used for Outreach AND enrollment and would be separate from “expansion” funding

# OUTREACH, EDUCATION AND ENROLLMENT PROGRAMS RESTRUCTURE

Recommendation *continued*:

3. Extend Outreach and Education Grantees that do not convert through the end of 2<sup>nd</sup> Open Enrollment with no additional funding.
4. Continue Certified Enrollment Entities Program through the end of 2<sup>nd</sup> Open Enrollment.
  - Maintain \$58 per application and \$25 per renewal payment.
  - After 2015 Open Enrollment, convert to uncompensated model to meet federal compliance of having Certified Application Counselors.

# NAVIGATOR GRANT PROGRAM TIMELINE

Activity	Date
<b>Original Request for Application (\$5 M)</b>	
Applications Due	March 24, 2014
Terminate Request for Application; enhance funding. Allow applicants to “re-open” their application.	June 2014
<b>Recommended \$15 - 20 M Total *</b>	
Board authorizes 2014-15 Navigator funding	June 19, 2014
Request for Application Release	June 23, 2014
Applications Due	July 25, 2014
Evaluation and Selection Process	July 28, 2014 – August 22, 2014
Grant Award Period	September 1, 2014 – June 30, 2015

\* Expanded funding does not include funds from Outreach and Education Grantees or estimated enrollment from Certified Enrollment Entities that “converted” to Navigator Grants.



# ADVANTAGES OF PROGRAM RESTRUCTURE

- Consolidated Outreach, Education and Enrollment functions of two Programs into one Program.
- Administrative cost savings (estimated \$10 - \$13M/annual) as a result of consolidated program activities; savings will enable more resources to support local efforts.
- Experience and lessons learned from administering O & E Grant Program will help in the transition to a Navigator Grant Program focus.
- Navigator Grantees will be selected based on past performance of O & E Grantees and Enrollment Entities in reaching the Covered California subsidy eligible population. *New organizations and coalitions that demonstrate ability to reach targeted eligible populations are highly encouraged to apply.*

## ADVANTAGES OF PROGRAM RESTRUCTURE *CONTINUED*

- Ability to scale size, scope, and target of the Navigator Grant Program based on enrollment priorities and provide additional weight to groups that under enrolled in the initial open enrollment (i.e., Latino and African American).
- Transitioning existing partners to the Navigator model will reduce start up recruitment and administrative functions for many organizations.
- Ability to micro target efforts by geography and target populations.

# EARLY STAKEHOLDER FEEDBACK – PROGRAM RESTRUCTURE

- General agreement that a bifurcated approach is less effective.
- Outreach and Education Grantees suggest a streamlined Request for Application process.
- Some recommendation that change should be made after 2015 open enrollment
- Recognition of positive partnerships with Agents and increased coordination between Certified Enrollment Counselors and Grantees.
- Navigator model should allow for post-enrollment assistance.
- Navigator model should take into consideration the necessity of Medi-Cal enrollment assistance (i.e., mixed household status).
- Budget should allow for media and marketing expenditures.
- Incorporate preventative care and how to access care information into the education message.
- Support funding for all racial groups and limited English proficiency populations.
- Improve translation of marketing materials, make customizable materials available.

# MAJOR POLICY/IMPLEMENTATION ISSUES UNDER CONSIDERATION

1. Need to finalize level of funding: \$15 – 20 million proposed (to be finalized at June Board Meeting).
  - Covered California is completing a cost analysis by service channel and cost per acquisition that will further refine our recommendations.
2. Covered California wants to maximize QHP subsidy eligible enrollment. The design of Navigator payment is specifically to compensate for enrollment in Covered CA QHP while recognizing that the “no wrong door” approach means that Navigators will enroll some individuals or family members in Medi-Cal.
  - To meet this goal, Covered California is planning to establish a numeric target for Covered California Plan enrollment and measure/compensate Navigators based on the QHP enrollment (e.g., Grantee’s Medi-Cal enrollment would not be counted towards targets/payments regardless of number but there would be no “penalty” for higher or lower Medi-Cal enrollment)
3. Covered California will need to develop formula/process for those groups that apply to “convert” from being either Outreach and Education Grantees or Certified Enrollment Entities
  - Covered California is considering giving special consideration to groups that propose converting their remaining Outreach and Education funds or estimated/projected CEC payment amounts to become Navigator Grant funds.

# MAJOR POLICY/IMPLEMENTATION ISSUES UNDER CONSIDERATION *CONTINUED*

4. Consider providing “bonus payment” for exceeding Covered California enrollment goals
5. Consider providing special consideration for proposals that establish store-fronts and work with retail outlets that facilitate regular enrollment hours.
6. Because of administrative cost: no awards of less than \$250,000 will be made.
7. Providing funding as “Navigator Grants” will result in spending more from Covered California self-sustainability funds instead of federal establishment funds. Covered California needs to conduct additional review of cost implications, including for “conversion” of Outreach and Education Grantees or Certified Enrollment Entities to Navigator based payments.

# MAJOR POLICY/IMPLEMENTATION ISSUES UNDER CONSIDERATION *CONTINUED*

8. Defining primary function of Navigator model: the central function proposed for Navigators is to promote enrollment (not case management or assistance with access to coverage). Collateral material on being an informed consumer would be provided to Navigators and all service channels.
9. Policies would need to be developed that continue to promote ways for community organizations to work collaboratively with each other and with Certified Agents.
10. Allow for limited use of funds for marketing/media to promote enrollment activities.
11. Consider NOT expanding beyond \$5M Navigator grant and not converting Outreach and Education Grantees and Enrollment Entities until after 2015 open enrollment.

# COVERED CALIFORNIA REGULATIONS

Katie Ravel, Director of Program Policy

# REGULATION READOPTIONS: ACTION

- Today staff requests a 90-day readoption of the following program regulations:
  - 2014 Standard Benefit Plan Designs
  - Certified Plan-Based Enrollment Program
  - SHOP Eligibility and Enrollment Process
  - Certified Insurance Agents
- No changes have been made to these regulations since the last adoption by the Board.
- Staff are working with stakeholders on a parallel track to make these regulations permanent.



# REGULATION READOPTION: DISCUSSION INDIVIDUAL ELIGIBILITY AND ENROLLMENT

- Regulations must be readopted in June
- Discussion today will highlight proposed changes that staff will ask the Board to adopt in June
- Stakeholder comments on the proposed regulations are requested by **June 6 to [info@covered.ca.gov](mailto:info@covered.ca.gov)**

# REGULATION READOPTION: DISCUSSION INDIVIDUAL ELIGIBILITY AND ENROLLMENT

Summary of proposed changes

- Verification of special enrollment triggering event
- Alignment with new final federal regulations
- Changes for clarity and technical conformity

# REGULATION READOPTION: DISCUSSION INDIVIDUAL ELIGIBILITY AND ENROLLMENT

## Verification of Special Enrollment

- Existing regulations provide for self-attestation for all life changes that trigger special enrollment
- Proposed draft regulation would add verification for the following special enrollment life events:
  - Marriage or entry into domestic partnership
  - Loss of MEC due to death of the employee or the primary subscriber
  - Loss of MEC due to divorce or dissolution of domestic partnership
  - Loss of MEC due to termination of employment or reduction in the number of hours of employment
  - Permanent move into or within the State that results in gaining access to new QHPs.
- Proposed draft regulation would require Covered California to verify the special enrollment triggering event through an electronic data source if available or to request documentation from the applicant if an electronic source is not available or is not reasonably compatible with the applicant's attestation
- Proposed draft regulation would provide 90-day conditional eligibility and will allow applicants to enroll in a QHP during this timeframe as required by federal regulations

# REGULATION READOPTION: DISCUSSION INDIVIDUAL ELIGIBILITY AND ENROLLMENT

## Verification of Special Enrollment

### Implementation Considerations:

- Consistent with existing processes, applicants could mail, fax, upload, and receive in-person assistance to provide documentation.
- Electronic verifications will provide real-time eligibility determinations, however, this will have to be prioritized and programmed in CalHEERS.
- Prior to development of electronic verification, Covered California will implement manual verification process for paper documentation.