



## **EXECUTIVE DIRECTOR'S REPORT**

Peter V. Lee, Executive Director | March 26, 2020 Board Meeting

# ANNOUNCEMENT OF CLOSED SESSION

# EXECUTIVE DIRECTOR'S UPDATE

# PUBLIC COMMENT

CALL: (844) 721-7241

PARTICIPANT CODE: 8409640

- ❑ To request to make a comment, press \* 1; you will hear a tone indicating you are in the queue for comment. Please wait until the operator has introduced you before you make your comments.
- ❑ If you change your mind and do not want to make a comment, press #.
- ❑ If watching via the live webcast, please mute your computer to eliminate audio feedback while calling in. Note, there is a delay in the webcast.
- ❑ The call-in instructions can also be found on page two of the Agenda.

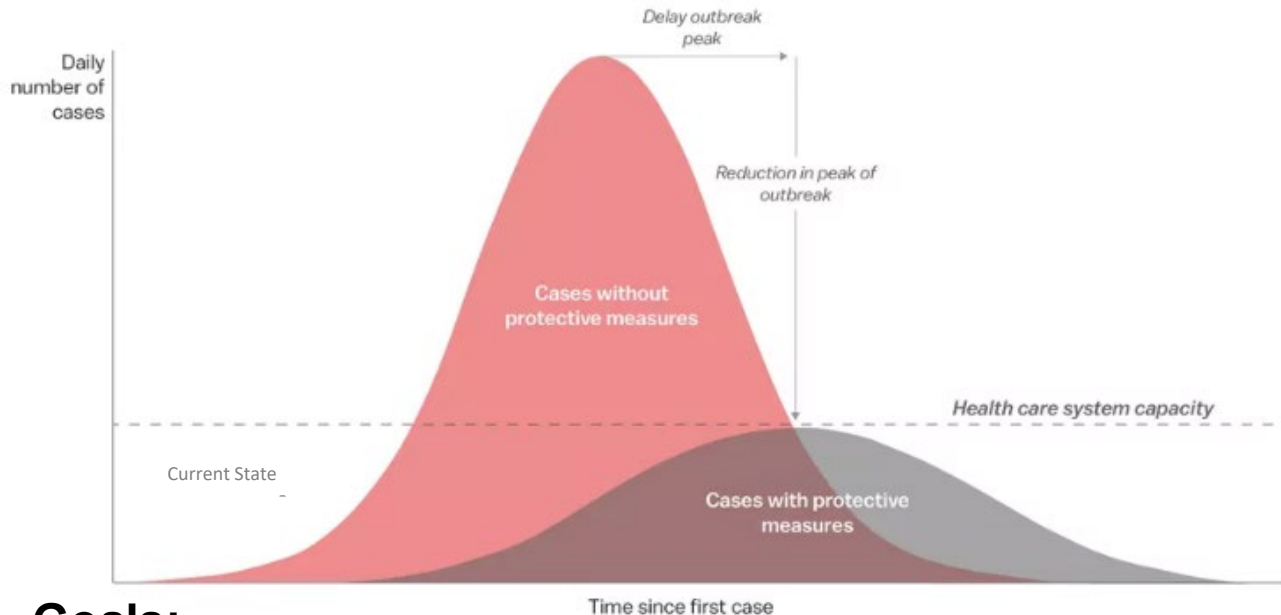
**EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM**

# CORONAVIRUS (COVID-19): COVERED CALIFORNIA RESPONDS

# WHY IS COVID-19 DIFFERENT FROM THE FLU AND OTHER CONDITIONS?

- ☐ **Currently no vaccine**
- ☐ **Currently there is no treatment**
- ☐ **Easy to spread**
- ☐ **High mortality rate**

# FLATTENING THE CURVE



## Goals:

- Reduce the number of Californians who contract COVID-19 before treatment/vaccine available
- Protect those that are older and those with underlying chronic conditions
- Preserve capacity and resources of our health care delivery system

# STATE ADMINISTRATIVE ACTIONS

**March 4, 2020** – After the first death in California, Governor Newsom declares a state of emergency.

**March 5, 2020** - DMHC directs all of their regulated plans to immediately reduce cost-sharing to zero for all medically necessary screening and testing for COVID-19

**March 19, 2020** – Governor Newsom declares that all Californians stay home except for essential needs by order of the State Public Health Officer.

**March 22, 2020** – Governor Newsom requests and is granted a Presidential Major Disaster Declaration, allowing for additional federal emergency funding related to COVID-19 in California.



# STATE APPROPRIATION FOR COVID-19 ACTIVITIES

On **March 18, 2020**, Governor Newsom signed SB 89 (Chapter 2, Statutes of 2020). This bill:

- Appropriates \$500 million from the General Fund for any item or any purpose related to the state of emergency declaration.
- Authorizes additional appropriations in increments of \$50 million, up to a total appropriation of \$1 billion.
- States the intent of the Legislature to work with stakeholders to develop strategies for these expenditures to assist individuals and entities experiencing economic hardships due to the impacts of COVID-19.

***“A pessimist is one who makes difficulties of his opportunities and an optimist is one who makes opportunities of his difficulties.”***

Harry Truman

# CALIFORNIA'S COVID-19 RESPONSE FRAMEWORK

**Stick to the Science**

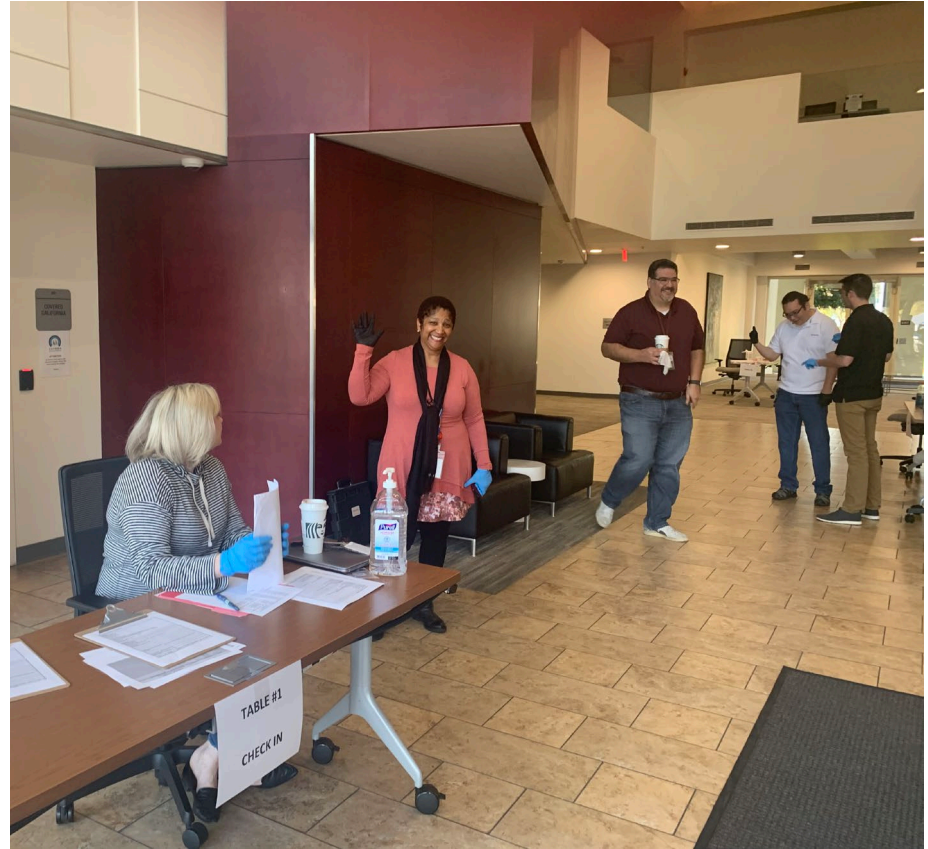
**Stick to the Facts**

**Stick Together**

# COVERED CALIFORNIA'S FOCUS

1. **Enroll Californians needing coverage**
2. **Assuring those with coverage get access to care**
3. **Model the best of our vision – demonstrating that we are here for ALL Californians**
4. **Putting our staff first as we meet our mission**

# WE ARE NOW AN ALL TELEWORK ORGANIZATION



# COVERED CALIFORNIA – ASSURING CONSUMERS' ACCESS TO NEEDED TESTING AND CARE

- **Covered California Health Plans**
  - Offer telehealth services for COVID-19 and other health issues to all our consumers
  - Cover COVID-19 testing and related visits at no cost for all our consumers
  - Have migrated most of their customer service staff and systems to work-at-home environments to maintain full customer service during periods of mandated social isolation
- **Hospitals, medical groups and clinicians serving our enrollees are:**
  - Cancelling elective surgery at hospitals to free up capacity to treat COVID-19 patients
  - Developing in-house capability to provide COVID-19 tests, including drive-through testing
  - Shifting actively to promoting and using telehealth to both meet clinical demand and reduce social contact

# COVERED CALIFORNIA – PROMOTING ENROLLMENT FOR THOSE NEEDING COVERAGE

## □ **Focus is to Continue to Enroll Consumers**

- Launched COVID-19 Special Enrollment Period – through June, ready to extend
- Revise and refresh our website
- Developed new radio spots (already running) and more on the way
- Enhancing our Social Media posts
- Looking to re-purpose our Agent Store Fronts to serve as work from home service centers
- Working with our Health Plans to assist our consumers

# BASE SEP UPDATE – NOW THROUGH JUNE

- ❑ Continue with **base SEP campaign**, including ads focused on enrollment opportunity for people losing coverage.
- ❑ Update all existing **Special SEP assets** to omit April 30 deadline.

## Digital



## Radio



## TV

<https://vimeo.com/maximize/review/399285918/b2a5206094>



# NEW ASSETS DEVELOPED – NOW THROUGH JUNE

Develop **new assets** to promote Covid-19 SEP.

## TV

VO: Now more than ever, it's important that Californians have health coverage. If your income has been reduced or you've lost your job or your health insurance due to the Coronavirus crisis, Covered California can help. We can help you find the health insurance needed to protect you and your loved ones. And, you may even get financial help to pay for your health insurance. So, if you or someone you know is without coverage, just visit [coveredca.com](https://coveredca.com) to learn more or enroll today.

## Radio

Job loss



Importance of coverage



Telehealth



## Social



Covered California  
Yesterday at 2:00 PM · 🌐

...


Are you concerned about the Coronavirus and need health coverage? You can enroll now in a health plan through Covered California due to the COVID-19 crisis and may be eligible to receive financial help to help you pay for coverage. Get started here: <https://covrdca.com/3ac3J6E> #COVID19



# REFRESHING COVEREDCA.COM

# REFRESHING COVEREDCA.COM: NEW FOCUS ON CORONAVIRUS (COVID-19) AND FINANCIAL HELP

You still have time to enroll. Get a call back within 20 minutes from a certified enroller. [Learn more.](#)

 **INDIVIDUALS AND FAMILIES** **SMALL BUSINESS** Sign In | Español Search


Get Coverage Members Find Help





**Our service center is currently handling heavy call volume. Use [Help on Demand](#) if you're a new consumer, or try back another time. We appreciate your patience.**

## Now more than ever, health care is critical.


Apply now for coverage.


[Learn More](#)




-  See If You Qualify for Financial Help
-  Shop and Compare
-  Apply Now
-  Medi-Cal Information

**TRENDING TOPICS**

 **How You Can Avoid the Penalty**  
[Learn More](#)

 **Did you know there's more financial help than ever?**  
[Find Out How](#)

 **Concerned about coronavirus?**  
[Learn More](#)

**About**

- What is Covered California?
- Real Stories
- Coverage Basics
- Special Circumstances
- Eligibility and Immigration
- Careers

**Quick Help**

- Contact Us
- FAQs
- Videos to Help You Enroll
- Contact Your Health Insurance Company
- Glossary

**Specialty Resources**

- Enrollment Partners and Agents
- Newsroom
- American Indians and Alaska Natives
- Register to Vote
- Request a Speaker

**Get Notifications**


Sign up for email updates to get deadline reminders and other important information.





Enter First Name


Enter Email Address (Required)

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Hi, this is CICI. How can I help you today?



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Get Coverage Members Find Help

Home > COVID-19

## What You Should Know About Coronavirus (COVID-19)

For the most up-to-date information about COVID-19, also known as the coronavirus disease 2019, check the [Centers for Disease Control website](#) and the state's [coronavirus \(COVID-19\) response website](#).

### Stay Healthy

Wash your hands with soap and water often for at least 20 seconds. If soap and water are unavailable, use an alcohol-based hand sanitizer with at least 60 percent alcohol.

Avoid touching your eyes, nose and mouth, and avoid close contact with people who are sick.

Wear a face mask only if you are showing symptoms to help prevent the spread of the disease to others.

### Common Symptoms

Eight out of 10 people who are infected with COVID-19 exhibit no symptoms or have only minor cold symptoms. When there are symptoms of more concern, COVID-19 is usually very similar to the flu, with symptoms like a fever, cough or shortness of breath. In some cases, COVID-19 can cause more severe respiratory illness.

### Concerned you're sick?

Call your doctor's office first if you think you've been exposed and have developed symptoms.

If you don't have your provider information, call your health insurance company to get connected at the phone number below.


All medically necessary screening and testing for COVID-19 is free of charge (in other words, there's zero cost-sharing). This includes emergency room, urgent care, telehealth or doctor's office visits when the purpose of the visit is to be screened and tested for COVID-19.

We encourage you to consider using telehealth for assessment or treatment for any cold or cough symptoms, including concern for COVID-19 (that is, connecting with a health care provider by phone or video, rather than going in person). All of our health plans offer telehealth services for this purpose, which is not subject to any cost-sharing.

Stay home if you are sick and avoid public areas and public transportation. Cover your cough or sneeze with a tissue and dispose in a lined trash can. As much as possible, separate yourself from other people and pets in your home. If you are sick and you must leave home, wear a face mask.

### Health Insurance Company Contact Information

Company	Website	Phone Number
Anthem Blue Cross of California	<a href="http://www.anthem.com/ca">www.anthem.com/ca</a>	(855) 634-3381
Blue Shield of California	<a href="http://www.blueshieldca.com">www.blueshieldca.com</a>	(855) 836-9705
Chinese Community Health Plan	<a href="http://www.cchphealthplan.com">www.cchphealthplan.com</a>	(888) 775-7888
Health Net	<a href="http://www.myhealthnetca.com">www.myhealthnetca.com</a>	(800) 400-8987

 **COVERED CALIFORNIA**

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# COVERED CALIFORNIA: WE'RE HERE FOR OUR STAFF AND ALL CALIFORNIANS

Planning window – rolling three months

We will keep you informed

Fluid environment – we need to be nimble

Now more than ever – walk the talk of our vision and values:

**Vision:** Covered California seeks to improve the health of all Californians by assuring their access to affordable, high quality care.

## **Core Values:**

Consumer-focused:

Affordability

Catalyst

Integrity

Partnership

Results

# FEDERAL ACTION ON COVID-19

- On January 31, Health and Human Services (HHS) Secretary Azar declared a public health emergency regarding COVID-19 allowing local governments to reassign personnel to respond to the virus if they are funded by the Public Health Services Act programs.
- On March 13, President Trump officially declared a national emergency regarding the COVID-19 outbreak, under the Stafford Act. The Executive Order gives the Secretary of HHS the authority to temporarily waive or modify certain requirements of the Medicare, Medicaid, and CHIP programs under Section 1135 of the Social Security Act through the duration of the public health emergency.
- On March 18, President Trump issued an Executive Order on Prioritizing and Allocating Health and Medical Resources. The Executive Order provides the Secretary of HHS the authority to determine the proper nationwide priorities and allocation of all health and medical resources, including controlling their distribution in response to COVID-19.

# FEDERAL LEGISLATION ON COVID-19

- On March 6, President Trump signed an \$8.3 billion emergency supplemental appropriation bill including funding for HHS to prepare a response to the COVID-19 outbreak.
- On March 18, President Trump signed H.R. 6201 - Families First Coronavirus Response Act, which expanded access to free COVID-19 testing including to the uninsured.
- Congress and the White House are continuing negotiations on further stimulus packages.



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The Potential National Health Cost Impacts  
to Consumers, Employers and Insurers  
Due to the Coronavirus  
(COVID-19)

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# NEW ANALYSIS ON COVID-19 IS A CALL TO ACTION ON UNPRECEDENT HEALTH CARE COSTS AHEAD

- Covered California is working all-hands-on-deck to ensure that our consumers can access critical care at this time of need to help stop the virus and keep our state healthy.
- Even as that work proceeds, actuarial planning is underway for 2021 plan certification, which required an assessment of the potential premium impacts implied by the COVID-19 pandemic.
- To inform policy-makers in California and nationally, Covered California released a new analysis authored by Chief Actuary John Bertko outlining the severity of the potential impacts of the Coronavirus (COVID-19) on health care costs.
- The report is available at: <https://hbex.coveredca.com/data-research/library/COVID-19-NationalCost-Impacts03-21-20.pdf>



# COVID-19 COST IMPACTS FOR 2020 - HIGHLIGHTS

- **The one-year projected costs in the national commercial market range from \$34 billion to \$251 billion** for testing, treatment and care specifically related to COVID-19 — with the potential that costs could be higher than the high end of the range.
- **Potential COVID-19 costs for 2020 could range from about 2 percent of premium to over 21 percent of premium** if the full first-year costs of the epidemic had been priced into the premium.
- Health carriers are in the process of setting rates for 2021. If carriers must recoup 2020 costs, price for the same level of costs next year, and protect their solvency, **2021 premium increases to individuals and employers from COVID-19 alone could range from 4 percent to more than 40 percent.**

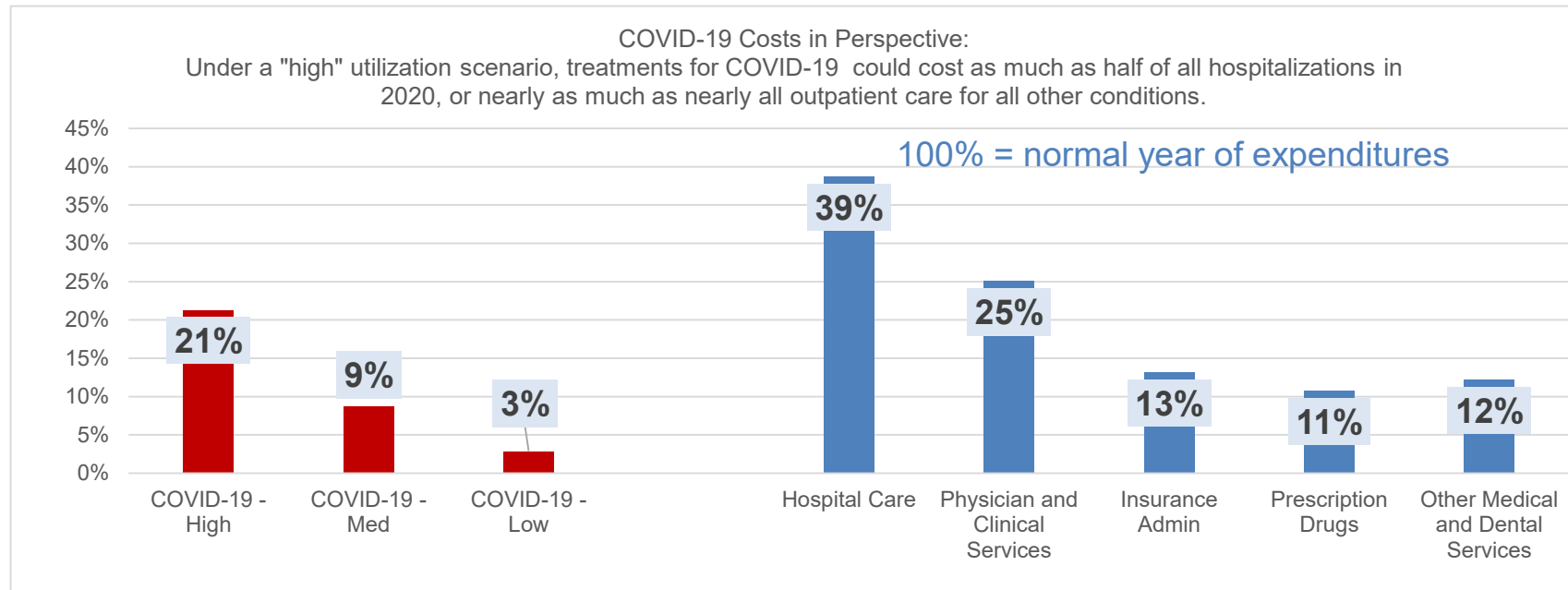
# COVID-19 PROJECTED PREMIUM IMPACTS

As detailed in the brief, the projected premium impacts result in a wide range between the low and high estimates due to the range in the number of high risk cases that result in hospitalization, ranging from 400,000 on the low estimate, to 3 million in the high estimate.

	Low Estimate	Medium Estimate	High Estimate
Baseline 2020 Commerical Market Premiums	\$1.18 trillion	\$1.18 trillion	\$1.18 trillion
Projected 2020 COVID-19 Costs	\$34.0 billion	\$103.0 billion	\$250.6 billion
Projected 2020 Premiums with COVID-19	\$1.21 trillion	\$1.28 trillion	\$1.43 trillion
Projected Increase in Premiums Due to COVID-19	2.9%	8.8%	21.3%

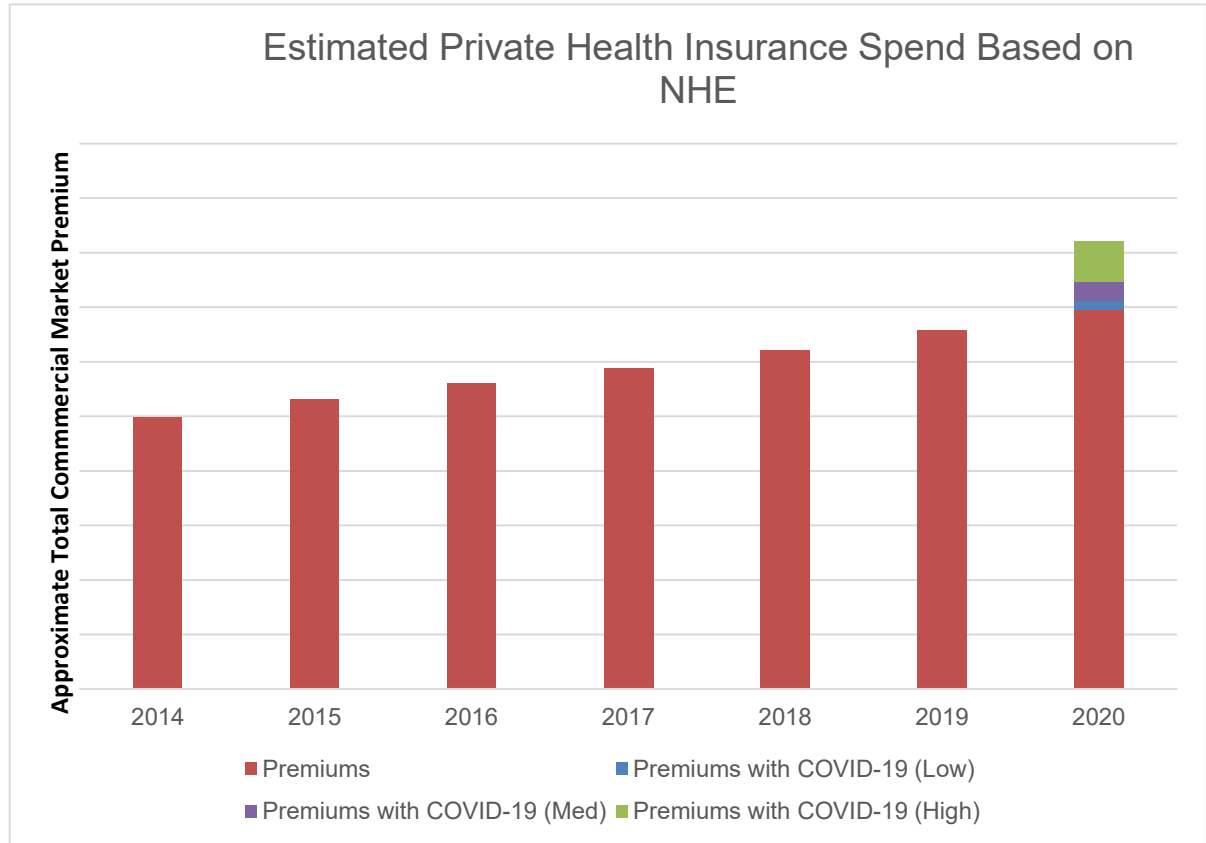
# COVID-19 PROJECTED COSTS IN PERSPECTIVE

To put a potential 21% premium increase in perspective: using National Health Expenditure data compiled by CMS as a reference, the potential cost of COVID-19 treatment relative to major expenditure categories in a year, would be: *more* than the value of all prescription drug spending in a year, nearly the same amount as *all* other outpatient spending, and over half the value of all other hospitalizations.



# COVID-19 PROJECTED COSTS IN PERSPECTIVE

A stylized projection of what a 21% premium increase would look like relative to recent years data on Private Health Insurance Spending from the National Health Expenditures (2019 and 2020 estimated using 5.75% compounded annual growth rate from 2014-2018).



# COVID-19 PROJECTED PREMIUM IMPACTS WITH REINSURANCE

A reinsurance program with a \$15,000 attachment point could significantly mitigate the premium costs projected for COVID-19, as follows:

	Low Estimate	Medium Estimate	High Estimate
Baseline 2020 Premiums	\$1.18 trillion	\$1.18 trillion	\$1.18 trillion
Projected 2020 COVID-19 Costs	\$34.0 billion	\$103.0 billion	\$250.6 billion
Projected 2020 Premiums with COVID-19	\$1.21 trillion	\$1.28 trillion	\$1.43 trillion
Projected Increase in Premiums Due to COVID-19	2.9%	8.8%	21.3%
<b><i>Reinsurance @ \$15,000 attachment point</i></b>	<b><i>-\$18.2 billion</i></b>	<b><i>-\$54.7 billion</i></b>	<b><i>-\$136.8 billion</i></b>
Projected 2020 COVID Costs -- after reinsurance	\$15.7 billion	\$48.2 billion	\$113.8 billion
Projected 2020 Premiums with COVID-19	\$1.19 trillion	\$1.22 trillion	\$1.29 trillion
Projected Increase in Premiums Due to COVID-19	1.3%	4.1%	9.7%

# SUGGESTIONS FOR FEDERAL POLICY ACTION

Given that the cost projections detailed in Covered California's Policy/Actuarial Brief and the fact that such costs unaddressed could lead to consumers and employers to drop or be priced out of coverage, the analysis was sent to federal policymakers and staff with the following suggestions:

- Establish a temporary reinsurance program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover
- Enhance the federal financial assistance provided in the individual market to increase the level of tax credits for those earning under 400 percent of the federal poverty level (FPL) and expand subsidies to those earning more than 400 percent FPL.
- Establish a national special-enrollment period for the individual market, as has been done in 12 marketplaces so far.

# RESOURCES TO STAY CURRENT WITH COVID-19

## Online Resources:

Centers for Disease Control and Prevention

- <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

California Department of Public Health

- <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Immunization/nCOV2019.aspx>

Covered California

- <https://www.coveredca.com/covid19/>

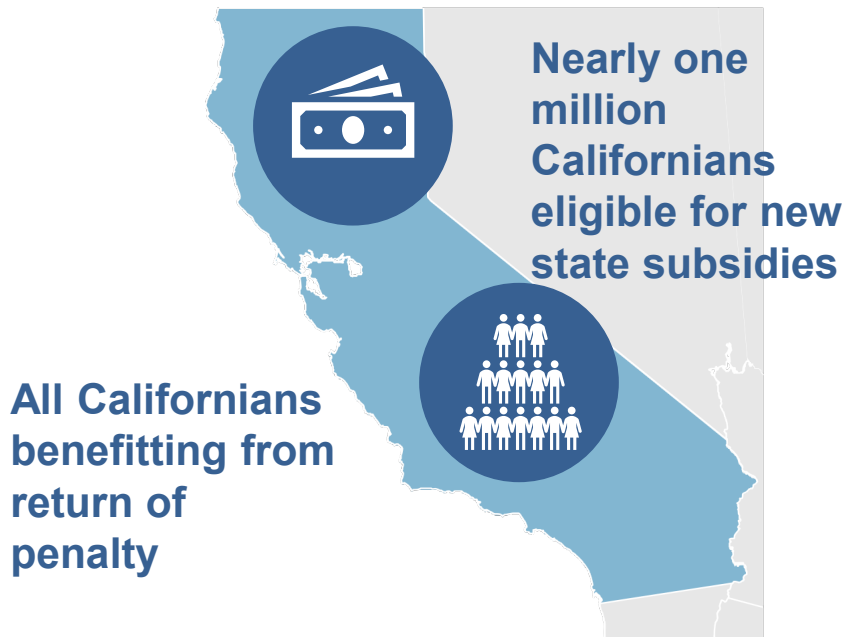
# COVERED CALIFORNIA'S OPENS ENROLLMENT PERIOD FOR 2020

## INITIAL ANALYSES AND RESULTS



# CALIFORNIA'S NEW INITIATIVES FOR 2020 BUILD ON THE SUCCESS OF AFFORDABLE CARE ACT

## California's 2020 Health Care Affordability Programs



- The restoration of the penalty and new state subsidies contributed to the lowest rate change in Covered California's history at 0.8 percent.
- The new policies helped drive 418,052 people to newly sign up for coverage, an increase of 122,072 or 41 percent, compared to 2019.
- The new state subsidies lowered costs for 625,000 consumers.
- Over 590,000 low-income consumers, earning between 200 to 400 percent of the federal poverty level, will receive an average of \$25 per month per household in addition to their federal tax credits.
- California's first-in-the-nation program will help 32,000 middle-income consumers, earning from 400 to 600 percent of the federal poverty level — with an average state subsidy of \$504 per month per household.

# COVERED CALIFORNIA 2020 ENROLLMENT: HUGE REBOUND DUE TO MANDATE AND NEW SUBSIDIES

Table 1: Preliminary Analysis of Covered California 2020 Net Plan Selections

Category	2018	2019	Percent Change	2020	Percent Change
New Enrollment*	388,344	295,980	-23.8	418,052	41.2
Renewals	1,133,180	1,217,903	7.5	1,120,767	-8.0
Total	1,521,524	1,513,883	-0.5	1,538,819	1.6

\* The new enrollment number includes consumers who had coverage off-exchange switched to on-exchange coverage to benefit from new subsidies. Even after subtracting the entire newly-enrolled 400 to 600 percent FPL population, Covered California's new sign-ups in 2020 would still be 36 percent higher than in 2019 and still the highest total since 2016.

- Overall enrollment is higher in 2020 than the past two years — driven by a huge increase in new-enrollments — as California replaced the federal penalty and made new state subsidies available.
- New enrollment in 2020 increased by more than 122,000 — over 41 percent higher — compared to 2019 and at its highest level since 2016.
- In 2020, renewals are down slightly compared to 2019, due primarily to the significant drop in new enrollment during 2019 open enrollment which meant fewer new enrollees eligible to keep coverage for 2020.

# NEW ENROLLMENT SUFFERED HUGE DECLINES IN STATES SERVED BY FEDERAL EXCHANGE

**Table 2: Comparing Net Plan Selections in Federally-Facilitated Exchange States and California, 2016-2020**

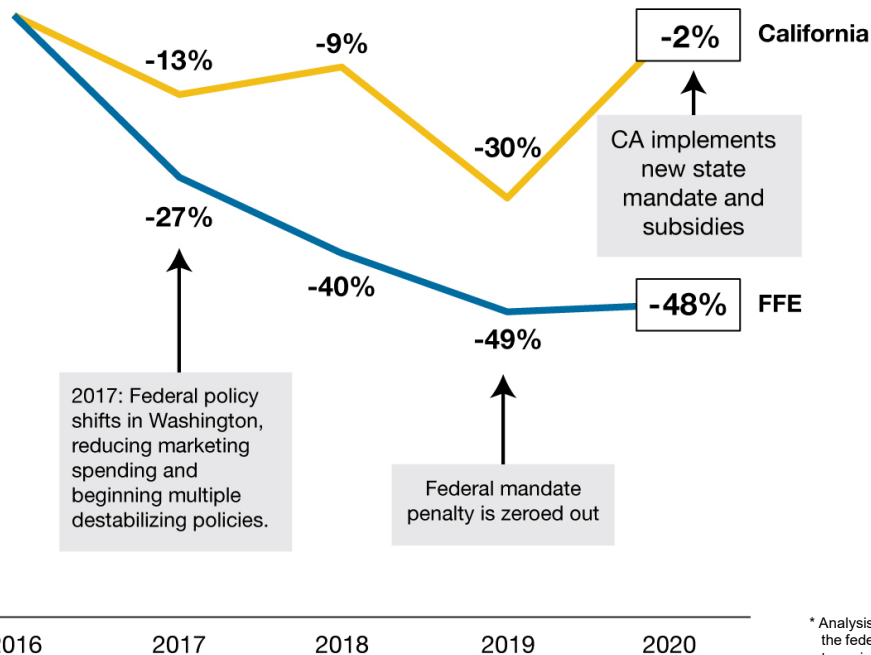
	Federally Facilitated Exchange			Covered California		
	New Enrollment	Renewal	Total	New Enrollment	Renewal	Total
<b>2016</b>	3,984,426	5,553,411	9,537,837	425,484	1,149,856	1,575,340
<b>2017</b>	2,903,122	6,128,467	9,031,589	368,368	1,188,308	1,556,676
% change from previous year	-27.1%	10.4%	-5.3%	-13.4%	3.3%	-1.2%
<b>2018</b>	2,403,621	6,159,449	8,563,070	388,344	1,133,180	1,521,524
% change from previous year	-17.2%	0.5%	-5.2%	5.4%	-4.6%	-2.3%
<b>2019</b>	2,030,713	6,212,832	8,243,545	295,980	1,217,903	1,513,883
% change from previous year	-15.5%	0.9%	-3.7%	-23.8%	7.5%	-0.5%
<b>2020</b>	2,065,908	6,137,874	8,203,732	418,052	1,120,767	1,538,819
% change from previous year	1.7%	-1.2%	-0.5%	41.2%	-8.0%	1.6%
<b>Cumulative Change</b>	<b>-48%</b>	<b>11%</b>	<b>-14%</b>	<b>-2%</b>	<b>-3%</b>	<b>-2%</b>

- FFE states have seen a cumulative decrease of new enrollments. Of 48 percent since 2016, meaning there were nearly 1.9 million fewer Americans newly enrolling in 2020.
- With the 2020 rebound, Covered California's new enrollment remained relatively stable from 2016 to 2020.
- New enrollment is key to bringing in new and healthy risk that keeps premium lower.

\* Analysis of FFE states includes the 32 states served by the FFE and the six states with state-based exchanges facilitated by the federal platform (SBE-FP). We exclude Kentucky and Nevada from all counts due to these states switching marketplace types in 2017 and 2020, respectively. All plan selection totals data for the FFE are from CMS public data releases; however, because the "new" and "renewing" splits for Kentucky are not yet available from CMS for 2020, Kentucky share of "new" versus "renewing" is estimated using the ratio for Kentucky from 2019.

# NEW ENROLLMENT SUFFERED HUGE DECLINES IN STATES SERVED BY FEDERAL EXCHANGE, 2016-2020

Figure 1: Comparing New Enrollment in Covered California and FFE\* to 2016

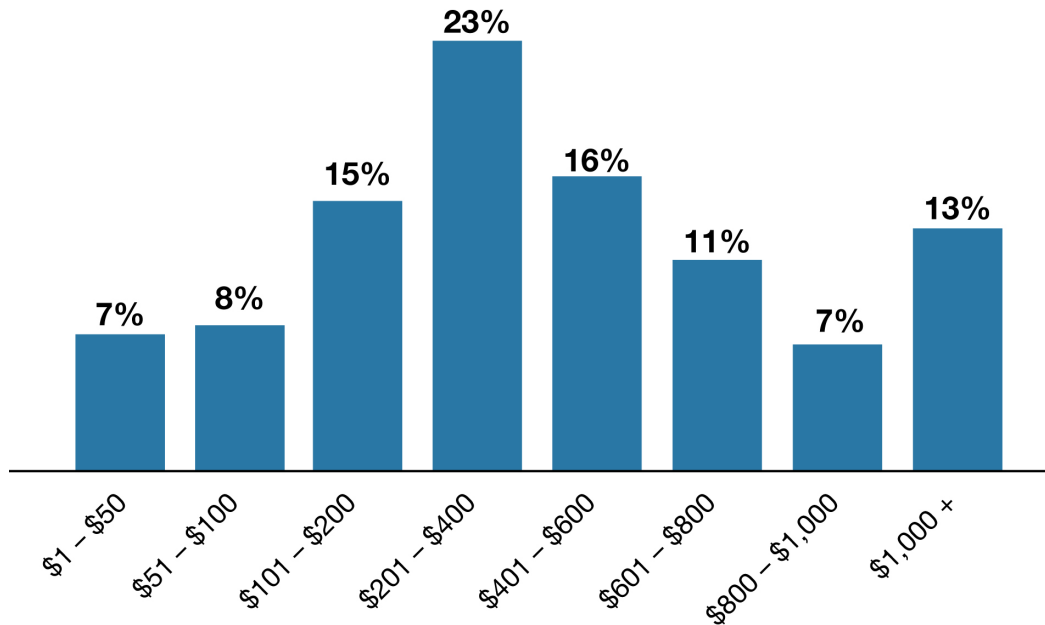


- **New sign-ups** during open enrollment are critical to assuring a healthy risk mix given natural “churn” in the individual market.
- The FFE has seen a drop of 48 percent in new sign-ups compared to 2016 – meaning there were nearly 1.9 million fewer Americans newly enrolling in 2020. The drop translates directly to higher rates of uninsured and higher costs for consumers and the federal government due to higher premiums resulting from a less healthy risk mix.
- Over the same period, California’s level of new enrollment rebounded in the 2020 plan year to 2016 levels after new state policies were introduced that restored the mandate and provided new financial help.

\* Analysis of FFE states includes the 32 states served by the FFE and the six states with state-based exchanges facilitated by the federal platform (SBE-FP). We exclude Kentucky and Nevada from all counts due to these states switching marketplace types in 2017 and 2020, respectively. All plan selection totals data for the FFE are from CMS public data releases; however, because the “new” and “renewing” splits for Kentucky are not yet available from CMS for 2020, Kentucky share of “new” versus “renewing” is estimated using the ratio for Kentucky from 2019.

# NEW STATE SUBSIDIES FOR MIDDLE CLASS MAKE HEALTH CARE MORE AFFORDABLE – AVERAGE SUBSIDY IS \$500 PER HOUSEHOLD

Figure 2: Distribution of California State Subsidies Among Receiving Middle-Income Households - 400% to 600% FPL.\*

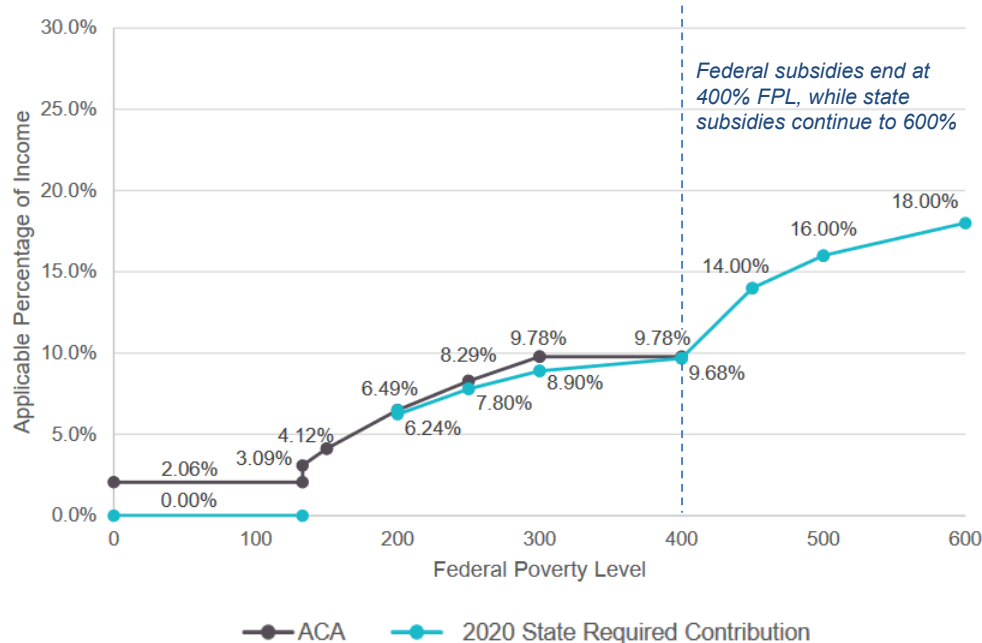


- At the close of open enrollment, 32,000 middle-income individuals have been found eligible for state subsidies, which represents 40 percent of those applying in that income range.
- The average monthly per household subsidy is \$504.
- Over 10 percent of the households receiving subsidies will get more than \$1,000 per month to lower their health care costs.

\* Average is among those receiving state subsidies. Consumers in 400 to 600% FPL with a benchmark that costs less than “required contribution” of income not included.

# NEW STATE SUBSIDIES FOLLOW ACA IN LIMITING PREMIUMS AS A SHARE OF INCOME

Figure 3: Required Contribution for Benchmark Silver Plan as a Percentage of Income Under ACA and California State Subsidy Program (2020)



Under the ACA, financial assistance is provided to limit the share of income a consumer must spend on premiums for the benchmark second-lowest silver plan (grey line). For example, the ACA caps premiums for a consumer earning 300% of FPL to 9.78% of income.

California's new state subsidies offer new help to two groups (blue line):

- 1) Many consumers below 400% of FPL see their required contribution reduced (for example, the consumer at 300% of FPL will receive a state credit to reduce the share of income spent on premiums from 9.78% to 8.90% of income.
- 2) For consumers from 400 to 600% of FPL, which saw no financial protection under the ACA, new state caps limit premiums to the percentages shown in Figure 3, so that a consumer at 450% of FPL spends no more than 14% of their income on premiums.

# POLICIES, MARKETING AND OUTREACH MATTER — THE EVIDENCE FROM CALIFORNIA IS CLEAR

**64%** of the uninsured say they are more likely to enroll in health insurance to avoid the penalty

**80%** of insurance agents say the penalty is motivating to their consumers

**11** health plans lowered premiums based on belief that penalty matters

**41%** increase in new consumers signing up for coverage during open enrollment

# KEY DEMOGRAPHIC AND PRODUCT TRENDS FROM 2020 OPEN ENROLLMENT



# PUBLIC DATA PROFILE FOR OPEN ENROLLMENT 2020

Each year, Covered California posts the data for the “Open Enrollment” profile on the Data & Research section at [hbex.coveredca.com](https://hbex.coveredca.com).

Since 2014, Covered California has utilized the metric of “gross plan selections” (irrespective of effectuation), which provides an overall count of enrollment activity during the time period.

For 2020, and going forward, to allow easier comparisons to data that is released by CMS, Covered California will also post a copy of this profile with “net” plan selections.\*

The 2020 Open Enrollment Plan Selection Profile (net) is available at:

[https://hbex.coveredca.com/data-research/library/cc\\_open\\_enrollment\\_2020\\_net.xlsx](https://hbex.coveredca.com/data-research/library/cc_open_enrollment_2020_net.xlsx)

Data breakouts or totals on these reports may differ slightly from data provided to CMS or at public announcements at the end of open enrollment due to ongoing data reconciliations.

\* The “net” plan selections are defined as the subset of consumers who as of the end of open enrollment still had an active or pending enrollment. This means that among consumers with a plan selection, those who have terminated or been cancelled for nonpayment by the time of the report date are excluded, while others who have not yet paid, but whom the issuers have not yet cancelled for nonpayment, are included.

# SUBSIDIZED ENROLLMENT INCREASED AT A HIGHER RATE FOR 2020

- Share of subsidy receiving members increased from 85% to 87%, in part because the >400% FPL group that is receiving new middle-income state subsidies is included.
- We also saw an increase of enrollment for unsubsidized members, possibly indicating some response from consumers to the state's new mandate, even without new subsidies.

	OE 2019		OE 2020		2019 VS 2020	
Subsidy Status	Enrollees	(column %)	Enrollees	(column %)	Difference	(% Δ)
Subsidy Received Members	251,440	85%	363,770	87%	112,330	45%
Unsubsidized Members	44,490	15%	54,290	13%	9,800	22%
<b>Total Plan Selection</b>	<b>295,930</b>	<b>100%</b>	<b>418,050</b>	<b>100%</b>	<b>122,120</b>	<b>41%</b>

# BRONZE ENROLLMENT GREW IN 2020 AFTER A DROP IN 2019

After seeing a relative decline of Bronze enrollment in 2019 – when the federal government zeroed out the penalty – in 2020, with a state penalty and some new subsidies, the proportion purchasing Bronze rebounded to an even higher proportion than in 2018 – almost 36% of new enrollees. This is consistent with the hypothesis that consumers who may be nudged by a mandate to get coverage view themselves as less likely to need services.

Metal Tier	OE 2018		OE 2019		OE 2020	
	Enrollees	(column %)	Enrollees	(column %)	Enrollees	(column %)
Minimum Coverage	8,320	2.1%	8,860	3.0%	10,880	2.6%
Bronze	131,740	34.0%	90,780	30.7%	<b>149,700</b>	<b>35.8%</b>
Silver	38,200	9.8%	34,010	11.5%	52,590	12.6%
Silver - Enhanced 73	22,000	5.7%	20,970	7.1%	31,140	7.4%
Silver - Enhanced 87	66,650	17.2%	57,780	19.5%	74,970	17.9%
Silver - Enhanced 94	46,320	11.9%	37,800	12.8%	48,240	11.5%
Gold	59,300	15.3%	34,730	11.7%	37,670	9.0%
Platinum	15,500	4.0%	11,000	3.7%	12,860	3.1%
<b>Grand Total</b>	<b>388,030</b>	<b>100.0%</b>	<b>295,930</b>	<b>100.0%</b>	<b>418,050</b>	<b>100.0%</b>

# NEW ENROLLMENT TRENDS BY RACE/ETHNICITY

In 2020, Latino and Asian/Pacific-Islander new enrollment represented a larger portion of total enrollment than in the past two years.

	OE 2018		OE 2019		OE 2020	
Race / Ethnicity	Enrollees	(column %)	Enrollees	(column %)	Enrollees	(column %)
Asian	61,450	20.6%	47,720	20.5%	76,760	22.9%
Black or African American	9,910	3.3%	8,810	3.8%	11,530	3.4%
Latino	92,310	30.9%	70,500	30.3%	107,870	32.2%
Other	31,360	10.5%	25,130	10.8%	34,040	10.2%
White	103,660	34.7%	80,300	34.5%	104,380	31.2%
<b>Grand Total</b>	<b>298,700</b>	<b>100.0%</b>	<b>232,460</b>	<b>100.0%</b>	<b>334,570</b>	<b>100.0%</b>
(nonrespondent)	89,330	23.0%	63,470	21.4%	83,480	20.0%

# PUBLIC COMMENT

CALL: (844) 721-7241

PARTICIPANT CODE: 8409640

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**EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM**

# STATE AND FEDERAL POLICY / LEGISLATIVE UPDATE

# COVERED CALIFORNIA COMMENTS ON FEDERAL BENEFIT AND PAYMENT PARAMETERS FOR 2021

On February 6, 2020, the Department of Health and Human Services (HHS) issued the proposed 2021 Benefit and Payment Parameters, the annual rule that makes a variety of changes for the upcoming plan year. Covered California offered the following comments:

- **Value-Based Insurance Designs:** HHS is proposing to develop “value-based” model qualified health plans (QHPs) that contain consumer cost-sharing levels aimed at driving utilization of high-value services. Covered California recommended that HHS extend the promotion of VBID beyond specific categories of care as the principles of VBID apply to broader categories of services while also working toward offering patient-centered benefit designs;
- **Quality Rating Information Display Standards:** HHS should allow state-based exchanges to retain flexibility to modify their QHP performance ranking methodology to ensure Covered California continues to assist in consumer selection of QHPs; and
- **FFE and SBE-FP User Fee:** HHS should be more transparent with expenditures in order to fully assess the user fee it collects. Given the dramatic losses seen at the federal level among new and unsubsidized enrollment, HHS should dedicate more funding towards marketing and outreach.



# FEDERAL LITIGATION UPDATE

*Texas v. U.S.*: 20 states challenged the constitutionality of the (ACA's individual mandate after Congress reduced the penalty to \$0. The district court found that the individual mandate can no longer be interpreted as a tax because it raises no revenue and declared the entire ACA invalid because the mandate is not severable from the rest of the ACA. On appeal, the Fifth Circuit Court of Appeals held the individual mandate is unconstitutional but remanded the case back to the district court for further analysis on whether the rest of the ACA continues to be valid.

On March 2, 2020, the Supreme Court granted review of the Fifth Circuit decision. The case will likely be heard in the next term beginning October 2020, with a decision in Summer 2021. There is no legal impact to Covered California in the interim.



# KEY STATE LEGISLATION

## Affordability Bills

- AB 2347 (Wood) and SB 65 (Pan) would require state financial assistance to include cost sharing assistance to consumers between 200 and 400 percent FPL and would lower the premium contribution across all consumers with household income up to and including 600 percent FPL. This is in addition to advocate trailer bill language being discussed in the Budget process.

## Affordable Care Act (ACA) Tieback Bills

- AB2158 (Wood) and SB 406 (Pan) would include ACA preventative services protections in state law
- AB 2159 (Wood) and SB 127 (Pan) would include ACA protections against annual and lifetime limits in state law.

Covered California is also tracking a number of bills that would effect the standard benefit design for Covered California plans

The Legislature is currently in recess and is expected to return on April 13

# CALIFORNIA EXECUTIVE BRANCH: PROPOSED TRAILER BILL LANGUAGE

- Office of Health Care Affordability would be established within CHHS to analyze the health care market for cost trends and drivers of spending, developing data-informed policies and creating a state strategy for controlling the cost of health care and ensuring affordability.
  - A similar policy bill, AB 2817 (Wood), would create an independent Office of Health Care Quality and Affordability.
- Volunteer Exception TBL would, under specified conditions, allow Board members and staff to volunteer with a governmental entity, or a health facility, health clinic or health care provider group, that is associated with a medical school or educational institution.
- Franchise Tax Board TBL would make technical changes to the individual mandate penalty language for administrative purposes.

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# APPENDICES

# APPENDICES: TABLE OF CONTENTS

- ❑ Covered California for Small Business Update
- ❑ Service Channel Update
- ❑ CalHEERS Update
- ❑ Service Center Update

# COVERED CALIFORNIA FOR SMALL BUSINESS

## Group & Membership Update

- Groups: 7,293
- Members: 61,680\*
- Retention: 86.9%
- Average Group Size: 8.4 members
- Net Membership Growth over 2/28/19 – 15%

\* membership reconciled thru 2/28/20

## Operations Update – March – Response to COVID-19

- Allowing an Open Enrollment period for employees/spouses that waived or lost coverage from another source (thru end of June)
- Allowing a period for employers to change their metal tiers (downgrade/upgrade)
- Allowing benefit plan changes outside of employers' renewal period
- Extending CCSB's new employer group submission deadline



# OUTREACH & SALES ENROLLMENT PARTNER TOTALS

Uncompensated partners supporting enrollment assistance efforts.

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	280	1,338
Plan-Based Enroller	11	426
Medi-Cal Managed Care Plan	2	20

# OUTREACH & SALES NON-ENGLISH ENROLLMENT SUPPORT

**Data as of March 26, 2020**

**11,476** Certified Insurance Agents

17% Spanish  
7% Cantonese  
7% Mandarin  
4% Korean  
4% Vietnamese

**1,338** Navigator: Certified Enrollment Counselors

63% Spanish  
4% Cantonese  
3% Mandarin  
3% Vietnamese  
2% Korean

**1,027** Certified Application Counselors

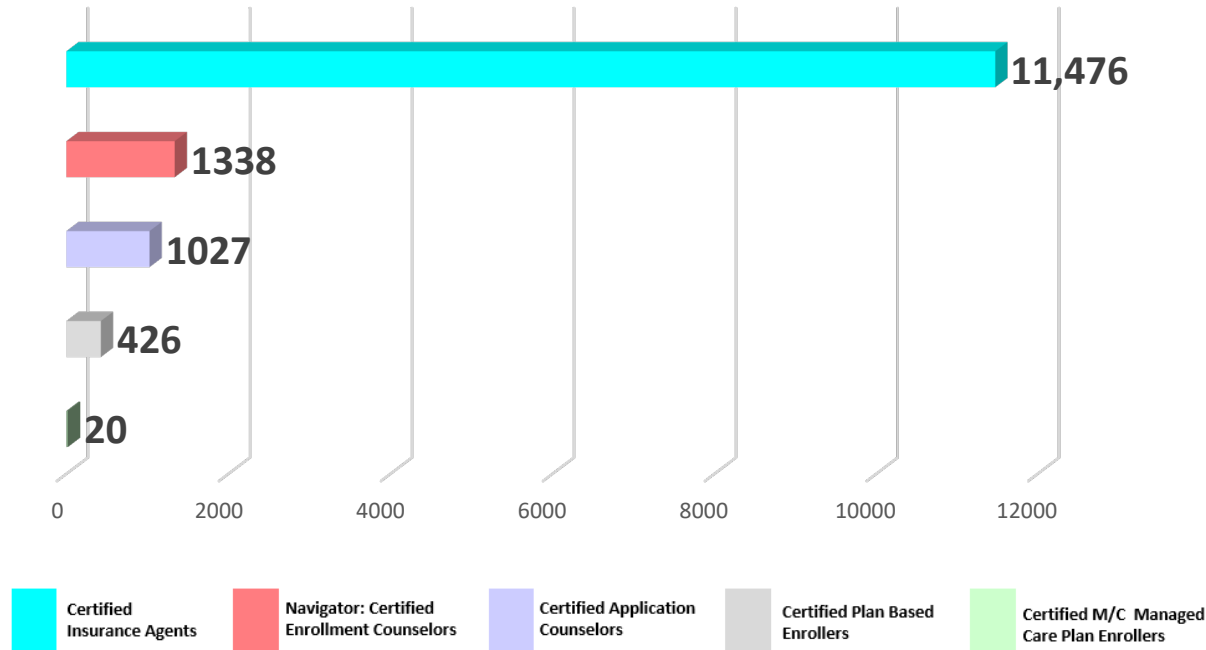
59% Spanish  
5% Cantonese  
4% Mandarin  
1% Vietnamese  
1% Korean

**426** Certified Plan Based Enrollers

45% Spanish  
10% Cantonese  
2% Mandarin  
7.5% Vietnamese  
7.3% Korean

**20** Certified Medi-Cal Managed Care Plan Enrollers

44% Spanish  
36% Cantonese  
31% Mandarin  
1% Russian





# CALHEERS UPDATES

- ❑ CalHEERS Releases 20.3 and 20.4 (planned for March 30, 2020 and April 20, 2020) will implement changes to address existing production issues that will be addressed by Accenture prior to their transition from CalHEERS.
  - These changes include updates to portal and noticing.
  
- ❑ CalHEERS Release 20.6 is planned for June 29, 2020 and will include updates to:
  - Allow Certified Enrollers the ability to view enrollment information details.
  - Enable authorized Carrier Representatives to access the Issuer Portal and view the delegation information.
  - Display Enroller delegation history to the Service Center Representatives, Agency Managers, Certified Enrollment Counselors, Consumers, and the Issuer Representatives.

# OTHER TECHNOLOGY UPDATES

- Salesforce Service Cloud (Feb & Mar Release) to include:
  - Automatically link Salesforce cases to CalHEERS applications
  - Created new permissions to enable staff assist other teams including Appeals, ER, and PSU
- Salesforce Marketing Cloud – kick off meeting 3/1/20
- Implemented real-time analytics for CiCi (Chatbot) on CoveredCA.com
- Improved data model and algorithm for CiCi to more accurately respond to consumers questions

# SERVICE CENTER UPDATE

## Improving Customer Service

- Updated closed treatment for any of the Specialty numbers
- State Subsidy messaging in the IVR for consumers
- Removed all Open Enrollment messaging
- Added 1095-A messaging
- Added 15 vanity numbers for New Qualifying Life Event efforts
- Added survey to calls for special enrollment extension numbers

## Staffing Updates

- Vacancy rate of 8.3 percent (2020) comparable to prior year of 10.9 percent (2019)

# SERVICE CENTER PERFORMANCE UPDATE

## Comparing February 2020 vs. 2019 Call Statistics

Year	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
2020	400,641	235,441	6.63%	218,986	0:03:02	0:19:16	57.38%
2019	340,895	187,909	1.21%	185,149	0:00:28	0:17:18	80.08%
Percent	18% Increase	25% Increase	448% Increase	18% Increase	550% Increase*	11% Increase*	28% Decrease

\*Time formats (H:MM:SS) are not equal to decimals. Time formats must be converted to decimal before performing calculations. (Example 0:15:45 = 15.75)

- The total Calls Offered increased from 2019 by 25%
- Calls Handled increased by 18%
- The Abandoned % increased by 448%
- Service Level decreased by 28%

# QUICK SORT VOLUMES

## February Consortia Statistics

SAWS Consortia	Calls Offered	Service Level	Calls Abandoned %	ASA
<b>C-IV</b>	261	97.72%	0.38%	0:00:06
<b>CalWIN</b>	454	89.65%	3.08%	0:00:18
<b>LRS</b>	320	90.00%	2.81%	0:00:16

## February Weekly Quick Sort Transfers

Week 1*	Week 2	Week 3	Week 4*	Week 5	Total
2/1	2/3 – 2/7	2/10 – 2/14	2/17 – 2/21	2/24 – 2/28	
19	383	396	337	430	<b>1,565</b>

\*Partial Week 2/17 – Service Center Closed in observance of President’s Day

- SAWS = Statewide Automated Welfare System (consortia). California has three SAWS consortia's to provide service to the counties.
- C-IV = SAWS Consortium C-IV (pronounced C 4)
- CalWIN = California Welfare Information Network
- LRS = formally LEADER = Los Angeles Eligibility Automated Determination, Evaluation and Reporting Systems

# QUICK SORT DISTRIBUTIONS

Quick Sort refers to the calculator tool used to determine if a consumer is eligible for CoveredCA or should be referred to Medi-Cal. The tool also determines which consortia the consumer should be referred. This volume represents the total of those transfers.

QuickSort Transfers  
February 2020

