

**2020 State Premium Assistance  
Draft Program Design Document  
Covered California**

For plan year 2020, the California Health Benefit Exchange (Exchange) adopts the following 2020 Program Design in accordance with item 4800-101-001 of the Budget Act of 2019 and [placeholder for statutory authority].

Provisions:

1. The amount appropriated in item 4800-101-001 of the Budget Act of 2019 is for implementation of Title 25 of the Government Code, which, pursuant to this 2020 Program Design, shall provide state advance premium assistance subsidies during the 2020 plan year to eligible individuals with household incomes above 200 and at or below 600 percent of the Federal Poverty Level.
  - (a) The term “state advance premium assistance amount” means, with respect to any calendar year, the sum of the state premium assistance amounts determined under paragraph (b) for the applicable return filer’s coverage months during the calendar year.
  - (b) The state advance premium assistance amount determined under this subsection with respect to any coverage month shall be the difference between:
    - (1) The amount equal to the lesser of:
      - (A) The monthly premiums for such month for one or more qualified health plans offered in the individual market within California which cover the applicable return filer, the applicable return filer’s spouse, or any dependent (as defined in Section 17056 of the Revenue and Taxation Code) of the applicable return filer and which were enrolled in through the Exchange, or
      - (B) The excess (if any) of:
        - (i) The adjusted monthly premium for such month for the applicable second lowest cost silver plan with respect to the applicable return filer, over
        - (ii) An amount equal to 1/12 of the product of the applicable percentage and the applicable return filer’s household income for the calendar year; and
    - (2) The advance payment of premium tax credit authorized by Section 36B of the Internal Revenue Code and its implementing regulations, if applicable.

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- (c) The Exchange shall determine an applicable return filer eligible for state advance premium assistance only if the applicable return filer:
- (1) Applies for coverage through the single, streamlined application for insurance affordability programs, as defined in Section 15926 of the Welfare and Institutions Code, through the Exchange; and
  - (2) Meets all eligibility requirements of the federal advance premium tax credit authorized under Section 36B of the Internal Revenue Code and its implementing regulations, except the requirement that household income must be at least 100 percent but not more than 400 percent of the federal poverty level for the taxable year.
- (d) For the purposes of this 2020 Program Design, the following definitions shall apply:
- (1) “Applicable percentage” means, except as provided in subparagraph (A), the percentage such that the applicable percentage for any applicable return filer whose household income is within an income tier specified in the following table shall increase, on a sliding scale in a linear manner, from the initial premium percentage to the final premium percentage specified in such table for such income tier:

Household income (expressed as a percent of the federal poverty level):	The initial premium percentage	The final premium percentage
Greater than 200% up to and including 250%	6.49%	7.80%
Greater than 250% up to and including 300%	7.80%	8.85%
Greater than 300% up to and including 400%	8.85%	9.75%
Greater than 400% and up to and including 450%	9.75%	17.00%
Greater than 450% and up to and including 500%	17.00%	22.50%
Greater than 500% and up to and including 600%	22.50%	25.00%

- (2) “Applicable second lowest cost silver plan” has the same meaning as the term is defined in subdivision (b)(3)(B) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-3(f).

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- (3) “Adjusted monthly premium” has the same meaning as the term is defined in subdivision (b)(3)(C) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-3(e).
- (4) “Applicable return filer” means, with respect to any month, a return filer whose household income for the taxable year is above 200 percent and at or below 600 percent of the federal poverty level for the return filer's family size.
  - (1) If the return filer is married (within the meaning of Section 7703 of the Internal Revenue Code) at the close of the taxable year, the return filer shall be treated as an applicable return filer only if the return filer and the return filer's spouse file a joint return for the taxable year, unless the return filer satisfies one of the exceptions specified in 26 C.F.R. Section 1.36B-2(b)(2)(ii)-(v).
  - (2) No state premium assistance shall be allowed under this title to any individual who is claimed as a dependent of another return filer for a taxable year beginning in the calendar year in which such individual's taxable year begins.
- (5) “Coverage month” has the same meaning as the term is defined in subdivision (c)(2) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-3(c).
- (6) “Exchange” means the California Health Benefit Exchange, also known as Covered California, established pursuant to Title 22 (commencing with Section 100500).
- (7) “Family size” has the same meaning as the term is defined in subdivision (d)(1) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-1(d).
- (8) “Federal poverty level” or FPL means the most recently published Federal poverty level, updated periodically in the Federal Register by the Secretary of Health and Human Services under the authority of 42 U.S.C. Section 9902(2), as of the first day of the annual open enrollment period for coverage in a qualified health plan through the Exchange.
- (9) “Household income” has the same meaning as the term is defined in subdivision (d)(2)(A) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-1(e).
- (10) “Modified adjusted gross income” has the same meaning as the term is defined in subdivision (d)(2)(B) of Section 36B of the Internal Revenue Code and its implementing regulations in 26 C.F.R. Section 1.36B-1(e)(2).

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(11) “Qualified health plan” has the same meaning as defined in subdivision (g) of section 100501 of the Government Code.

(e) The reconciliation liability imposed under subdivision (a) of Section 100810 of the Government Code on a return filer is limited to the amounts provided in the following table.

Actual household income (expressed as a percent of the federal poverty level):	Limitation amount for return filers filing as single	Limitation amount for all other return filers
Less than 200%	\$X	\$X
At least 200% but less than 250%	\$X	\$X
At least 250% but less than 400%	\$X	\$X
At least 400% but less than 500%	\$X	\$X
At least 500% but less than 600%	\$X	\$X
At least 600% but less than X%	\$X	\$X