Media Clips

COVERED CALIFORNIA BOARD CLIPS
Jan. 17, 2020 – Mar. 24, 2020

Since the Jan. 16 board meeting, Covered California wrapped up a successful open enrollment period and announced its Special, Special Enrollment Period running until April 30 and then another extension to June 30 related to the COVID-19 pandemic. The national health care discussion also focused on COVID-19.

PRESS RELEASES

Covered California and Community Partners honor Martin Luther King Jr. in Events Commemorating the Civil Rights Leader's Birthday,
Covered California, Jan. 17, 2020

Covered California's New Enrollment Surges Past Last Year's Mark with More than a Week Before the Upcoming Jan. 31 Deadline, Covered California, Jan. 23, 2020

Covered California Sees Thousands of People Enroll Each Day as it Approaches Friday's Final Day of Open Enrollment, Covered California, Jan. 30, 2020

Covered California Comments on Proposed HHS Changes to Benefit and Payment Parameters, Covered California, Feb. 3, 2020

New California Policies Make Huge Difference, Increasing New Signups During Covered California's Open Enrollment by 41 Percent,
Covered California, Feb. 18, 2020

California Responds to COVID-19 Emergency by Providing Path to Coverage for Millions of Californians, Covered California, Mar. 20, 2020

Covered California Releases the First National Projection of the Coronavirus (COVID-19) Pandemic's Cost to Millions of Americans With Employer or Individual Insurance Coverage, Covered California, Mar. 23, 2020

PRINT

Articles of Significance

The Health 202: Coronavirus could drive up insurance premiums for tens of millions of Americans, projection shows, Washington Post, Mar. 24, 2020

COVID-19 could prompt higher 2021 insurance premiums, benefit cuts, Modern Healthcare, Mar. 23, 2020

Health insurance premiums could skyrocket from cost of coronavirus care, Sacramento Business Journal, Mar. 23, 2020

Californians must enroll in health insurance by Jan. 31, but many don't know it's the law, Sacramento Bee, Jan. 17, 2020

For 2020, California Goes Big On Health Care, California Healthline, Jan. 17, 2020

Deadline for Covered California, with its new health insurance mandate, extended to Jan. 31, ABC-10 Sacramento, Jan. 17, 2020

State seeing surge of sign-ups for Covered California health insurance, KRON 4 – San Francisco, Jan. 18, 2020

More Californians are buying health care through the state's insurance marketplace, Sacramento Bee, Jan. 18, 2020

Gov. Newsom announces commission will look into single-payer for California, San Francisco Chronicle, Jan. 18, 2020

As health insurance rates continue to rise, some turn to a new model for care, Orange County Register, Jan. 20, 2020

Deadline to get mandated health insurance through Covered California is Jan. 31, Santa Rosa Press Democrat, Jan. 22, 2020

New health law requiring all Californians have health insurance kicks in Jan. 1, KRCR 7 – Redding, Jan. 23 2020

AAPI communities urged to enroll in health coverage before January 31 deadline, Asian Journal, Jan. 23, 2020

Number of new enrollees at Covered California surges past total from 2019 open enrollment, Sacramento Bee, Jan. 23, 2020

Covered California adds new subsidies, penalties, Bakersfield.com, Jan. 26, 2020

California: CoveredCA announces 1.47 million QHPs; residents still have until 1/31 to #GetCovered!, ACASignups.net, Jan. 26, 2020

Californians have until Friday to sign up for health insurance or pay penalty, San Francisco Chronicle, Jan. 27, 2020

Covered California Executive Director visits the Northstate as deadline approaches, KRCR 7 – Redding, Jan. 28, 2020

Covered California open enrollment ends Jan. 31; uninsured may face fine, Calaveras Enterprise, Jan. 29, 2020

Covered California's Jan. 31 Deadline Gives, Los Angeles Sentinel, Jan. 30, 2020

Thousands in our region newly eligible for health insurance subsidies, but Covered California open enrollment closing, Chico News & Review, Jan., 30, 2020

Covered California's new enrollments up 23 percent as deadline looms, Politico Pro, Jan. 30, 2020

At midnight Friday, California's open enrollment closes. Do you have health insurance?, Sacramento Bee, Jan. 31, 2020

Newsom Touts California's 'Public Option.' Wait — What Public Option?, California Healthline, Feb. 10, 2020

California's Obamacare signups rise after state requires coverage, enhances subsidies, CNN, Feb. 18, 2020

California loosens its individual mandate for health insurance, Los Angeles Times, Feb. 18, 2020

Covered California enrollment grows slightly amid nationwide Obamacare decline, San Francisco Chronicle, Feb. 18, 2020

Following gain, California to reopen health coverage signups, Associated Press, Feb. 18, 2020

Surge In Enrollment As Californians Avoid Penalty, Receive State Aid, California Healthline, Feb. 18, 2020

Covered California reports 41 percent increase in new enrollments, Politico Pro, Feb. 18, 2020

New penalty, extended deadline drive increase in California health insurance sign-ups, Sacramento Bee, Feb. 18, 2020

California's Affordable Care Act coverage experiment, Axios, Feb. 19, 2020

New CA policies increase signups during Covered CA open enrollment,
Asian Journal, Feb. 22, 2020

Covered California has established a new special-enrollment period,
Vida en el valle, Feb. 27, 2020

Avoid a fine for not having healthcare: Covered California extends enrollment deadline,
Redding Record Searchlight, Feb. 28, 2020

California Health Exchange Welcomes New Enrollees Thanks to Individual Mandate,
ACA Times, Mar. 4, 2020

California shows how to build on the ACA, San Francisco Chronicle, Mar. 6, 2020

Covered California now offering a very special enrollment period,
Lake County Record Bee, Mar. 12, 2020

Column: How California made Obamacare work, Los Angeles Times, Mar. 13, 2020

CDC to screen at three US airports for signs of new virus from China,
CNN, Jan. 17, 2020

The costly and unsustainable expansion of Med-Cal,
Orange County Register, Jan. 17, 2020

New federal rule requires separate bill for abortion insurance in Covered California,
San Francisco Chronicle, Jan. 24, 2020

Obamacare's Secret Success, Politico Jan. 27, 2020

Supreme Court Allows Trump's Wealth Test for Green Cards,
New York Times, Jan. 27, 2020

California Cracks Down on Alternative Health Plans, New York Times, Mar. 10, 2020

Covered California News Release

Jan. 17, 2020

Covered California and Community Partners honor Martin Luther King Jr. in Events Commemorating the Civil Rights Leader's Birthday

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- *The commemoration of Dr. King's 91st birthday will include parades in both Los Angeles and Sacramento where Covered California will participate.*
- *Covered California representatives, including executive director Peter V. Lee, will join members of Charles Drew University of Medicine and Science in participating in Los Angeles' Kingdom Day Parade.*
- *In addition, Covered California staff will join thousands of others in Sacramento's March for the Dream parade.*
- *Covered California is committed to ensuring that the rich diversity of people in the state have access to quality health care.*
- *Open enrollment is underway, and people have through Jan. 31 to sign up for coverage and see if they are eligible for financial help.*

SACRAMENTO, Calif. — Covered California will help celebrate the 91st birthday of Martin Luther King Jr. on Monday, by having a contingent of leaders honor the civil rights icon by participating in parades in both Los Angeles and Sacramento.

"Martin Luther King Jr. was a champion for social justice, and fought to bring universal healthcare to all Americans, regardless of their race, creed or color," said Covered California Executive Director Peter V. Lee, who will join Covered California staff in the 35th Annual Kingdom Day Parade Los Angeles parade. "Dr. King's beliefs and values mirror the goals of Covered California, which for the past seven years has brought healthcare to millions more California through the Affordable Care Act."

Lee will be joined in the parade by Dr. David M. Carlisle, president and CEO of Charles R. Drew University of Medicine and Science (CDU) in Los Angeles.

“As a health professions university founded to address health disparities in under-resourced communities, Charles R. Drew University of Medicine and Science shares the values of Covered California and the conviction that healthcare is an absolute right for all,” Carlisle said. “We also know that it was part of Dr. King’s vision that everyone has access to affordable, high-quality healthcare. We are proud that our students and faculty are walking in today’s parade.”

Also participating in the parade will be Covered California community partners such as Crenshaw Health Partners, Los Angeles Unified School District, Los Angeles South Chamber of Commerce, Northeast Valley Health Corporation and numerous Covered California certified insurance agents.

Kingdom Day Parade

The parade, which is described as the largest celebration of Dr. King’s birthday in America, will start at 10:00 a.m. at Western and Martin Luther King Jr. Blvd. The parade route runs down MLK Blvd. to Crenshaw Blvd., eventually ending at Vernon Avenue.

Covered California and CDU have teamed up before to show how Dr. King’s message of equality aligns with improving health care. In 2018, the two organizations came together to erect a 69-by-30 foot mural of Dr. King at the school. The mural features one of King’s most famous quotes about health disparities, “Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”

COVERED CALIFORNIA™ **News Release**

Jan. 23, 2020

Covered California’s New Enrollment Surges Past Last Year’s Mark with More than a Week Before the Upcoming Jan. 31 Deadline

- *More than 318,000 consumers have newly enrolled during the current open-enrollment period, surpassing last year's open enrollment total.*

- *However, new research shows that many Californians – particularly the uninsured – are unaware of a new state law which requires people to have health insurance or face a penalty.*

- *In addition, many Californians are unaware of the new financial help that is available for the first time this year, including first-in-the-nation assistance for middle-income consumers.*

- *Open enrollment, which continues through Jan. 31, is the one time when people can sign up for health insurance in the individual market without needing a qualifying life event.*

SACRAMENTO, Calif. — Covered California announced new enrollment data as it moved into the final week of open-enrollment and continued to reach out to consumers about the new state penalty and additional financial help that went into effect with the new year.

As of Wednesday, Jan. 22, more than 318,000 consumers had newly signed up for health insurance through Covered California during the current open-enrollment period, which surpassed last year's total of 295,000.

"With one week to go in open enrollment, Covered California has surpassed last year's open enrollment total, but thousands are signing up every day and we're not done yet," said Covered California Executive Director Peter V. Lee. "Californians have until midnight on January 31st to sign up and not only avoid paying a penalty to the Franchise Tax Board but — for almost a million Californians — get new help from the state to lower their health care costs."

The open-enrollment period runs through Jan. 31. It is the one time of the year when consumers can freely sign up for coverage without having to experience a qualifying life change. People who sign up by the deadline will have their coverage start on Feb. 1.

Having a health insurance plan in place this year is critical because of a new law that the state of California enacted that requires Californians to have coverage in 2020. Those who can afford coverage, but choose to go without it, could face a penalty when they file their taxes with the California Franchise Tax Board in 2021. The penalty can be more than $2,000 for a family of four.

"We do not want Californians to write a check to the Franchise Tax Board when they could get coverage that is way more affordable than they think," Lee said. "This year there is new financial help that will help nearly one million people lower the cost of their coverage."

A recent survey released by Covered California, Californians' Understanding of the Mandate to Have Health Coverage and the Awareness of Financial Help,found that many people, particularly the uninsured, are unaware of the new penalty and additional financial help. Among the findings:

- **Many Californians do not know about the new penalty**
  Many Californians reported being unaware of the new requirement to have health coverage in 2020 or face a penalty, including a majority of the *uninsured* (56 percent).
- **Many uninsured Californians are unaware that financial help is available**
  Among the *uninsured*, 62 percent are unaware that Covered California offers financial help to help pay for health insurance. In addition, only 27 percent of the uninsured are aware that Californians can receive even more financial help than ever before for health coverage.

"The new state subsidies and the requirement to have coverage are the two biggest changes effecting individuals who do not have employer coverage since Covered California first opened our doors in 2014 and we want to make sure consumers know that health insurance could be more affordable than they think," Lee said. "People need to take action by next Friday, so they do not get caught paying a significant penalty when they file their taxes a year from now."

In addition to the new state penalty California also expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage.

The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500.

Right now, the average subsidy for eligible consumers earning less than 400 percent of the federal poverty level is $447 per month; the average state subsidy for eligible middle-income consumers is $469 per month.

Californians Can Still Enroll

Covered California's open-enrollment period runs through Jan. 31. Consumers can easily find out if they are eligible for financial help and see which plans are available in their area by entering their ZIP code, household income and the ages of those who need coverage into Covered California's Shop and Compare Tool.

Those interested in learning more about their coverage options can:

- Visit www.CoveredCA.com.
- Get free and confidential in-person assistance, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (800) 300-1506.

"Californians owe it to themselves to take a few minutes of their day to see whether they qualify for financial help from the federal government, the state, or both," Lee said. "Visit CoveredCA.com and check out your options before the end of the month."

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.

COVERED CALIFORNIA™ **News Release**

Jan. 30, 2020

Covered California Sees Thousands of People Enroll Each Day as it Approaches Friday's Final Day of Open Enrollment

- More than 364,000 consumers have newly enrolled during the current open-enrollment period, which ends at midnight on Friday, Jan. 31
- More than 33,000 people have enrolled since Monday, an average of more than 11,000 people per day.
- California passed two new laws for 2020, one that requires Californians to have health insurance or face a penalty, while the other offers new financial help – for the first time – to eligible consumers purchasing coverage.
- Open enrollment is the one time when people can sign up for health insurance in the individual market without needing a qualifying life event.

SACRAMENTO, Calif. — With time running out, Covered California announced new enrollment data and encouraged consumers to sign up for coverage before this year's open-enrollment period ends.

As of Jan. 29, more than 364,000 consumers had newly signed up for health insurance through Covered California during the current open-enrollment period, which is more than 20 percent above last year's total of 295,000.

"Open enrollment is coming to an end, and while we have more than 10,000 people signing up every day, we know there are many out there who have not yet done so, and they need to act quickly," said Covered California Executive Director Peter V. Lee. "Californians have until midnight on January 31st to sign up for health coverage and get the protection and peace of mind that they deserve."

The open-enrollment period runs through Jan. 31 and is the one time of the year when consumers can freely sign up for coverage without having to experience a qualifying life event. People who sign up by the deadline will have their coverage start on Feb. 1.

Two new state laws have highlighted the importance of having health care coverage in 2020.

- First, the state expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage. The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500. The average subsidy for eligible middle-income households is $466 per month. The newly enrolled total noted above may include some middle-income individuals who had coverage off-exchange and moved to Covered California to benefit from the new subsidies.
- Secondly, people who can afford health insurance coverage, but choose to go without it, could face a penalty when they file their taxes with the California Franchise Tax Board in 2021. The penalty can be more than $2,000 for a family of four.

"We do not want Californians to surprised that they have to write a check to the Franchise Tax Board next year, when they could get coverage that is more affordable than they think," Lee said. "You can find out within just a few minutes what plans are in your area and how much financial help you can receive, so don't leave money on the table."

Californians Can Still Enroll

Consumers can easily find out if they are eligible for financial help and see which plans are available in their area by entering their ZIP code, household income and the ages of those who need coverage into Covered California's Shop and Compare Tool.

Those interested in learning more about their coverage options can:

- Visit www.CoveredCA.com.
- Get free and confidential in-person assistance, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA™ **News Release**

Feb. 3, 2020

Covered California Comments on Proposed HHS Changes to Benefit and Payment Parameters

SACRAMENTO, Calif. — Covered California provides early comments on today's release of proposed standards from the Centers for Medicare & Medicaid Services (CMS) for qualified health plans and exchanges.

After a preliminary review, it appears that some of the proposed rules aim to make important progress in key areas. However, Covered California is concerned that some of these proposed policies reinforce actions taken by the administration that threaten the stability of the individual market and hurt a consumer's ability to choose the right plan for themselves and their family.

Covered California will submit its full comments to CMS in March, but is making initial comments on the following four areas:

Keeping Federal User Fee Steady Without Investing in Marketing Will Continue to Deteriorate the Risk Pool

Federal and state-based exchanges collect user fees, which includes a requirement to support marketing and outreach, to promote a stable and functioning marketplace. Covered California assesses a 3.5 percent user fee on its 11 health insurance carriers and approximately one-third of that total, which amounts to $121 million in plan year 2020 or 1.2 percent of premium, funds Covered California's marketing and outreach operations. Currently the user fee collected by the federal government to support those states supported by the federally-facilitated marketplace is 3.0 percent and the proposed regulations would maintain this amount.

“The question is not whether the federally-facilitated marketplaces should maintain or reduce their user fees, but rather what any exchange should be doing with the money it collects to create meaningful downward pressure on premiums,” said Covered California executive director Peter V. Lee. “The federal policy to not use funds collected from consumer premiums to promote enrollment and lower costs by improving the risk mix is costing consumers and the federal government billions of dollars by raising premiums.”

CMS estimated the federal government would collect $1.2 billion in user fees for calendar year 2018, while maintaining the significant cutbacks in marketing and outreach seen in recent years. Based on CMS reports, total marketing and navigator funding to support enrollment in 38 states was $20 million in 2019, compared to $163 million in 2017.[1] During that time there have been dramatic losses at the federal level among new and unsubsidized enrollment due to higher than necessary premiums.

As Covered California noted in its report, “Covered California’s First Five Years: Improving Access, Affordability and Accountability,” California’s healthier consumer pool resulted in likely savings of approximately $12.5 billion for enrollees and the U.S. Treasury and showed that nationally savings would have been worth $50 billion if the federal marketplace had invested in marketing at Covered California’s level.

“Investing in marketing is critical to encouraging new enrollment, retaining those already covered, and achieving a healthier consumer pool that lowers premiums for everyone in the individual market,” Lee said.

Value-based Insurance Designs Matter but Federal Proposals Do Not Go Far Enough to Help Consumers

Since first opening its doors in 2014, Covered California has focused on empowering consumers including having standardized patient-centered benefit designs. While the proposed standards included recommended “value-based” insurance designs to address the high costs of prescription drugs, these designs are optional and do not minimize the negative impact of consumers needing to meet deductibles before getting needed services.

“The administration continues to move away from requiring true patient-centered benefit designs such as those embraced by Covered California and other states. Benefit designs should be about encouraging people to get the right care at the right time and enabling consumers to make apple-to-apple comparisons when they shop,” Lee said. “The evidence is clear that the only winners in having a multiplicity of confusing benefit designs are insurance companies and not America’s consumers.”

Automatic Re-enrollment is a Best-Practice in all Consumer Markets and Should Remain In Place for All Consumers

The proposed rules seek comments on limiting the ability of low-income consumers to automatically re-enroll. Those consumers would lose their federal financial help unless they actively reapply each year. The Affordable Care Act already includes safeguards to ensure that consumers are receiving the proper amount of federal tax credits.

"Automatically renewing consumers in an insurance plan – whether it is health, home or auto – is a nationwide industry standard that puts consumers first and protects them from mistakenly becoming uninsured," Lee said. "The fact that we are discussing placing an additional burden on low-income consumers, where they could lose their financial help entirely if they do not actively reapply, boggles the mind."

Ensuring Effective Risk Adjustment is Integral to a Functioning Individual Market

The Affordable Care Act changed health insurance by enabling insurers to succeed without needing to avoid sick people. A key part of that is risk adjustment which protects against adverse selection by transferring funds from insurers with healthier enrollees to those with sicker enrollees.

"The proposed changes to the risk adjustment methodology recognize some of the concerns that insurers have, but they do not go far enough to improve the risk adjustment process and reduce the uncertainty of results," Lee said.

COVERED CALIFORNIA™ **News Release**

Feb. 18, 2020

New California Policies Make Huge Difference, Increasing New Signups During Covered California's Open Enrollment by 41 Percent

- A total of 418,052 people newly signed up for coverage during Covered California's open-enrollment period, which is 41 percent higher than last year's figure of 295,980.

- New state policies, which provided additional money to help people purchase health insurance and established a state penalty, were key components that led to Covered California's highest new enrollment total since 2016.
- The strong total shows how California is building on the Affordable Care Act, enrolling healthy consumers and saving money for Californians, in contrast to federal policies that have led to higher premiums and millions losing coverage.
- Covered California is announcing a special-enrollment period through April 30 to address concerns that many Californians remain unaware of the new financial help or the new state penalty.

SACRAMENTO, Calif. — Covered California announced that 418,052 people had newly selected a health plan for 2020 during the most recent open-enrollment period. The total is more than 122,000, or 41 percent, higher than last year's figure of 295,980.

The increase comes after the state of California instituted two key policies designed to help and encourage more people to become insured: reinstituting a penalty for those going without coverage, which had been lowered to zero by federal action in 2019, and adding state subsidies to build on and go beyond the Affordable Care Act's financial help.

"Californians are seeing that by building on — instead of undercutting — the Affordable Care Act, they are directly benefiting from lower health care costs and more people being insured," said Covered California Executive Director Peter V. Lee. "The new enrollment that occurs during each year's open-enrollment period is vital to getting more people covered and keeping costs down by enrolling a healthy risk mix. This dramatic rebound in new enrollment shows how effective state policies can make quality coverage more affordable and encourage people to get covered."

Preliminary analysis shows that the total number of net plan selections for 2020 is 1,538,819, which reflects 1,120,767 consumers renewing their coverage and 418,052 consumers newly signing up for coverage during open enrollment. Overall, there are 24,936 more plan selections compared to 2019, an increase of almost 2 percent (see Table 1: Preliminary Analysis of Covered California 2020 Net Plan Selections).

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

Category	2018	2019	Percent Change	2020	Percent Change
New Enrollment 1	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

"California is leading the way when it comes to putting policies in place that make health care more affordable for all," said Gov. Gavin Newsom. "This open enrollment period shows what can be done when you work together to bring health care coverage within reach for more people."

New State Policies and Effective Outreach Drive New Enrollment

California adopted several policies to pursue Gov. Newsom's stated goal of moving toward universal coverage, including two that were specific to the individual market:

- Effective January 2020, California required its residents to have health insurance coverage — reinstating the federal penalty that was integral to the Affordable Care Act. Those who can afford coverage but choose to go without it could face a penalty when they file their taxes with the California Franchise Tax Board in 2021. The penalty can be more than $2,000 for a family of four.
- California launched a state subsidy program that expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage. The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500.
- California extended its open-enrollment period through Jan. 31, compared to Jan. 15 last year — in dramatic contrast to the federal decision to have open enrollment close on Dec. 15.

Covered California and the Franchise Tax Board (FTB), which will be implementing the penalty, worked to get the word out about these new policies throughout open enrollment. Elements of the robust marketing and outreach included Covered California:

- Investing $121 million in statewide marketing and outreach during the current fiscal year.
- Supporting more than 10,000 Certified Insurance Agents across the state and more than 100 community organizations that were recipients of Covered California's Navigator grants totaling $6.5 million.
- Conducting more than a dozen phone banks on in-language television stations across the state targeting English, Spanish, Mandarin and Hmong speakers.
- Partnering with social media influencers such as Laila Ali, Leo Santa Cruz, J.R. Todd, Nathan Adrian and others to create content that has generated more than 3 million impressions.

In addition, Franchise Tax Board has worked with Covered California to get the word out, including:

- Working with tax-filing software companies to include penalty information that consumers will see when they file their taxes.
- Conducting outreach and training for tax professionals.

- Sending mail to more than 2 million households alerting them to the penalty and telling them how to get coverage.

New State Subsidies Helping Over 625,000 Californians Lower Their Health Care Costs

Through the open-enrollment and renewal periods, about 625,000 new and renewing consumers qualified to receive the new state subsidies.

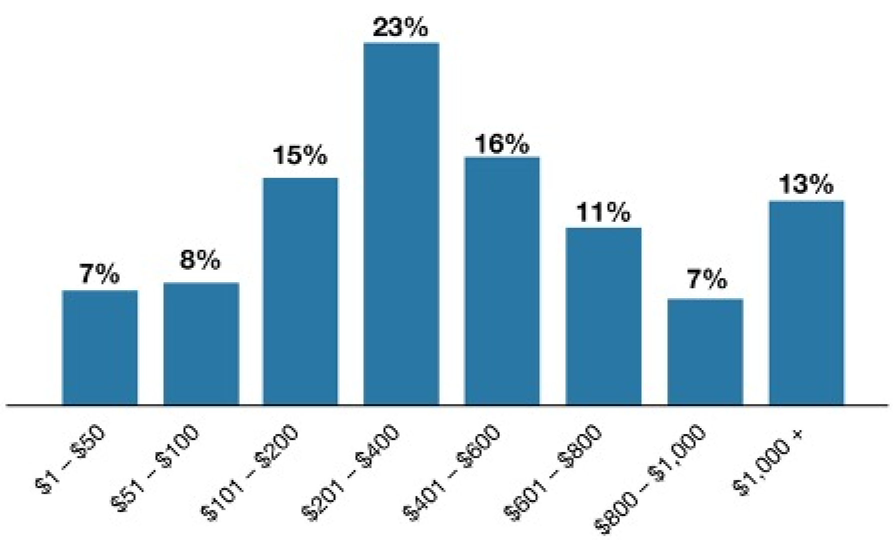
State Subsidies That Complement Federal Assistance for Those Earning From 200 to 400 Percent FPL

About 576,000 lower-income consumers, who earn between 200 and 400 percent of the federal poverty level (FPL), will receive an average of $608 per month per household in federal tax credits and new state subsidies (which averages $23 per household). The financial assistance lowers the average household monthly premium from $881 per month to $272, a decrease of 70 percent.

First-in-the-Nation State Subsidies for Middle-Income Consumers

Nearly 32,000 middle-income consumers who were previously ineligible for any federal support because their household income was above the federal "cliff" of 400 percent of the FPL qualified for new state subsidies. The new financial help went to about 47 percent of consumers applying in the 400 to 600 percent FPL income bracket. The average state subsidy to eligible households is $504 per month, lowering their monthly premium by nearly half (see Figure 1. Distribution of California State Subsidies Among Eligible Middle-Income Households [400 to 600 Percent FPL]).

Figure 1: Distribution of California State Subsidies Among Eligible Middle-Income Households (400 to 600 Percent FPL)[2]



"The average state subsidy for eligible middle-income Californians — who up until now were not eligible for any assistance — was $504 per month. But it's even more striking that more than one in 10 of those receiving help had their monthly premium lowered by over $1,000," said Lee. "The new state subsidies are making a huge difference to families across California."

Covered California also reported that an estimated 280,000 Californians, likely eligible for new state or existing federal subsidies, kept their “off-exchange” coverage and did not get the financial help that would make it easier to afford and keep their coverage. Most of these individuals earn under 400 percent of the federal poverty level and would be eligible for both the state and federal subsidy, while about 40,000 would be eligible to receive the new state subsidies for middle-income Californians.

“The penalty helped drive down premiums for everyone in the individual market, and new state subsidies are already helping more than 600,000 people save even more on their health insurance,” Lee said. “However, we are still hearing that far too many people do not know about these policies, so Covered California wants to continue to get the word out and give them more time to learn about the penalty and how affordable coverage can be.”

Drop in Renewals Driven by Low New Enrollment for 2019 Following the Penalty Removal

The significant increase in new enrollment was partially offset by an 8 percent decrease in the number of renewing consumers. Covered California’s preliminary analysis points to several potential reasons for the reduction in renewals relative to 2019. As noted above, 2019 marked the first year that the federal government zeroed out the individual mandate penalty, which led to a sharp decrease in the number of new consumers signing up for coverage during last year’s open-enrollment period. Historically, a decrease in new enrollment translates to a decrease among renewing consumers because there are fewer consumers in the system to carry forward into renewal. Covered California entered this renewal season with nearly 40,000 fewer members covered in October 2019 (for 2020 coverage) than it did in October 2018 (for 2019 coverage).

“Covered California’s preliminary analysis of the reduction in the number of consumers renewing appears to be another result of the federal decision to remove the penalty that resulted in fewer people eligible to carry their coverage into 2020,” Lee said. “What we have seen this open-enrollment period only affirms the bold decision of the governor and the state Legislature to provide that economic nudge that some people need to get health insurance.”

New Special-Enrollment Period Announced

Covered California also announced that effective Feb. 18 it will establish a special-enrollment period for those who were unaware of the state penalty or the new financial help. Consumers who fall into those categories, or who are currently insured off-exchange (directly through an insurer) and want to switch to Covered California to benefit from the new state subsidies, will have through April 30 to sign up for coverage. Covered California made the decision after gathering information throughout open enrollment and after the close of enrollment. In December, Covered California surveyed the public and found a significant percentage of the uninsured were unaware of the new financial help or penalty. Based on those findings, Covered California began looking at whether a special-enrollment period would be warranted. In the first week of February, Covered California surveyed 10,000 of its Certified Insurance Agents and found that there is still a substantial lack of awareness, with 41 percent saying only some or none of their consumers knew about the penalty, and 80 percent saying the penalty is motivating or extremely motivating for their consumers.

“I encourage everyone who does not have qualifying health insurance to take advantage of the special enrollment period and secure coverage now. I like signing tax refund checks, not assessing penalties,” said State Controller and FTB Chair Betty T. Yee.

Click here for a fact sheet on the new special-enrollment period.

Covered California will be launching a new campaign to publicize the special-enrollment period, starting this month with social media messaging and consumer emails. Television ads in English and Spanish will start on March 9. Also starting that day will be radio and digital ads in English, Spanish, Mandarin, Cantonese, Korean and Vietnamese. This marks Covered California’s first use of television ads to promote a special-enrollment period.

“We know that there are hundreds of thousands of people, both low income and middle income, who are insured off exchange but could be saving significant amounts of money if they switch to Covered California to benefit from federal financial help or new state subsidies, or both,” Lee said. “Covered California is working with everyone it can to put consumers first by maximizing the amount of time that people can get covered and minimizing the number of people who are subject to a penalty.”

During this special-enrollment period, consumers will be able to sign up at any point and will be covered on the first of the following month.

**Comparing Covered California to States Served by the Federally Facilitated Exchange **

California’s instituting the new policies for 2020 had impacts well before open enrollment began. In particular, the new state policies helped Covered California negotiate a rate change of only 0.8 percent for 2020, which is the lowest in the exchange’s history. This historically low premium increase was largely driven by health insurance companies’ pricing based on the assumption and hope that the reinstatement of the penalty would lead to larger (and healthier) enrollment. This led to lower costs for those who do not get subsidies and for the federal government due to its being able to make lower Advanced Premium Tax Credit payments.

“We know the penalty is not popular, but it is the law and it is leading to more people covered, a healthier consumer pool and lower premiums for everyone,” Lee said.

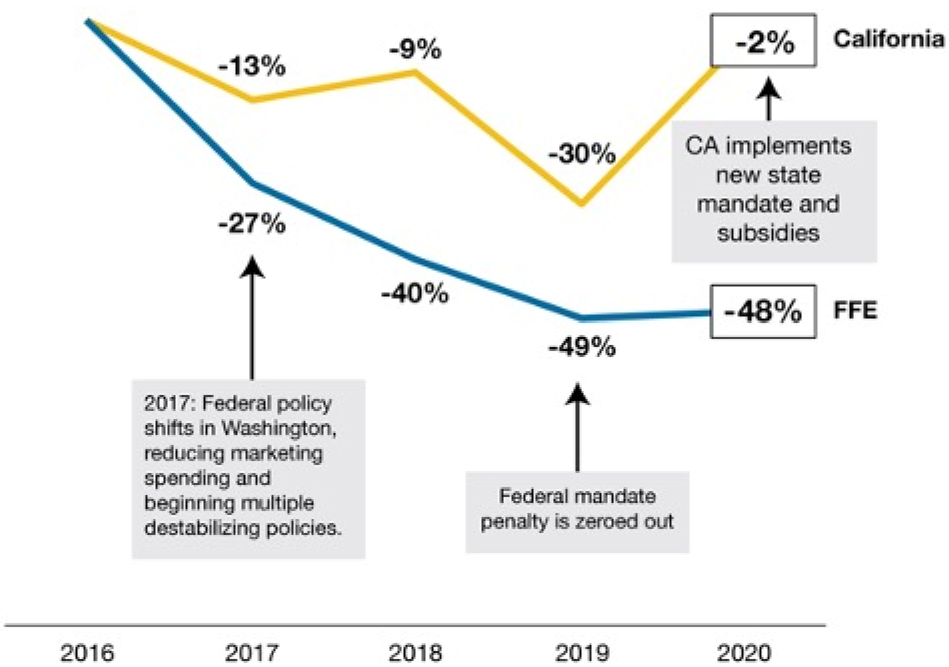
In addition, California’s consumers continue to benefit from robust competition among carriers. In 2020, not only will nearly all consumers be able to choose from two or more plans, but 75 percent will have four or more choices, and more than half of consumers (56 percent) will be able to choose from five plans or more.

In addition, Covered California invested $121 million in marketing and outreach to help it maintain a consumer pool in a continuation of a policy that has contributed to California consistently having a “risk score” approximately 20 percent below the national average for the individual market, which is likely to have saved enrollees and the U.S. Treasury an estimated $12.5 billion over the past five years3.

The actions and policies of California and of Covered California are in stark contrast to those seen at the federal level, which has maintained its significant cutbacks in marketing and outreach while encouraging consumers to enroll in substandard coverage in the 38 states served by the federally facilitated exchange (FFE)[4]. These policies have been demonstrated to directly contribute to far higher premium increases and lower new enrollment in states relying on the federal marketplace and dramatic drops in enrollment of unsubsidized consumers "off exchange" in those states.

New enrollment in those states that rely on the FFE has dropped 48 percent since 2016, which represents a reduction of nearly 1.9 million people. Covered California's new enrollment remained relatively stable (see Figure 2: Comparing New Enrollment in Covered California and FFE, 2016-2020).

Figure 2: Comparing New Enrollment in Covered California and FFE, 2016-2020[5]



Overall, the enrollment of consumers in states served by the federally facilitated exchange has declined by over 1.2 million compared to 2016. During the same time period, Covered California's total enrollment has remained relatively stable (see Table 2: Comparing Net Plan Selections in Federally Facilitated Exchange States and California, 2016-2020).

Table 2: Comparing Net Plan Selections in Federally Facilitated Exchange States and California, 2016-2020[6]

	Federally-Facilitated Exchange			Covered California		
	New Enrollment	Renewal	Total	New Enrollment	Renewal	Total
2016	3,984,426	5,553,411	9,537,837	425,484	1,149,856	1,575,340
2017	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%
2018	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%
2019	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%
2020	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%
Cumulative Change	**-48%**	**11%**	**-14%**	**-2%**	**-3%**	**-2%**

The loss in FFE enrollment comes in addition to a steep reduction in the number of unsubsidized consumers in the individual market nationally. As Covered California noted in its report, "Covered California's First Five Years: Improving Access, Affordability and Accountability" on page 9, unsubsidized enrollment in the individual market fell 47 percent between 2016 and 2018."Fostering stable marketplaces that work for consumers is not a one-year proposition," said Lee. "What we see over the past three years is the direct impact of concerted efforts to undercut and impede the policies of the Affordable Care Act. California's experience shows that the policy of protecting and building on the Affordable Care Act is leading to lower costs and more people covered."

COVERED CALIFORNIA | DHCS California Department of HealthCareServices **News Release**

Mar. 20, 2020

California Responds to COVID-19 Emergency by Providing Path to Coverage for Millions of Californians

- *Effective immediately, anyone uninsured and eligible to enroll in health care coverage through Covered California can sign up through the end of June.*

- *The Department of Health Care Services announces new steps to help those eligible for Medi-Cal sign up easily and get immediate coverage.*

- *The moves come amid widespread disruption in the lives and livelihoods of Californians as public health officials seek to reduce the spread of COVID-19.*

- *All medically necessary screening and testing for COVID-19 are free of charge, and all health plans available through Medi-Cal and Covered California offer telehealth options.*

- *These actions build on increased state subsidies and the implementation of a state penalty, both of which took effect in January 2020.*

SACRAMENTO, Calif. — As the state of California is taking action on many fronts to respond to the COVID-19 pandemic, Covered California and the Department of Health Care Services (DHCS) joined together to make sure that those losing employment would have a ready path to coverage — whether through Medi-Cal or the plans offered through Covered California.

Effective Friday, March 20, Covered California opened the health insurance exchange to any eligible uninsured individuals who need health care coverage amid the COVID-19 national emergency. Anyone who meets Covered California's eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30.

"We want to get as many people covered as possible to ensure they have access to the health care they need," said Peter V. Lee, executive director of Covered California. "Having more people insured is the right thing to do, and this action builds on our efforts to leave no one behind in California."

People who sign up through Covered California will have access to private health insurance plans with monthly premiums that may be lowered due to federal and new state financial help that became effective in 2020. After selecting a plan, their coverage would begin on the first of the following month — meaning individuals losing job-based coverage will not face a gap in coverage.

In addition, consumers who sign up through CoveredCA.com may find out that they are eligible for no-cost or low-cost coverage through Medi-Cal, which they can enroll in online. Those eligible for Medi-Cal can have coverage that is immediately effective.

California has put a 90-day hold on Medi-Cal renewal reviews, ensuring those already enrolled can continue their coverage and freeing up resources to quickly process the expected new enrollments. DHCS also is seeking expanded authority to expedite enrollment for seniors and other vulnerable populations, expand the use of telehealth, and take other steps to make care easier to access.

“The extraordinary challenges posed by COVID-19 demand an equally extraordinary response, and the Medi-Cal and Covered California systems are stepping up to meet the need for health coverage and ease access to services,” said Dr. Bradley P. Gilbert, Director of the Department of Health Care Services.

DHCS oversees Medi-Cal, California’s version of Medicaid, which provides coverage for about 13 million Californians.

The California Department of Managed Health Care (DMHC) and the California Department of Insurance will provide guidance to health plans on the special-enrollment period, which will also include off-exchange health plans. This will ensure consumers enrolling in the entire individual market in California will have access to coverage during the pandemic emergency.

“We are working together to protect the health and safety of Californians during this pandemic,” said DMHC Director Shelley Rouillard. “This includes making sure that Californians are able to access health care coverage. Opening a special-enrollment period due to COVID-19 offers new coverage options to Californians when they need it most.”

All Covered California and Medi-Cal Plans Offering Telehealth Options

All health plans offered through Covered California and by Medi-Cal provide telehealth options for enrollees, giving individuals the ability to connect with a health care professional by phone or video without having to personally visit a doctor’s office or hospital.

All medically necessary screening and testing for COVID-19 is free of charge. This includes telehealth or doctor’s office visits as well as network emergency room or urgent care visits when necessary for the purpose of screening and testing for COVID-19. In addition, Medi-Cal covers costs associated with COVID-19 in both its managed care plans and with fee for service providers. Covered California health plans will help cover costs that arise from any required treatment or hospitalization.

“A core part of our mission is improving access to high-quality health care, and that has never been more important than it is right now in California,” Lee said.

New Ad Campaign to Get the Word Out

Covered California will be alerting the public about the new special enrollment period through television, radio and digital ads. Covered California is already running ads that highlight the new financial help that is available for the first time this year, the new state individual mandate penalty and ads that make the connection to the COVID-19 pandemic and the ability to get coverage.

Click here to listen to the radio ad currently airing that highlights what consumers can do in face of the COVID-19 epidemic.

Watch the new television ads focusing on the financial help and penalties in English and Spanish here.

New State Subsidies Help Californians Lower Their Health Care Costs

Californians who sign up for coverage may be able to benefit from a new state subsidy program that expanded the amount of financial help available to many people. The subsidies are already benefitting about 625,000 Covered California consumers. Roughly 576,000 lower-income consumers, who earn between 200 and 400 percent of the federal poverty level (FPL), are receiving an average of $608 per month, per household in federal tax credits and new state subsidies (which averages $23 per household). The financial assistance lowers the average household monthly premium from $881 per month to $272, a decrease of 70 percent.

In addition, nearly 32,000 middle-income consumers have already qualified for new state subsidies, with average state subsidy to eligible households is $504 per month, lowering their monthly premium by nearly half.

Many of those eligible for the new middle-income state subsidies are an estimated 280,000 Californians who are likely eligible for new state or existing federal subsidies but kept their "off-exchange" coverage. They are also eligible to switch to Covered California and benefit from the financial help. During this special enrollment period, Covered California, its health plans and certified agents will be reaching out to these Californians to let them know how they can save money on their premiums – which will help them keep their coverage in challenging financial times.

California's Success in Expanding Coverage Strengthens Pandemic Response

The policies announced today build on the success of the Affordable Care Act in California. Since the law was signed 10 years ago, California's uninsured rate has dropped to a record low of 7.2 percent thanks to the expansion of Medi-Cal and the creation of Covered California.

"California's policy makers made important choices ten years ago to build the Covered California exchange and dramatically expand the state's Medi-Cal program. Those choices — as well as new efforts by Gov. Newsom and the Legislature to bolster financial support to buy coverage — mean many millions of people have coverage today and can get it tomorrow for this critical moment in time," Lee said. "Our goals now must be to make sure we meet the needs of those without insurance – whether they just lost their coverage or lost their income – while assuring those with coverage get the care they need, when then need it. The urgency of this public health crisis calls on all of us to do everything we can to help Californians."

Staying Safe While Getting Help Enrolling

With the just announced order for Californians to stay home if they are not engaged in essential work or travel, Covered California is working with the more than 10,000 Certified Insurance Agents that help Californians sign up and understand their coverage options through phone-based service models.

"We are in a different world right now, but social distance does not mean you cannot get personal help," Lee said. "Our agents and staff are stepping up to help people by phone and support them to enroll online."

Consumers can easily find out if they are eligible Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.Com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

Those interested in learning more about their coverage options can also:

- Visit www.CoveredCA.com.
- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller call them and help them for free.
- Call Covered California at (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.

About the Department of Health Care Services

The California Department of Health Care Services (DHCS) is the backbone of California's health care safety net. It provides access to affordable, integrated, high-quality health care, including medical, dental, mental health, substance use treatment services and long-term care. DHCS funds health care services for about 13 million Medi-Cal beneficiaries and is the largest health care purchaser in California. It collaborates with the federal government and other state agencies, counties, and partners to invest more than $100 billion for the care of low-income families, children, pregnant women, seniors, and persons with disabilities. For more information about DHCS, please visit www.dhcs.ca.gov.

COVERED CALIFORNIA™ **News Release**

Mar. 23, 2020

Covered California Releases the First National Projection of the Coronavirus (COVID-19) Pandemic's Cost to Millions of Americans With Employer or Individual Insurance Coverage

- *The one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19.*

- *The potential costs for 2020 could range from 2 percent to 21 percent of premium if the full first-year costs of the COVID-19 pandemic were priced into premiums*

- *Premium increases in the individual and employer markets for 2021 — which are in the process of being set right now — could be 40 percent or more solely because of COVID-19 costs in the absence of federal action.*

- *This data comes as federal policy makers consider how to address COVID-19's impact on Americans, small and large employers and the public sector, which are all stepping up to meet urgent health and economic insecurity.*

- *Reinsurance policies under consideration — that provide mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, employers and states.*

SACRAMENTO, Calif. — Covered California on Monday released the first national projection of health care costs due to the coronavirus (COVID-19) pandemic. The analysis estimates the projected costs for 170 million Americans in the commercial market — which includes the individual, small-group and large-group markets — for testing, treatment and care specifically related to COVID-19 ranges from a low of $34 billion to $251 billion or more in the first year of the pandemic.

"Covered California's analysis shows the impact of COVID-19 will be significant, and that absent federal action, consumers, employers and our entire health care system may be facing unforeseen costs that could exceed $251 billion," said Covered California Executive Director Peter V. Lee. "Consumers will feel these costs through higher out-of-pocket expenses and premiums, as well as the potential of employers dropping coverage or shifting more costs to employees."

Covered California's chief actuary, John Bertko, prepared the report after engaging with external actuaries with deep expertise in the commercial insurance markets and after analyzing expert clinical review and interviews with health insurance plan leaders.

The analysis found:

- The one-year projected costs in the commercial market range from $34 billion to $251 billion for testing, treatment and care specifically related to COVID-19.
- Those potential COVID-19 costs for 2020 could range from 2 percent of premium to more than 21 percent of premium if they had been priced for.
- Premiums in the individual and employer markets for 2021 — which are in the process of being set right now — could be 40 percent or more solely because of these unexpected COVID-19 costs in the absence of federal action, as insurers

would seek to recoup unplanned for losses from 2020 and budget for pandemic-related costs in 2021.

"Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums," Bertko said. "While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action."

Covered California sent the policy/actuarial brief "The Potential National Health Cost Impacts to Consumers, Employers and Insurers in the Commercial Market Due to COVID-19" to members of Congress to help inform the ongoing discussions at the federal level about how to handle the COVID-19 response.

"These increased costs could mean that many of the 170 million Americans in the commercial market may lose their coverage and go without needed care as we battle a global health crisis," Lee said. "These are not 'insurer' costs — these are costs directly borne by individual Americans in the form of cost-sharing and premiums; these are costs to small and large businesses that are struggling; these are costs to individuals who may avoid needed care."

Covered California suggested several actions that Congress could take to mitigate the potential impact of these cost increases on consumers:

- 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 as California implemented on a three-year basis in 2020.
- Establish a temporary program to limit the costs of COVID-19 for health insurers, self-insured employers and those they cover, which would directly benefit individuals and small employers for 2020 and allow for more certainty in their pricing for 2021.
- Establish a national special-enrollment period for the individual market, such as has already been adopted by 12 marketplaces representing 30 percent of Americans.

"As we have seen throughout this crisis, there is no time to waste. We must take action now to prevent the pain of this epidemic from becoming worse for hundreds of millions of Americans next year," Lee said. "Reinsurance policies under consideration in Washington — that offer mechanisms to provide federal funding for portions of unforeseen COVID-19 costs for the individual and employer markets, along with Medicaid managed care programs — could provide needed funds and certainty for consumers, small and large employers and states across the nation."

Lee also noted that while Covered California’s analysis deals with the commercial market, other populations — including those in Medicare, Medicaid, other public programs and the uninsured — will also need a comprehensive review and solutions to address the unplanned for costs.

COVID-19 Special-Enrollment Period

Covered California’s analysis comes just days after it announced a special-enrollment period for uninsured individuals who need health care coverage amid the COVID-19 pandemic. From now until June 30, anyone who meets Covered California’s eligibility requirements can enroll in health care coverage, similar to the rules in place during the annual open-enrollment period.

Staying Safe While Getting Help Enrolling

In an effort to support the state’s social distancing recommendations, Covered California is working with the more than 10,000 Certified Insurance Agents who help Californians sign up and understand their coverage options through phone-based service models.

“We are in a different world right now, but social distancing does not mean you cannot get personal help,” Lee said. “Our agents and staff are stepping up to help people by phone and support them to enroll online.”

Consumers can easily find out if they are eligible Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.com Shop and Compare Tool and entering their ZIP code, household income and the ages of those who need coverage.

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

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The Washington Post

The Health 202: Coronavirus could drive up insurance premiums for tens of millions of Americans, projection shows
Paige Winfield Cunningham

Severely ill coronavirus patients will generate such costly hospital bills that it could drive up insurance premiums by double digits for tens of millions of Americans next year.

That's according to Peter Lee, director of California's individual insurance marketplace, whose actuaries have estimated that medical care stemming from the virus could generate between $29 billion and $216 billion in hospital costs nationally for patients on employer-sponsored or individual market coverage, depending on the number of people ultimately infected.

The report out of California — which, like a half-dozen other states, is allowing people special permission to sign up for Affordable Care Act plans during the pandemic — underscores yet another economic ripple effect of the virus: It will spur large new health-care costs that many Americans will eventually feel.

While the vast majority of coronavirus patients will experience only mild symptoms, a subset of the infected will develop pneumonia or other respiratory trouble, requiring a hospital stay where they can have access to oxygen or a ventilator.

Actuaries for Covered California, the state's ACA marketplace, estimated that patients hospitalized because of coronavirus would stay an average of 12 days, generating an average bill of $72,000.

A majority of these patients will be over age 65, so the federal Medicare program will pay their bills, which are typically around half or two-thirds of what commercial insurers pay. Low-income people on Medicaid will have coverage, too.

But the outlook is troubling for other Americans. If they are insured, they'll mostly be covered after meeting their annual deductible, but they'll still cause a boost in health-care spending that will make future premiums more expensive for everyone else.

And uninsured patients who require hospitalization will incur tens of thousands of dollars in costs.

Covered California estimate calculated total costs to the system based on three scenarios. There's the scenario in which coronavirus has "low" impact, in which 400,000 people are hospitalized in the U.S.; "medium" impact where 1.2 million are hospitalized; and "high" impact where 3 million people are hospitalized.

In any of these scenarios, insurers will face large, unexpected bills that could prompt widespread premium spikes next year.

"It's a phenomenally large implication," Lee told me.

California's $72,000 estimate for a hospital stay for coronavirus is considerably larger than what other analysts have projected. Kaiser Family Foundation researchers found the average employer-sponsored plan pays an average of $20,292 for hospital admission of a patient with pneumonia and major complications. The average cost ranged from $11,533 to $24,178, depending on the area of the country.

But this much is clear: The coronavirus outbreak, which killed 100 people in the United State in a single day yesterday, will further strain a U.S. health-care system whose patients are already plagued by perpetually rising costs and inefficiencies all around.

Yet the pandemic has also offered Obamacare advocates a chance to tout the law's successes on its 10th anniversary yesterday.

"We couldn't need it more in terms of this pandemic," House Speaker Nancy Pelosi (D-Calif.) said on a call yesterday hosted by the Democrat-connected group Protect Our Care. "As we prayerfully go into this further discussion on the coronavirus challenge, thank God for the Patient Protection and Affordable Care Act."

Advocates were forced to dramatically scale back their plans to celebrate the ACA's decade of existence on March 23. President Obama released a video message instead of delivering an address at American University, which was canceled.

Congressional Democrats still seized the opportunity to tout the law's expansion of coverage to around 20 million Americans through the individual marketplaces and Medicaid expansion and its requirements for plans to cover essential services — including hospital visits and vaccinations, services that are particularly relevant during this pandemic.

They resurrected their frequent pre-coronavirus messaging about the Trump administration's constant bombardment of the law, most specifically its position that the entire measure is unconstitutional and should be struck down by the courts. Pelosi asked the administration to reverse its position on the ACA and to instead encourage the states still resisting Medicaid expansion to accept it.

And they called on the administration to further promote the law during the pandemic, by opening up HealthCare.gov for a special enrollment period.

Sign-ups are typically allowed only in the final two months of the year, but Colorado, Connecticut, Maryland, Massachusetts, Nevada, New York, Rhode Island and Washington (which all run their own marketplaces) have all temporarily reopened sign-ups. Enrollment was already open in California and the District of Columbia for other reasons, but both jurisdictions have said they'll keep it open longer.

Rep. Lauren Underwood (D-Ill.), who worked at the Department of Health and Human Services as the ACA was being passed, said it's "really important we leverage all existing authorities to ensure the American people have access to the care and coverage they need."

"We just haven't seen any move toward that end from the administration," she said.

Modern Healthcare

COVID-19 could prompt higher 2021 insurance premiums, benefit cuts
Shelby Livingston

The cost of COVID-19 testing and treatment is likely to squeeze U.S. health insurers' profits, which could lead to higher premiums in 2021. Pressure on state budgets may also prompt Medicaid benefit cuts, experts warn.

A new report from Covered California, the state's Affordable Care Act marketplace, projected that commercial insurers and employers could face a $34 billion to $251 billion bill for coronavirus testing and treatment this year. Their best estimate is $103 billion.

Absent any federal action, those costs could prompt commercial health insurers to increase premiums between 4% to 40% in 2021 to make up for increased medical claims and stay solvent, according to the report.

"Plans in 2021 will price not only to cover losses they did not plan for this year, but to cover anticipated costs next year," said Peter Lee, executive director of Covered California. "And what does that mean? Here we are in a recession where small businesses and large businesses are already on the ropes, and if they are faced with premium increases of these staggering proportions, sadly many are likely to drop coverage or even more will shift costs to their employees who are ill prepared to take on those costs in the face of other economic challenges."

The report by Covered California's chief actuary John Bertko focuses on costs for the commercially insured, which includes about 170 million Americans who receive coverage through their jobs and the individual market. It doesn't address the separate and likely significant costs to Medicare, Medicaid or other public programs, though Bertko said those costs would be "huge."

The wide range of cost and premium estimates reflects the many unknowns, including how many people will receive tests and how many will need to be hospitalized. The low-end estimates reflect the best-case scenario, in which social distancing and shelter-in-place orders help prevent the spread of the virus. High-end estimates reflect a higher-than-expected number of patients testing positive for COVID-19 and requiring hospitalization.

The report notes that the best estimate puts testing costs at $8.4 billion for 40 million commercially insured people tested, and treatment costs at about $95 billion for 8 million people who test positive for COVID-19.

The consequences of these staggering costs are far-reaching. Premium increases could make it difficult for people to afford care. Unsubsidized ACA exchange enrollees may become priced out of the market. Employers may shift costs to workers or even drop health coverage, and small insurers may shut down. State and federal governments could be on the hook for higher costs if more individuals enroll in Medicaid as a result of losing job-based coverage.

"You should probably expect there will be an increase in premiums unless there is some additional federal relief," said John Baackes, CEO of L.A. Care Health Plan, which serves more than 2 million Medicaid and ACA marketplace members in California.

More concerning, he said, is that the pandemic will likely lead to Medicaid cuts.

"I would expect as a fallout, even with additional federal aid, we can expect some curtailment from Medicaid. They could reduce reimbursement, they could reduce benefits, which is what they did 12 years ago, or they could reduce access," Baackes said.

Lee said the federal government must act now to mitigate the effects of the unplanned costs through programs like reinsurance.

"What's top of mind and should be top of mind now is to make sure hospitals have ventilators, make sure we are taking care of our frontline health professionals, but if policymakers aren't looking six months down the road, we are going to have an economy that never gets up again. This is about policy today so we aren't in six months facing a new crisis that could have been avoided."

Insurance industry lobbying groups America's Health Insurance Plans and the Blue Cross and Blue Shield Association have urged federal lawmakers to enact policies to maintain a stable marketplace for insurance. They are pushing for a temporary risk mitigation program to compensate insurers for extreme costs to keep premiums from spiking.

Among other recommendations, they have also asked Congress to provide funding to support coverage for employees who lose their jobs, and to allow those workers to enroll in individual market coverage through a special enrollment period, as several states have already done.

Insurers have been reluctant to estimate the potential financial impact of COVID-19 pandemic on their businesses, saying it's too soon to know. Analysts have pointed out that insurers could benefit as hospitals postpone expensive elective surgeries and other procedures, but it's unclear if that benefit will outweigh testing and treatment costs for COVID-19 claims costs.

"This clearly is an unpredicted event that has occurred that was not baked into any pricing or trend expectation," said Peter Manoogian, a Boston-based consultant at ZS Associates who advises national and regional health plans. "Even if members are told to stay away and put off treatment, those will still come back and ultimately there's going to be more utilization of the healthcare system than was predicted going into the year."

Last week, Fitch Ratings revised its outlook of the health insurance industry from stable to negative because it expects "a weakening of profitability" driven by higher claims from coronavirus testing and treatment. Plus, it expects that health insurers will take in less premium revenue as people lose their jobs and thus, their health benefits. An economic downturn could also reduce insurers' investment earnings, Fitch said.

S&P Global similarly said it expects insurers to lose money and have to "dig into their capital buffers to cover the increased costs." However, S&P analysts said health plan deductibles and copayments included in most insurance policies will ensure that patients bear the cost of medical care, particularly if they seek care in the first half of the year before they hit their deductibles.

S&P analyst Deep Banerjee said that while he expects premium increases related to COVID-19 in 2021, he did not expect a "meaningful" impact on the profitability of the health sector.

Covered California's Lee had other ideas.

"This is where there's no place for insurers to hide," Lee said. "(COVID-19) is touching every American, it's going to touch every insurer … These costs have to be paid; the question is how are they going to be paid."

SACRAMENTO BUSINESS JOURNAL

Health insurance premiums could skyrocket from cost of coronavirus care
Cathie Anderson

The costs of providing care amid the coronavirus pandemic could cost billions for health insurers, according to a new report by Covered California.

Covered California released its findings on what the outbreak means for the nation's insurers on Monday. Covered California is the state's marketplace for individual health care coverage under the Affordable Care Act, and provided coverage for about 1.5 million Californians as of February.

The commercial health care market is projected to face anywhere from $34 billion to $251 billion related to testing and treatment for COVID-19, the report states. To make up for those costs, premiums could rise 40% in the individual and employer markets, if the federal government doesn't intervene.

The analysis is based on projections that 4 million to 15 million Americans could test positive for the virus, and that 10% to 15% would be hospitalized. The projected cost covers a one-year period.

"Given that insurers will be submitting 2021 rates in May and finalizing them around July 1, congressional action is needed very soon in order to affect 2021 premiums," said John Bertko, chief actuary for Covered California, in a written statement. Bertko prepared the report after working with external actuaries with expertise in the commercial insurance markets, clinical experts and health insurance plan leaders, according to Covered California.

"While there is a lot of uncertainty with anything related to COVID-19, one thing we can be certain of is that the impact will be significant, and now is the time to take action," Bertko said.

Without federal action, employers could end up in a situation where they are no longer able to provide affordable coverage, and consumers may drop their health insurance due to cost, according to the report. Small insurers could also risk insolvency.

THE SACRAMENTO BEE

Californians must enroll in health insurance by Jan. 31, but many don't know it's the law
Cathie Anderson

California's open enrollment for health insurance ends Jan. 31, but at least two out of five consumers still don't know that they'll face a tax penalty if they don't have coverage this year.

At least two out of five California consumers are still not aware that they'll face a tax penalty in 2021 if they don't have health insurance coverage this year. That's not good since open enrollment ends this month.

The statistic is one of many consumer insights that Covered California discovered earlier this month from surveys it commissioned of state residents. Since open enrollment began in October 2018, the agency has spent millions of dollars worth on advertising to hammer home the message that California's leaders instituted an individual mandate for health insurance.

"We do not want Californians to face a penalty. We want them to have quality health insurance that gives them access to some of the best doctors and facilities in the nation," said Covered California Executive Director Peter V. Lee. "Unfortunately, far too many Californians are unaware of the new law or its consequences. That's why we are working hard to get the message out while there is still time for people to enroll."

Open enrollment will end in California on Jan. 31, and after that date, consumers can buy insurance only if they lose their employer-sponsored health coverage or go through another qualifying life event that allows them to sign up.

The Covered California-commissioned survey found that 38 percent of insured respondents and 56 percent of uninsured respondents didn't know that they would face a penalty if they didn't have health coverage. Covered California contracted with LRWGreenberg, an external research consultant, to conduct the survey.

Nearly a third of uninsured respondents said they are more likely to buy insurance because of the penalty, and virtually that same percentage said they had not looked to see whether they qualified for financial help. Gov. Gavin Newsom and the California legislature extended new state subsidies to middle-income Californians to help them cover the cost of insurance.

Now, individuals making up to $74,940 could qualify for state financial help, and so could a family of four with a household income of up to $154,500. Lee urged everyone not covered by employer-subsidized insurance to go to the Covered California website and check their eligibility.

"All it takes is just a few minutes to find out whether you are eligible for financial help from the federal government, the state, or both," Lee said. "Do not leave money on the table; do not put yourself at risk if you get sick or ill; do not get stuck with a big bill when you pay your taxes in 2021."

The average subsidy for eligible middle-income Californians is $469 a month, Lee's team reported, and for those earning less than 400 percent of the federal poverty level, it's $447 a month.

In a video released by Covered California, the Jaramillo family of Salinas said they could not have afforded health insurance coverage if it wasn't for the new subsidies. Between the federal tax credits and the new state subsidy, the family will be paying $57 a month for coverage.

State officials estimate that nearly 560,000 families are eligible for a state subsidy. As of Jan. 4, more than 269,000 consumers had newly signed up for health insurance through Covered California, roughly 18 percent more than at this time last year. More than 1.15 million existing customers have renewed their policies.

"Covered California continues to sign up thousands of people every day, but time is running out, so you need to act now if you want health insurance this year," Lee said. "We know that deadlines matter to people. Californians have through the end of the month to sign up and select a plan that will protect them and their families."

California Healthline

For 2020, California Goes Big On Health Care

Ana B. Ibarra

California is known for progressive everything, including its health care policies, and, just a few weeks into 2020, state leaders aren't disappointing.

The politicians' health care bills and budget initiatives are heavy on ideas and dollars — and on opposition from powerful industries. They put California, once again, at the forefront.

The proposals would lower prescription drug costs, increase access to health coverage, and restrict and tax vaping. But most lawmakers agree that homelessness will dominate the agenda, including proposals to get people into housing while treating some accompanying physical and mental health problems.

"This budget doubles down on the war on unaffordability — from taking on health care costs and having the state produce our own generic drugs to expanding the use of state properties to build housing quickly," Gov. Gavin Newsom said in a letter to the legislature, which accompanied the $222.2 billion budget proposal he unveiled last Friday. About a third of that money would be allocated to health and human services programs.

But even with a Democratic supermajority in the legislature, these proposals aren't a slam-dunk. "There are other factors that come into play, like interest groups with strong presence in the Capitol," including Big Pharma and hospitals, said Shannon McConville, a senior researcher at the nonpartisan Public Policy Institute of California.

Drug Pricing

Newsom's plan to create a state generic drug label is perhaps his boldest health care proposal in this year's budget, as it would make California the first state to enter the drug-manufacturing business. It may also be his least concrete.

Newsom wants the state to contract with one or more generics manufacturers to make drugs that would be available to Californians at lower prices. Newsom's office provided little detail about how this would work or which drugs would be produced. The plan's cost and potential savings are also unspecified. (Sen. Elizabeth Warren of Massachusetts, who is seeking the Democratic presidential nomination, proposed a similar plan at the federal level.)

Because the generics market is already competitive and generic drugs make up a small portion of overall drug spending, a state generic-drug offering would likely result in only modest savings, said Geoffrey Joyce, director of health policy at USC's Leonard D. Schaeffer Center for Health Policy & Economics.

However, it could make a difference for specific drugs such as insulin, he said, which nearly doubled in price from 2012 to 2016. "It would reduce that type of price gouging," he said.

Representatives of Big Pharma said they're more concerned about a Newsom proposal to establish a single market for drug pricing in the state. Under this system, drug manufacturers would have to bid to sell their medications in California, and would have to offer prices at or below prices offered to any other state or country.

Californians could lose access to existing treatments and groundbreaking drugs, warned Priscilla VanderVeer, vice president for the Pharmaceutical Research and Manufacturers of America, the industry's lobbying arm.

This proposal could "let the government decide what drugs patients are going to get," she said. "When the governor sets an artificially low price for drugs, that means there will be less money to invest in innovation."

Newsom's drug pricing proposals build on his executive order from last year directing the state to negotiate drug prices for the roughly 13 million enrollees of Medi-Cal, the state's Medicaid program for low-income residents. He also ordered a study of how state agencies could band together — and, eventually, with private purchasers such as health plans — to buy prescription drugs in bulk.

Homelessness

California has the largest homeless population in the nation, estimated at more than 151,000 people in 2019, according to the U.S. Department of Housing and Urban Development. About 72% of the state's homeless slept outside or in cars rather than in shelters or temporary housing.

Newsom has asked for $1.4 billion in the 2020-21 state budget for homelessness, most of which would go to housing and health care. For instance, $695 million would boost health care and social services for homeless people via Medi-Cal. The money would fund programs such as recuperative care for homeless people who need a place to stay after they've been discharged from the hospital, and rental assistance if a person's homelessness is tied to high medical costs.

A separate infusion of $24.6 million would go to the Department of State Hospitals for a pilot program to keep some people with mental health needs out of state hospitals and in community programs and housing.

Surprise Bills

California has some of the strongest protections against surprise medical bills in the nation, but millions of residents remain vulnerable to exorbitant charges because the laws don't cover all insurance plans.

Surprise billing occurs when a patient receives care from a hospital or provider outside of their insurance network, and then the doctor or hospital bills the patient for the amount insurance didn't cover.

Last year, state Assembly member David Chiu (D-San Francisco) introduced legislation that would have limited how much hospitals could charge privately insured patients for out-of-network emergency services. The bill would have required hospitals to work directly with health plans on billing, leaving the patients responsible only for their in-network copayments, coinsurance and deductibles.

But he pulled the measure because of strong opposition from hospitals, which criticized it as a form of rate setting.

Chiu said he plans to resume the fight this year, likely with amendments that have not been finalized. But hospitals remain opposed to the provision that would cap charges, a provision that Chiu says is essential.

“We continue to fully support banning surprise medical bills, but we believe it can be done without resorting to rate setting,” said Jan Emerson-Shea, a spokesperson for the California Hospital Association.

Medi-Cal For Unauthorized Immigrants

California is the first state to offer full Medicaid benefits to income-eligible residents up to age 26, regardless of their immigration status.

Now Democrats are proposing another first: California could become the first to open Medicaid to adults ages 65 and up who are in the country illegally.

Even though Medicaid is a joint state-federal program, California must fund full coverage of unauthorized immigrants on its own.

Newsom set aside $80.5 million in his 2020-21 proposed budget to cover about 27,000 older adults in the first year. His office estimated ongoing costs would be about $350 million a year.

Republicans vocally oppose such proposals. “Expanding such benefits would make it more difficult to provide health care services for current Medi-Cal enrollees,” state Sen. Patricia Bates (R-Laguna Niguel) said in a prepared statement.

Vaping

Dozens of California cities and counties have restricted the sale of flavored tobacco products in an effort to curb youth vaping.

But last year, state legislators punted on a statewide ban on flavored tobacco sales after facing pressure from the tobacco industry.

Now, state Sen. Jerry Hill (D-San Mateo) is back with his proposed statewide flavor ban, which may have more momentum this year. Since last summer, a mysterious vaping illness has sickened more than 2,600people nationwide, leading to 60 deaths, according to the Centers for Disease Control and Prevention. In California, at least 199 people have fallen ill and four have died.

Hill’s bill would ban retail sales of flavored products related to electronic cigarettes, e-hookahs and e-pipes, including menthol flavor. It also would prohibit the sale of all flavored smokable and nonsmokable tobacco products, such as cigars, cigarillos, pipe tobacco, chewing tobacco, snuff and tobacco edibles.

Newsom has also called for a new tax on e-cigarette products — $2 for each 40 milligrams of nicotine, on top of already existing tobacco taxes on e-cigarettes. The tax would have to be approved by the legislature as part of the budget process and could face heavy industry opposition.

Tobacco-related bills are usually heard in the Assembly Governmental Organization Committee, “and that is where a lot of tobacco legislation, quite frankly, dies,” said Assembly member Jim Wood (D-Healdsburg), who supports vaping restrictions.

Deadline for Covered California, with its new health insurance mandate, extended to Jan. 31

Marie Estrada

SACRAMENTO, Calif. — Bottom line, healthcare is expensive. But going without health insurance comes with consequences in California, like a penalty from the state when you file your taxes in 2021.

"The penalty will be for what you did this year — 2020. It's a new law," explained Peter Lee, executive director of Covered California. "The thing we don't want is, a year from now when people are pulling together their documents saying 'Oh my God, a penalty?'"

The penalty Lee referenced can be explored here, and whether you like or not — not having insurance in 2020 will result in one. To avoid paying a fee, burn this date into your mind: Jan. 31, 2020.

That is the deadline for those without insurance to apply for coverage through Covered California.

”Middle class Californians can get financial help," Lee said. "They can lower their healthcare costs by hundreds and hundreds of dollars. But they only way to find out is to check."

He went on to say that if, years ago, you checked out Covered California and thought it was too expensive, "check again" because rates have changed.

"And do it before the deadline, Jan. 31," he said.

WHAT IF I DON'T GET HEALTH INSURANCE?

A family of four without health insurance could be subject to a $2,000 penalty when filing taxes next year, according to Covered California.

They understand why you might want to skip sign up, so they've even provided a calculator for you to figure out what your fine might be.

If you want to compare what your penalty might be, to what your annual coverage cost with Covered California might be, click here.

Again, the deadline is Jan. 31, 2020. All you have to do is visit Covered California’s site, see what you’re eligible for, pick a plan and make your first monthly payment to have coverage by Feb. 1, 2020.

HOW TO APPLY TO COVERED CALIFORNIA:

See if you qualify for financial help: Click here and you'll be taken to a page that ask several questions about your financial status, like how many people are in your household and what your annual family income is.

Check out programs you qualify for: Click through and learn about four options: Covered California, Medi-Cal, Coverage for Pregnant Women and the County Children's Health Initiative Program. Your best bet though is to click "shop and compare" to answer a few more questions that will fit you to the right program.

*NOTE: This step is not an application. It's simply a way to find out if you're eligible and what program fits you best.

Preview plans to compare prices: The bad news is, you'll have to answer a few more questions. The good news is, you're almost done and can start applying here!

WHAT YOU'LL NEED TO APPLY ONLINE: Social security numbers of all applicants, immigration documents for non-citizens, employer and income information, federal tax information.

*NOTE: You can find paper applications in all languages needed, here.

KRON 4

State seeing surge of sign-ups for Covered California health insurance

Ashley Zavala

SACRAMENTO (KRON) — The state is seeing a surge in Californians signing up for its health insurance.

"Getting people signed up is a win-win," said Peter Lee, director of Covered California.

California officials Monday say they're encouraged by the numbers they're seeing so far this open enrollment period.

Lee is the executive director of Covered California.

"We all benefit when more people sign up, health care costs go down, that's the equation that lead to us having the lowest premium increase in our history," he said.

Officials say so far this year there's been a 16 percent increase in the number of people signed up for state health care coverage than this time last year.

The state legislature and governor this year brought back a mandate requiring Californians to have health insurance or else pay a fine.

The state also expanded coverage access to undocumented immigrants under the age of 26.

Lee says what helped boost the numbers the most was a $1 billion investment into subsidies.

"The Governor said we know there are middle class Californians spending 25 percent of their income on their healthcare, we're going to help those people, up to 600 percent of poverty: for an individual that means $75,000 income. For a family of four, it's $150,000," Lee said.

Californians who want state health care coverage by the first of the year should sign up by Friday.

THE SACRAMENTO BEE

More Californians are buying health care through the state's insurance marketplace

Cathie Anderson

Governor Gavin Newsom released a video saying Covered California extended the open enrollment deadline. Applications must be finished by 12/20 for coverage that starts 1/1. By Office of the Governor of California

California's health insurance marketplace is on track to enroll more people this year than last year, state officials said Wednesday.

As of Monday, about 230,000 people had newly enrolled in coverage through Covered California, the state's insurance marketplace, a roughly 16 percent increase from this time last year.

Covered California's open enrollment period lasts through Jan. 31, but Californians must sign up by Friday for their coverage to start Jan. 1. About halfway through the enrollment period, Californians have signed up for about 1.38 million plans, according to Covered California.

On a call with reporters, Gov. Gavin Newsom credited the state's efforts to boost enrollment for the coverage gains and keeping costs down.

To encourage more sign-ups, this year's state budget created new subsidies for people making up to 600 percent of the poverty level, about $75,000 for an individual or $154,500 for a family of four, who buy insurance on the marketplace.

California also re-instated a fine called the individual mandate for people who don't sign up for health insurance. Congress first created the individual mandate at the federal level through the Affordable Care Act, otherwise known as Obamacare, but repealed it in 2017.

Newsom and Covered California director Peter Lee announced the new numbers the same day a U.S. appeals court ruled the federal individual mandate unconstitutional. California Attorney General Xavier Becerra criticized that decision Wednesday, saying he plans to appeal to the U.S. Supreme Court.

The ruling on the federal individual mandate does not affect California's individual mandate, Becerra said. However, he said continued litigation over the Affordable Care Act perpetuates uncertainty about California's health care system, which relies heavily on authority and funding in the federal law.

Enrolling more healthy people in coverage to offset costs to care for sick people has resulted in a healthier pool in Covered California compared to the federal insurance marketplace, Lee said. That's keeping premium costs down, he said.

"We're making investments that are saving Californians money," Lee said during the call.

Newsom said in 2020 he'll focus on improving Medi-Cal, the state's health insurance program for low-income Californians, calling it the "core driver of our work into the new year."

Newsom said he'll ask the Trump administration for changes to the waiver that lets California operate Medi-Cal separately from the federal low-income insurance program

Medicaid, but declined to give details and told reporters he'll announce more in the coming weeks.

Next year, Newsom said he'll also look to reduce prescription drug costs, crack down on surprise medical billing and expand coverage to more undocumented adults. Undocumented children can already enroll in Medi-Cal, and undocumented young adults under 26 can access the program in 2020.

Newsom is expected to release a more detailed health agenda in January as part of his 2020-21 budget proposal, which is expected to benefit from a $7 billion surplus.

Californians can sign up for health insurance through the state marketplace and find out if they qualify for new subsidies at www.coveredca.com or by calling 800-300-1506.

San Francisco Chronicle

Gov. Newsom announces commission will look into single-payer for California

Catherine Ho

Gov. Gavin Newsom has long touted a single-payer health system, and campaigned on it during his successful gubernatorial run.

On Tuesday, he announced a step toward exploring a single-payer financing model and other policies that could get Californians closer to universal health coverage.

Newsom announced the formation of the Healthy California For All Commission, a 17-person body that will begin meeting in January to look into ways to expand health coverage, including, but not limited to, a single-payer model. Members include the head of the Department of Health Care Services, which administers Medi-Cal, the chairmen of health committees in the state Senate and Assembly, the executive director of the health insurance exchange Covered California, as well as academics and health advocates.

Newsom said the commission will look into national health insurance programs in other countries, including Canada and Germany, and consider what might work in California.

“We’ll be exploring in our commission the hybrids in the rest of the world and consider tenets that may work in California,” Newsom said during a call with reporters and Covered California executive director Peter Lee to discuss Covered California open enrollment. “All in the backdrop of reality.”

To enact a single-payer system, California would need federal approval on various components, even if the Legislature were to approve it — and that is all but guaranteed to be rejected by a Republican White House. The state has already enacted changes that take effect in 2020 that didn’t need federal approval — such as new financial assistance for middle-income Californians to pay for health care premiums and expanding the Medi-Cal insurance program for the poor to cover undocumented residents up to age 26.

The commission “allows the governor to explore what direction to take the health care system in for California to potentially get ready for a Democrat in the White House in 2021, which could give the state more leeway,” said Larry Levitt, a health policy analyst at the Kaiser Family Foundation.

“The governor was very outspoken in his support for single-payer health care in the campaign and has not moved the debate forward during his time in office yet,” Levitt said. “This commission may be a way to buy him some time — the political equivalent of ‘the check’s in the mail.’”

The Legislature in 2017 considered a bill that would have created a single-payer system with a price tag of roughly $400 billion a year, but it was widely criticized by many policy experts because it did not include a detailed financing plan. Assembly Speaker Anthony Rendon, D-Lakewood (Los Angeles County), shelved the bill, calling it “woefully incomplete.”

THE ORANGE COUNTY REGISTER

As health insurance rates continue to rise, some turn to a new model

for care
Nicole Hayden, USC Center for Health Journalism

To anyone looking at Laura Campbell's life from the outside, it might be hard to see any sign of strain. She lives in a nice neighborhood in Huntington Beach and works for a small publishing company. She took an end-of-summer road trip with her kids.

But for the widowed mom of teenage twins, health coverage is just out of reach. The company she works for is not obligated to provide health benefits and doesn't do so, and she thinks the cost of insurance would be overwhelming if she enrolled on her own through the state's health insurance marketplace, Covered California.

So, Campbell has opted for what she considers the next best thing: a "direct primary care membership" at Elevated Health in Huntington Beach.

Direct primary care, or DPC, is a growing family medicine business model that has gained popularity in the past decade.

It is like a subscription service for basic care. Patients pay physicians a monthly or annual fee that covers most primary care services, including clinical visits and lab tests. The doctors opt out of dealing with insurance carriers. But it does not cover major, complicated medical situations, such as cancer treatments, emergency room visits, surgeries, and specialty care.

Proponents say DPC fills a gap in current insurance offerings. And, unlike typical insurance-based models where medical services are billed for separately, DPC physicians have no financial incentive to provide more treatments and tests than necessary. On the flip side, this also gives little incentive to provide robust, thorough care.

"You have no idea sometimes what you will actually be paying for care at the hospital," Campbell said. "I love the fact that there is full disclosure of costs upfront, and the membership is so much more affordable for me. … I also have a real relationship with my doctor, so I feel like I am receiving better care since they know much more about me."

An option for the uninsured

If Campbell signed up for health coverage through Covered California, the state's health insurance marketplace, she would pay from $580 to $1,728 a month for her family of three, depending on the level of coverage. She makes about $90,000 annually, which qualifies her for income-based state subsidies for her family. The least-expensive plan would be considered a "catastrophic" insurance option with higher out-of-pocket costs.

At Elevated Health, she pays $135 a month for herself and two children. That membership covers typical annual exams in addition to a list of other routine services such as EKGs, urinalysis, glucose checks and mononucleosis tests, among other things. Physicians are typically accessible after hours via phone or email, and some offer telemedicine services.

The membership also lets patients access care like one would order food off a menu. The prescription and lab costs are transparent and offered at wholesale price. A pap smear is $60, an STD panel is $41, an ultrasound is $85, a mammogram is $85, an X-ray is $40 to $60, and a flu shot is $20.

The savings on prescriptions range from 5% to 98%, depending on the retail price.

Elevated Health has three family physicians, one ultrasound technician, two nurses, a psychologist, a chiropractor and a physician assistant. It serves about 1,000 patients.

The practice also offers counseling with its psychologist, at wholesale prices. The cost is $80 an hour, compared with about $180 for other counselors in the Huntington Beach area.

Patients have used funds from their pre-tax health savings accounts to pay for membership fees and services, though the tax code here has been unclear for some time. But in June, President Donald Trump signed a health care executive order designed to make health care prices more transparent, and it lets patients use their HSA accounts for direct primary care services.

A direct primary care membership, however, does not replace health insurance. In California, if people opt out of insurance coverage, they will have to pay a tax penalty under the state's individual mandate, which goes into effect Jan. 1. Campbell will have to pay this penalty if she continues to forgo insurance. For her, the penalty would be just under $2,000.

DPC physicians still recommend their patients enroll in an insurance plan that at least covers catastrophic emergencies, specialists or other large medical expenses such as cancer treatment. For Campbell, it would have cost an additional $580 a month to have catastrophic coverage for her family of three.

But direct primary care can be an option for people who can't afford or don't qualify for employer-based plans or coverage through Medicaid or Covered California.

Matthew Abinante, the physician who founded Elevated Health in 2016, said about 40% of its 1,000 patients are uninsured. Some are undocumented immigrants, and a handful, such as Campbell, are employees at small businesses. Some businesses contract with

Elevated Health and pay the membership fee for their employees instead of offering insurance, which is often much more expensive.

The Press Democrat

Deadline to get mandated health insurance through Covered California is Jan. 31
Julie Johnson

The Jan. 31 deadline is looming for Californians who don’t get health insurance through their employers to apply for coverage through the state marketplace, Covered California, made possible through the federal Affordable Care Act.

This year, more people will qualify for subsidies and new funding will lower monthly costs of health insurance for middle income individuals and families. But a new state law also brings back a cash penalty against people who don’t have health insurance that the federal government dropped last year.

Gov. Gavin Newsom championed a state penalty to replace the defunct federal one, plus increased subsidies for the middle class to help deflect the Trump administration’s attempts at dismantling the landmark program that has helped millions of uninsured people get health coverage — dropping the uninsured rate in California from 17% to 8% in the four years after Affordable Care Act started in 2014.

“I tell people: paying for health insurance is cheaper than paying the tax penalty,” said Chris Hightower, an access coordinator with West County Health Center who enrolls people in state programs including Covered California and Medi-Cal.

People who don’t sign up for some form of health insurance by the Jan. 31 deadline will see the penalty on next year’s tax bill. The penalty will either be assessed as a flat fee, starting at $695 per adult and $347.50 per child, or 2.5% of gross income — whichever amount is higher.

Covered California is the state agency created through the Affordable Care Act to sell health plans to people who don’t get insurance through their employers. The state negotiates premiums with health providers. The more people enrolled, the better position California has to get a better deal.

When the federal government dropped the penalty for the uninsured last year, enrollment in Covered California dropped from 1.43 million in March 2018 to 1.39 million in March 2019, according to an agency report.

In Sonoma County, 21,520 consumers were enrolled in an insurance program through Covered California as of March 2019, the latest data available from the state.

In the region, 51,310 customers purchased insurance through the state marketplace for Marin, Napa, Solano and Sonoma counties.

Hightower said he gets about 20 calls a day from people asking about health coverage plans such as Covered California and Medi-Cal, the state’s insurance program for the poor.

In 2014, when Covered California was new, Hightower said he spent a lot of time talking with people about the benefits of having health insurance, such as free preventative care like immunizations and screenings.

Today, more people seem to understand the benefits of having health insurance, and their concerns are primarily whether they can make the monthly payments even with subsidized plans, he said. Hightower said others simply don’t trust the government.

Affordability is a universal concern, said Pamela Moore with Redwood Community Health Coalition, a Petaluma-based consortium of health centers in Sonoma, Napa, Marin and Yolo counties. Moore is the program manager for the local Covered California grant that funds enrollment counselor positions at health centers across the North Bay, including 14 clinics in Sonoma County.

The counselors provide free assistance to people applying for coverage through Covered California or Medi-Cal.

“Most people want insurance but as you know Sonoma County has a lot of expenses making it challenging — especially if you have low income — to make ends meet,” Moore said. “Typically if people aren’t getting insurance it’s because they can’t afford the premiums.”

This year, people previously not eligible to get health insurance through Covered California might now qualify because the 2019-2020 state budget expanded Covered California medical coverage subsidies for people earning wages between four and six times the U.S. poverty line.

Once the Jan. 31 deadline passes, people can still enroll if there is a special circumstance, such as a new baby, marriage or job loss. Native Americans can apply at any time of the year.

“We really want people to come in and see us and to discuss their options and look at what’s possible,” Moore said. “Especially those people who thought they might make too much money, we want them to know that they can get help.”

New health law requiring all Californians have health insurance kicks in Jan. 1
Andy Krauss

California's new health laws will kick in on Jan. 1, 2020, including a requirement that all Californians have health insurance, according to Covered California.

The state created a new state individual mandate penalty that is similar to the Patient Protection and Affordable Care Act's penalty. It will be administered by the Franchise Tax Board and collected when people file their 2020 taxes starting in 2021. A family of four facing a penalty would pay at least $2,000, and potentially more, for not having health insurance throughout 2020, Covered California stated.

Californians are encouraged to enroll by Jan. 31, before the state's open enrollment period ends, or face the penalty if they go without healthcare coverage in 2020.

"Open enrollment is underway right now. That means now is the time to sign up for a quality health plan through Covered California so you are protected in case you get sick or injured, and so you do not have to worry about a possible penalty," Covered California Executive Director Peter V. Lee said. "Writing a check to the Franchise Tax Board when you file your 2020 taxes isn't the real penalty. It's getting hurt or ill and ending up with a $50,000 hospital bill."

Covered California says the return of the penalty was an important element in the organization's record-low rate change of 0.8% in 2020, which they say means consumers have already benefited from the new policy.

In addition to the penalty, Covered California says the state is making new financial help available to eligible consumers to help further lower the cost of their coverage. On average, consumers between 200 and 400 percent of the federal poverty level will receive $21 per household per month on top of their federal tax credits, while people who earn between 400 and 600 percent of the federal poverty level will receive an average of $460 per household per month, according to Covered California.

Covered California says more than 540,000 people have already been found eligible for the new financial help.

"More than half a million Californians have already found out they will benefit from this new money," Lee said. "Consumers have through the end of January to see what plans are available to them and whether they qualify for financial help from the federal government, the state or both."

"The Affordable Care Act is alive and well here in the state of California," Gov. Gavin Newsom said. "We are saving lives, we're expanding coverage, we're deepening subsidies and we're doubling down on our commitment to fulfill the law's promise and its potential."

Those interested in learning more about their coverage options can visit Covered California's website. Consumers can also find out if they are eligible for financial help and see which plans are available in their area by entering their zip code, household income and ages of those who need coverage in the organization's shop and compare tool.

AAPI communities urged to enroll in health coverage before January 31 deadline

Staff

ASIAN American and Pacific Islander community members have until January 31 to enroll in one of Covered California’s qualified health plans.

In a press conference last week, Asian Americans Advancing Justice – Los Angeles (Advancing Justice-LA) joined Covered California, the state’s marketplace created under the Patient Protection and Affordable Care Act, to remind the community about the deadlines and importance of enrolling.

California has one of the longest open enrollment deadlines, until January 31 to enroll, which means that health coverage would begin on February 1.

There is no deadline or Open Enrollment Period for Medi-Cal, California's Medicaid program for low-income community members. Those who qualify for Medi-Cal can sign up at any time all year round.

On December 18, 2019, the 5th Circuit Court of Appeals struck down the individual mandate requirement and sent the case back to a federal district judge in Texas, who previously ruled the entirety of the ACA unconstitutional.

However, as the decision makes its way through the court process, where 17 state attorney generals, are seeking to protect the ACA, the ACA continues to be in effect. Therefore, any individual with an ACA health plan will have health coverage and will not lose access to their coverage through 2020.

Advancing Justice-LA also assured the community that the public charge rule has been stopped from going into effect by a federal lawsuit and they should not be afraid of enrolling in Covered California or Medi-Cal because it will not jeopardize their ability to get legal permanent residence (also known as getting your green card).

Health coverage has been integral to maintaining a person's overall well-being and is essential in addressing the significant health disparities for many marginalized and immigrant communities.

Over a million Asian Americans, Native Hawaiians, and Pacific Islanders (AANHPIs) in California alone have gained access to health coverage since 2013 as a result of the ACA through Covered California or expanded Medi-Cal.

The organization offers in-language support (Tagalog hotline is 8550-300-2552) and can connect community members with Covered California navigators. Additionally, individuals may apply directly through the Covered California website (www.coveredca.com) to learn more, sign up for, or renew a plan before the window closes on January 31, 2020.

THE SACRAMENTO BEE

Number of new enrollees at Covered California surges past total from 2019 open enrollment

Cathie Anderson

California’s open enrollment for health insurance ends Jan. 31, but at least two out of five consumers still don’t know that they’ll face a tax penalty if they don’t have coverage this year. By Covered California

Covered California reported Thursday that the number of new enrollees has surged to 318,000, surpassing the total number from last year, as open enrollment nears its close on Jan. 31.

Still, leaders of the state-based insurance marketplace say a survey shows that many Californians are unaware that a new state law mandates that everyone have health care coverage.

“Thousands are signing up every day, and we’re not done yet,” said Peter V. Lee, Covered California executive director. “Californians have until midnight on January 31 to sign up and not only avoid paying a penalty to the Franchise Tax Board but – for almost a million Californians – get new help from the state to lower their health care costs.”

Many people may recall that the federal government did away with the individual insurance mandate, but they are not aware that California policymakers instituted a state penalty for individuals and families who do not have insurance. It can add up to more than $2,000 for a family of four.

Open enrollment is the one time of year when anyone can sign up for insurance coverage. The rest of the year, consumers have to show that they had a qualifying life change – job loss, relocation to the state or a new baby – to sign up.

The insurance mandate is not the only change to state law that affects health care insurance coverage. State legislators and Gov. Gavin Newsom also expanded the financial subsidies to a broader number of state residents, helping even middle-class Californians to cover the cost of insurance.

Lee urged all residents to go to www.coverdca.com and check their eligibility. You can also call (800) 300-1506 to discuss eligibility.

Bakersfield.com

Covered California adds new subsidies, penalties

John Cox

Two important changes — one a proverbial carrot, the other a stick — have been introduced to Covered California ahead of Friday’s deadline for getting health insurance through the Golden State’s version of Obamacare.

New to the program this year are state-approved subsidies intended to help more people afford to buy insurance from managed-care companies participating in the health plan exchange.

Covered California's executive director, Peter Lee, said the subsidies are expected to open the door for an additional 100,000 people in the state to qualify for financial help with their monthly premiums.

The other major change new this year is a financial penalty for people who don't enroll in some form of health insurance.

Lee said a family of four that does not to sign up through Covered California or some other means might have to pay up to $2,000 to the state Franchise Tax Board.

He noted it's not OK for consumers to wait and sign up later in the year if they suddenly need medical care. After Friday it will be too late, he said. But he added that if they have insurance and then lose it because of a layoff, for example, consumers can still sign up later through Covered California.

Covered California is not a health plan but an independent state agency created by former Gov. Arnold Schwarzenegger to help state residents secure health insurance. It is part of the Affordable Care Act, also known as Obamacare.

Eleven health plans participate in the program statewide. In Kern, there are three companies offering insurance through Covered California: Blue Shield, Health Net and Kaiser Permanente.

Kaiser Permanente said by email that several thousand Kern County residents get their care and coverage from the health plan through Covered California.

"Our participation reflects our commitment to providing high-quality, affordable care and coverage for our community," David Womack, senior vice president and area manager for Kaiser Permanente.

"We applaud all efforts that expand coverage for as many Californians as possible," he added. "We believe the steps Covered California is taking can serve as a model for state exchanges throughout the nation."

Blue Shield and Health Net did not respond to emails requesting comment Friday.

Lee said about 90 percent of health-plan enrollees through Covered California receive some level of financial assistance with their premiums. Their individual subsidies can total a few hundred dollars per month, he said, and the average monthly premium through the program is about $600.

As of Thursday, about 17,000 Kern residents have gotten insurance through Covered California, Lee said. He said thousands more county residents are eligible for financial help through the program.

Anyone interested in learning how much their premiums would cost through Covered California can do so at coveredca.com.

California: CoveredCA announces 1.47 million QHPs; residents still have until 1/31 to #GetCovered!

Charles Gaba

This came out while I was in DC for the Families USA conference...

Covered California’s New Enrollment Surges Past Last Year’s Mark with More than a Week Before the Upcoming Jan. 31 Deadline

More than 318,000 consumers have newly enrolled during the current open-enrollment period, surpassing last year’s open enrollment total.

However, new research shows that many Californians – particularly the uninsured – are unaware of a new state law which requires people to have health insurance or face a penalty.

In addition, many Californians are unaware of the new financial help that is available for the first time this year, including first-in-the-nation assistance for middle-income consumers.

Open enrollment, which continues through Jan. 31, is the one time when people can sign up for health insurance in the individual market without needing a qualifying life event.

SACRAMENTO, Calif. — Covered California announced new enrollment data as it moved into the final week of open-enrollment and continued to reach out to consumers about the new state penalty and additional financial help that went into effect with the new year.

As of Wednesday, Jan. 22, more than 318,000 consumers had newly signed up for health insurance through Covered California during the current open-enrollment period, which surpassed last year’s total of 295,000.

The 318K figure is up 49,000 since January 4th. This puts Covered CA's total enrollment for 2020 at around 1,468,000 QHP selections through January 22nd.

For comparison, last year Covered California enrolled a grand total of 1,513,883 people by the final deadline. They're 3.0% shy of that as of this report, and will need to add at least another 46,000 more enrollees to beat that by January 31st...which is gonna be tough without a last-minute enrollment surge.

“With one week to go in open enrollment, Covered California has surpassed last year’s open enrollment total, but thousands are signing up every day and we’re not done yet,” said Covered California Executive Director Peter V. Lee. “Californians have until midnight on January 31st to sign up and not only avoid paying a penalty to the Franchise Tax Board but — for almost a million Californians — get new help from the state to lower their health care costs.”

The open-enrollment period runs through Jan. 31. It is the one time of the year when consumers can freely sign up for coverage without having to experience a qualifying life change. People who sign up by the deadline will have their coverage start on Feb. 1.

Having a health insurance plan in place this year is critical because of a new law that the state of California enacted that requires Californians to have coverage in 2020. Those who can afford coverage, but choose to go without it, could face a penalty when they file their taxes with the California Franchise Tax Board in 2021. The penalty can be more than $2,000 for a family of four.

“We do not want Californians to write a check to the Franchise Tax Board when they could get coverage that is way more affordable than they think,” Lee said. “This year there is new financial help that will help nearly one million people lower the cost of their coverage.”

A recent survey released by Covered California, Californians’ Understanding of the Mandate to Have Health Coverage and the Awareness of Financial Help,found that many people, particularly the uninsured, are unaware of the new penalty and additional financial help. Among the findings:

Many Californians do not know about the new penalty
Many Californians reported being unaware of the new requirement to have health coverage in 2020 or face a penalty, including a majority of the uninsured (56 percent).

Many uninsured Californians are unaware that financial help is available
Among the uninsured, 62 percent are unaware that Covered California offers financial help to help pay for health insurance. In addition, only 27 percent of the uninsured are aware that Californians can receive even more financial help than ever before for health coverage.

Confusion or unawareness of the reinstated mandate penalty makes complete sense since the federal mandate was zeroed out in late 2017, but the zeroing wasn't actually implemented until January 2019, and the penalty itself isn't actually charged until people file their taxes the following year...and the confusion in California specifically is compounded by the fact that they didn't reinstate the penalty until a year after it was zeroed out at the federal level.

On top of all of this is the insane Texas Fold'em lawsuit, which only exists because the federal penalty was zeroed out...something that almost every headline about the ACA mentions these days.

As a result, you have a whole lot of Californians who have no clue that the penalty is back at the state level or who aren't clear about whether it is or not.

As for unawareness of the expanded subsidies, I cautioned about that back in December. Imagine you're a self-employed individual earning between 400-600% FPL (let's call it around $60,000/year). Perhaps you did check out Covered California a few years ago and were disappointed to learn that you earn too much to qualify for financial assistance. What are the odds that you're going to pay attention to a TV commercial for CoveredCA this year touting financial help?

CoveredCA is running several ads (in both English and Spanish) during open enrollment. There's two of them which mention the expanded/enhanced subsidies:

The first one states that "new this year, almost a million people could receive additional help...more for those already getting it, and new help for many who haven't gotten it before."

The second, shorter ad simply says "new this year, almost a million people could receive additional help."

They're not bad ads, but they don't exactly grab you by the collar either. I'm thinking that a harder sell may be required to get the attention of the target audience--unless it specifically states that people earning between $50K - $75K (or $103K - $150K for a family of four) are eligible for assistance now (and also clarifies that it's potentially thousands of dollars), many will probably just tune out the whole thing.

My suspicion is that next year word of mouth will have spread quite a bit, but I'm not expecting a huge surge in additional enrollment between 400-600% FPL this year...and from the numbers at the top of this post it sounds like my suspicions are correct. It'll take some time for word to spread.

“The new state subsidies and the requirement to have coverage are the two biggest changes effecting individuals who do not have employer coverage since Covered California first opened our doors in 2014 and we want to make sure consumers know that health insurance could be more affordable than they think,” Lee said. “People need to take action by next Friday, so they do not get caught paying a significant penalty when they file their taxes a year from now.”

In addition to the new state penalty California also expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage.

The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500.

Right now, the average subsidy for eligible consumers earning less than 400 percent of the federal poverty level is $447 per month; the average state subsidy for eligible middle-income consumers is $469 per month.

Californians Can Still Enroll

Covered California’s open-enrollment period runs through Jan. 31. Consumers can easily find out if they are eligible for financial help and see which plans are available in their area by entering their ZIP code, household income and the ages of those who need coverage into Covered California’s Shop and Compare Tool.

Those interested in learning more about their coverage options can:

Visit www.CoveredCA.com.

Get free and confidential in-person assistance, in a variety of languages, from a certified enroller.

Have a certified enroller call them and help them for free.

Call Covered California at (800) 300-1506.

“Californians owe it to themselves to take a few minutes of their day to see whether they qualify for financial help from the federal government, the state, or both,” Lee said. “Visit CoveredCA.com and check out your options before the end of the month.”

San Francisco Chronicle

Californians have until Friday to sign up for health insurance or pay penalty
Catherine Ho

Californians who do not receive health insurance through their jobs or public insurance programs have until Friday to sign up for health coverage for 2020 — or face a tax penalty.

About 318,000 people have newly enrolled in health insurance through Covered California, the state marketplace created by the Affordable Care Act, since open enrollment began Oct. 15.

For those who enroll by the Friday deadline, benefits will take effect on Saturday. After that, only those with a qualifying life event, such as a job change or a move, can sign up.

California for the first time is requiring all residents to buy insurance or pay a tax penalty of $695 per adult and $347.50 per child under 18, or 2.5% of one’s annual income, whichever is higher. Previously, all Americans were required to buy insurance under the federal health care reform law, but Congress repealed that mandate in 2017. California and several other states adopted their own state mandates in response to the federal repeal, to try to get more residents insured.

California is also for the first time providing financial assistance to middle-income consumers to buy insurance. These state subsidies, which vary depending on one's income, are on top of existing federal subsidies that help people pay for monthly premiums.

Many Californians don't know about the state mandate or state financial assistance, according to a December survey by Covered California. Fifty-six percent of uninsured residents and 38% of insured residents were not aware of the requirement to buy insurance, the survey found, and 62% of uninsured residents were not aware financial help is available.

In California, people who earn between 138% and 400% of the federal poverty level (between about $17,000 and $50,000 a year) are eligible for a federal subsidy. People who earn between between 200% and 400% of the federal poverty level ($25,000 to $50,000) are eligible for federal and state subsidies. People who earn between 400% and 600% of the federal poverty level ($50,000 to $75,000) are eligible for state subsidies.

The subsidies are estimated to cost $429 million in 2020, and most of the money will come from penalties collected from those who forgo insurance.

There are a number of exemptions that will allow Californians to avoid the penalty, including living abroad, being uninsured for less than three consecutive months, or if one's income is too low to file taxes. Most exemptions can be claimed on the state income tax return when filing your taxes. A full list of exemptions is on Covered California's website or the Franchise Tax Board website.

KRCR NEWS

Covered California Executive Director visits the Northstate as deadline approaches

Courtney Krieder

There are three days left to get insurance before facing a penalty under California's new healthcare laws, which require all Californians to have health insurance.

The deadline for Covered California is Friday, January 31. On Tuesday, Covered California Executive Director Peter Lee came into the KRCR studio to clarify some of the expectations of the new healthcare laws.

"People need to understand this year, for 2020, [the] biggest change since the Affordable Care Act launched in 2014 is California did two things. It's now required by state law to have health insurance but that means if you have insurance through your job, through the VA, you are good. If you don't have insurance you may pay a penalty when you file your taxes at the end of 2020. That penalty, for a family of four, minimum is $2000. It goes up if you make more money," Lee said.

The new penalty will be administered by the Franchise Tax Board and collected when people file their 2020 taxes starting in 2021. Covered California says the return of the penalty was an important element in the organization's record-low rate change of 0.8% in 2020, which they say means consumers have already benefited from the new policy.

According to Covered California income guidelines and salary restrictions, if an individual makes less than $47,520 per year or if a family of four earns wages less than $97,200 per year, then they qualify for government assistance based on their income.

To sign up and enroll before January 31, click here.

Calaveras Enterprise

Covered California open enrollment ends Jan. 31; uninsured may face fine

Noah Berner

Californians who fail to sign up for health insurance this year may find an unpleasant surprise when filing their taxes in 2021.

California Senate Bill 78, which took effect Jan. 1, requires all California residents to sign up for health insurance or face a tax penalty. The penalty for each household will either be a flat amount based on the number of uninsured in the household or based on household income, whichever results in the higher amount.

If uninsured, households can expect to pay at least $695 per adult and $347.50 per child.

Households can qualify for exemptions if income is below the tax filing threshold or if health coverage exceeds 8.24% of household income in 2020, among other exemptions.

Those who experience a short coverage gap of less than three consecutive months will not be subject to the fine.

The California Franchise Tax Board will apply the penalty when households file their 2020 state tax returns in 2021.

The deadline for signing up for health insurance through Covered California is Jan. 31.

“We do not want Californians to write a check to the Franchise Tax Board when they could get coverage that is way more affordable than they think,” Covered California Executive Director Peter V. Lee said in a Jan. 23 press release. “This year there is new financial help that will help nearly 1 million people lower the cost of their coverage.”

85th year 1933 2018 LOS ANGELES SENTINEL

Covered California’s Jan. 31 Deadline Gives

Staff

Yuriana and Hector live for the smiles on their daughters’ faces, but just five years ago, they were uncertain about what size family they would have in this expensive health care climate.

The passage of the federal Patient Protection and Affordable Care Act and Covered California opening for business changed that equation for Yuriana and Hector. It allowed them to get covered and plan for their “Covered California miracle baby.”

The Salinas couple had one toddler and wanted to expand their family, but the high cost of health coverage had been deterring them from having another.

“After we had insurance, we were able to plan our second baby,” Yuriana said. “It was a blessing, because without that insurance we wouldn’t be able to have our daughter.”

The family also qualified for the new state subsidy program designed for middle-income Californians in 2020, and they are now saving over $1,700 a month in premiums.

“People that don’t have it live in fear, so having it is just a relief,” Yuriana said.

With Covered California’s open enrollment lasting until Jan. 31, giving yourself and your family the peace of mind that comes with having health care coverage in 2020 — like Yuriana and Hector did — should be at the top of your list.

If you need motivation beyond getting quality, name-brand health coverage, be aware of the Individual Shared Responsibility Penalty for Californians who choose to go without health insurance in 2020, which will be administered by the Franchise Tax Board.

“We do not want Californians to face a penalty; we want them to have quality health insurance that gives them access to some of the best doctors and facilities in the nation,” said Covered California Executive Director Peter V. Lee.

For those facing a penalty, a family of four could pay at least $2,000 for not having health insurance.

Also, Gov. Gavin Newsom and the state Legislature made new financial help available to eligible consumers to help further lower the cost of their coverage. More than 560,000 Californians have already qualified for the new state subsidies.

Syd and Lisa of Elk Grove, CA. are happy recipients of the new state subsidies.

“Healthcare was the No.1 expense. It was our largest household expense,” said Syd. “Because of the income range we’re in we did qualify for some of the subsidy. That changed everything. It does give you that peace of mind so that other things in life go better.”

“You can find out in just a few minutes whether you are eligible for financial help from the federal government, the state, or both,” Lee said. “Do not leave money on the table;

do not put yourself at risk if you get sick or ill; do not get stuck with a big bill when you pay your taxes in 2021."

Covered California's open-enrollment period runs through Jan. 31. Consumers can easily find out if they are eligible for financial help and see which plans are available in their area by entering their ZIP code, household income and the ages of those who need coverage into Covered California's Shop and Compare Tool.

Those interested in learning more about their coverage options can:

1. Visit www.CoveredCA.com.

2. Get free and confidential in-person assistance, in a variety of languages, from a certified enroller.

3. Have a certified enroller call them and help them for free.

4. Call Covered California at (800) 300-1506.

CN&R
Chico News & Review

Deadline looms

Meredith J. Cooper

Health insurance is one of those topics that tends to cause people's eyes to glaze over. Not only is it an expense, it's also complicated. Making things more confusing is the ever-changing landscape of laws addressing the issue—from penalties to subsidies, who can keep track?

Peter V. Lee knows the system intimately. When the Affordable Care Act was implemented in 2013, he was hired on as executive director of Covered California. That's the independent state-run marketplace that, as he put it, "is responsible for one thing: helping people get affordable insurance."

Lee was in Chico earlier this week with Roy Kennedy, a Covered California spokesman, en route from Redding to the Bay Area on a final push to spread the word about open enrollment, which ends Friday (Jan. 31) at midnight. There are two important things that state residents should know, he told the CN&R: First, more people are eligible to receive state funds to pay for health insurance than have been in the past; and second, there will be a penalty for those without insurance and the means to afford it.

“Last year, Washington took what was a federal penalty and put it to zero,” Lee explained. “This year, California put it back.”

Broken down in Covered California fact sheets, a family of four making less than $140,200 could be penalized over $2,000 on their 2020 taxes. An individual making less than $45,500 could pay nearly $700. By comparison, in 2020, a couple in their early 60s making $70,000 a year in Chico would be eligible for $2,178 in monthly state subsidies; last year, they would not have qualified for any aid.

“California expanded and built on the Affordable Care Act to make more people eligible for subsidies and put state money on top of federal money—or for people who never would have been eligible before,” Lee said. “About 1 million Californians—thousands in this area—are now newly eligible for state money that you can get through Covered California.

“Sadly we know, because we surveyed 1,000 Californians, 60 percent-plus of those eligible for subsidies don’t realize it,” he added.

Many of those newly eligible were eligible for federal subsidies previously, he explained. Others are like that 60-year-old couple, middle-class residents who earn too much to receive federal aid.

For people living in the North State, the added state subsidies could make a big difference, Lee explained. Compared with metropolitan areas that have multiple hospitals and several insurers and plans from which to choose, this region is a health care desert.

“No. 1, [health insurance] costs more in rural areas,” he said. “No. 2, there’s less choice—fewer hospitals, fewer doctors and fewer health plans. In L.A., not only is health care cheaper, there are more hospitals, which ends up meaning they compete with each other so health care costs drop. Also, consumers there have seven health plans to choose from.”

That said, the benefits offered through the marketplace are the same for people living in L.A. and Chico, he added. It’s Covered California’s job to negotiate with insurance companies to design benefits that are good for consumers.

As of March 2019, there were 6,620 people in Butte County signed up for Covered California. Since open enrollment began in October 2019, Lee said he’s seen a big surge in enrollment across the state. Last year was the opposite—there was a big drop in enrollment after the federal penalty for not signing up was rescinded. There were relatively few people who actually elected to drop their coverage altogether, however. “The good news was, and we were nervous, last year people who had insurance kept it,” Lee said.

With the deadline to enroll fast approaching, Kennedy said, people without insurance should do so quickly. The easiest way to find out if you’re eligible for subsidies is to go to the website (coveredca.com), or local insurance agents can help. After open enrollment is closed, you can’t sign up without a “qualifying life event,” he explained—losing a job, moving to a new town or getting married or divorced, for instance.

POLITICOPRO

Covered California's new enrollments up 23 percent as deadline looms

Victoria Colliver

Covered California officials reported today that new plan selections have already surpassed last year's totals by more than 23 percent before tomorrow's enrollment deadline, attributing the spike to expanded state subsidies and California's reinstatement of an individual penalty for the uninsured.

More than 364,000 consumers had newly signed up for health insurance through Covered California as of Wednesday, compared with last year's total of 295,000, according to the exchange. California’s 2020 health insurance enrollment season, the nation's longest, ends tomorrow. It will have lasted more than two weeks beyond last year's signup period, which closed on Jan. 15.

Last year, California's overall enrollment remained steady at about 1.4 million, but new enrollment plunged nearly 24 percent. In advance of the 2020 enrollment period, Gov. Gavin Newsom and the Legislature restoredan individual penalty, which Congress in 2017 zeroed out, and dedicated $1.5 billion in state funds to expand premium subsidies for low- and middle-income people.

The penalty for not having coverage in 2020 will amount to $695 per adult and half that amount per child, or 2.5 percent of annual household income, whichever is higher. The subsidy expansion is designed to make coverage more affordable for middle-income

Californians living in households earning between 400 to 600 percent range of the federal poverty,

Covered California will accept enrollment applications until midnight Friday for coverage effective Feb. 1.

“Open enrollment is coming to an end, and while we have more than 10,000 people signing up every day, we know there are more out there who have not yet done so and they need to act quickly,” said Covered California Executive Director Peter Lee.

THE SACRAMENTO BEE

At midnight Friday, California’s open enrollment closes. Do you have health insurance

Cathie Anderson

Covered California leader Peter Lee expressed concern that, even though his organization has been beating the drum about a new tax penalty for those who don't have insurance, many people still don't know it. Deadline is midnight January 31, 2020.
By David Caraccio | Cathie Anderson

Covered California wants the ultimate procrastinators to know there are only a few hours left to sign up for health care coverage through the state-based insurance market place. Open enrollment ends at midnight Friday.

Roughly 11,000 people a day have signed up since Monday, and as of Wednesday, the agency had signed up more than 364,000 new enrollees, 20 percent more than last year’s total enrollment of 295,000.

“Open enrollment is coming to an end, and while we have more than 10,000 people signing up every day, we know there are many out there who have not yet done so, and they need to act quickly,” said Covered California Executive Director Peter V. Lee. “Californians have until midnight on Jan. 31 to sign up for health coverage and get the protection and peace of mind that they deserve.”

A new state law, known as an individual mandate, requires that Californians have health insurance this year. If they don’t, they’ll face a penalty on the 2020 taxes. But, at the same time, Gov. Gavin Newsom and state legislators also offered new state financial help to make insurance premiums more affordable for hundreds of thousands of middle-income state residents.

Individual earning up to $74,940 could get help, as could and a family of four with a household income of up to $154,500. Subsidies are averaging $466 a month for eligible middle-income households. Lee urged everyone to check their eligibility because many people who didn't qualify for federal subsidies are getting state assistance.

A recent Covered California poll showed that roughly six out of every 10 uninsured state residents do not know that they are required to have health insurance. The penalty for a family of four who doesn't have coverage is about $2,000.

"We do not want Californians to surprised that they have to write a check to the Franchise Tax Board next year, when they could get coverage that is more affordable than they think," Lee said. "You can find out within just a few minutes what plans are in your area and how much financial help you can receive, so don't leave money on the table.

To sign up, consumers can go to www.coveredca.com or call 800-300-1506. Anyone can buy a 2020 health insurance policy during open enrollment, but at other times of the year, consumers can only sign up if they have a qualifying life event such as a new baby or loss of employer-sponsored coverage.

Insurers use open enrollment periods in private industry or with state-based exchanges to ensure that consumers do not sign up for coverage only when they're sick and then drop it when they're well again, increasing costs for all. Consumers must sign up for a year of coverage, giving insurers a risk pool that includes both sick and healthy people.

CaliforniaHealthline

Newsom Touts California's 'Public Option.' Wait — What Public Option?

Ana B. Ibarra

Several Democratic presidential hopefuls are pitching a federal "public option" as a way to expand health coverage and make it more affordable.

The details of their proposals vary, but the general idea is to create a government-sponsored plan that could compete with private insurance.

“We have a public option, just so folks know,” California Gov. Gavin Newsom claimed last month as he unveiled his proposed 2020-21 state budget. “It’s called Covered California.”

Hmm, really?

California does not have a public option in the way most people understand the term. According to Newsom’s definition, offering a public option simply means ensuring that consumers have choices and affordable coverage, and that health plans are held accountable, things Covered California already does, his office said.

That’s a stretch, say some health care and political experts.

Covered California “is manifestly not a public option,” said Thad Kousser, chair of the political science department at the University of California-San Diego.

Kousser theorized that Newsom may be co-opting the term to make it seem like the state is making progress toward his goal of creating a single-payer system.

But if Newsom wants to flout the term, the state should “create a public option that doesn’t involve insurance companies, and Covered California is a market to buy insurance from insurance companies,” Kousser said.

Covered California is the state-run exchange, created under the Affordable Care Act, where some individuals, families and small businesses can purchase insurance.

A public option is considered less sweeping than single-payer, a system in which health care is paid for by a single public authority. As a candidate, Newsom, a Democrat, campaigned for the creation of a single-payer program.

But that isn’t likely to happen anytime soon, for a variety of reasons. For one, the Trump administration has said it would reject any state plans to use federal dollars to implement single-payer.

At the national level, Democratic presidential candidates including former Vice President Joe Biden and former South Bend, Indiana, Mayor Pete Buttigieg have pitched public-option plans that would allow, but not require, people to buy into government-run plans similar to Medicare.

The idea is to boost competition by allowing people to choose between private plans and a government-run plan — and reduce costs.

Only one state, Washington, is implementing its own version of a public option, but other states are considering it.

Cascade Care, a hybrid system in which the state will contract with an insurer to administer a public-option plan, will debut in 2021. The state will attempt to control costs by setting payment rates at 160% of what Medicare would pay for the same service. Colorado is proposing a similar idea.

This version is different from the presidential candidates' proposals because an insurance company will be responsible for running the public-option plan — not the government. But, ultimately, Washington will give its residents a new health insurance option, and that's not the case in California, said Billy Wynne, chairman of the Wynne Health Group, which recently launched the Public Option Institute, a group analyzing the implementation of public-option programs.

But in California's defense, he said, what constitutes a public option "is in the eye of the beholder."

Peter Lee, executive director of Covered California, is also calling the exchange a public option. He argues that public-option plans assume different forms, just like single-payer or Medicare for All proposals.

On the exchange, "plans don't compete on their own terms; they compete on our terms," Lee said. So, "is a public option only a government plan, or is it a public program that sets the rules of how private plans compete?"

Linda Blumberg, a health policy fellow at the Urban Institute, hazards an answer: While Covered California actively negotiates with health plans to keep premiums down, it "doesn't quite have the spirit of a public option" because it doesn't bear the financial risk that insurance companies do.

Newsom's Healthy California for All Commission, which is debating how to get every Californian covered — with an emphasis on single-payer — gathered in Sacramento last month for its inaugural meeting. The commissioners briefly discussed the possibility of implementing a public option as a steppingstone to achieving universal coverage.

But the concept didn't get much love, and some commissioners suggested that instead of creating a public option, the state should strengthen existing public programs. One commissioner said the idea of a public option had already fizzled.

"Whatever happened to Vanilla Ice, and whatever happened to Tiny Tim and Miss Vicki? Whatever happened to public option?" asked Dr. Robert Ross, president of the California Endowment, a foundation that focuses on expanding health care access among Californians. "It just kind of went away."

The closest thing to a functioning public option in California, under the traditional definition, may be the L.A. Care Health Plan, a public, nonprofit insurer equally available to Los Angeles County residents with Medi-Cal, the state's Medicaid program for low-income residents, and to those who earn too much to qualify for Medi-Cal.

John Baackes, the plan's CEO, said L.A. Care functions like the public-option plan described in the U.S. House version of the Affordable Care Act, before it was axed in the Senate. "Their definition of the public option was a public entity that did not have shareholders that would compete with commercial insurers in the individual market," Baackes said.

L.A. Care, created to serve Medi-Cal patients, later opened to individuals and families who purchase their own insurance through Covered California or the open market.

For some time, Baackes said, the plan was the lowest-priced option in the Los Angeles area.

"Our enrollment skyrocketed because this is a very price-sensitive market, but in 2020, we were underbid by competition," Baackes said. "To me, that's exactly what the public option was supposed to do: put pressure in the marketplace. So I'm saying if you want to see how it works, look here."

CNN

California's Obamacare signups rise after state requires coverage, enhances subsidies

Tami Luhby

CNN) — California has reversed several years of slipping sign ups on its Affordable Care Act exchange.

The key was restoring the penalty for remaining uninsured and boosting financial help to pay for coverage -- two state provisions that are new this year, said officials at the Covered California exchange.

This led to a 1.6% increase in sign ups, to 1.54 million people, on the state-run exchange for 2020. The boost was driven by a 41% jump in new customers, which offset an 8% decline in renewals.

"It's absolutely clear the penalty provided motivation to shop. So it made a big difference," said Peter Lee, Covered California's executive director. "It's also clear that the federal and state subsidies helped people buy."

Bolstering the Affordable Care Act has been a priority of several blue states, as well as moderate presidential candidates, after the Trump administration and Republicans in Congress moved to weaken it. Defending the landmark health reform law has also allowed Democratic governors, particularly California's Gavin Newsom, to draw contrasts between themselves and President Donald Trump. The two have tangledin recent years over abortion, immigration, auto emissions, homelessness and presidential tax returns.

Prior to 2019, Obamacare required nearly all Americans to have health insurance or pay a penalty, under its individual mandate provision. But the Republican-led Congress essentially eliminated the fine by reducing it to $0 as part of the 2017 tax cut law.

Several states, including California and New Jersey, re-instituted the mandate for their residents. In the Golden State, the penalty can run more than $2,000 for a family of four.

At the same time, California launched a state subsidy program that expands on Obamacare's federal premium assistance and provides help to more middle-income folks making up to 600% of the federal poverty level. Individuals earning up to $75,000 and families of four with incomes of $154,500 are eligible for the state subsidies.

Only those with incomes up to 400% of the federal poverty level qualify for federal Affordable Care Act subsidies.

About 32,000 middle-income Californians who were not eligible for federal assistance qualified for state subsidies, which averaged $504 a month. A total of about 625,000 customers qualified for the state aid.

The two provisions helped keep premium increases to a low 0.8%, on average, for 2020.

Officials at Covered California, which spent $121 million on marketing and outreach, attributed the decline in renewals to the fact that fewer new customers picked policies in 2019, after the federal penalty was effectively eliminated. So, fewer were able to renew for this year. Sign ups dropped by nearly 61,500 people between 2016 and 2019.

Californians could select plans until January 31, though residents who were unaware of the state penalty or subsidies have through April 30 to sign up.

Open enrollment on the federal exchange, healthcare.gov, ended in mid-December.

Nationally, just fewer than 8.3 million people selected policies or were auto-enrolled into coverage on the 38 states in the federal exchange, according to the Centers for Medicare and Medicaid Services. That's down slightly from the 8.5 million people who signed up in 2019 for coverage.

The number of new sign ups held fairly steady after dropping a year ago. The number of people renewing coverage slipped a little.

Some 9.2 million people picked policies during open enrollment for 2017 coverage, which ran until January 30 of that year.

Los Angeles Times

California loosens its individual mandate for health insurance
Melody Gutierrez

Concerned too many Californians were unaware they would face a hefty fine for not having health insurance, officials on Tuesday loosened a state law meant to push uninsured residents into buying medical coverage.

Covered California, the state's Affordable Care Act insurance exchange, will allow residents to enroll in a healthcare plan through March 31 to avoid paying the individual mandate, which can be more than $2,000 for a family of four and will be assessed when uninsured residents file their taxes in 2021. The state expanded subsidies to offset the burden of paying for medical coverage, allowing a person making up to $74,940 and a family of four with a household income of up to $154,500 to qualify for the help.

Covered California officials said 625,000 new and renewing consumers qualified for subsidies during open enrollment, which initially ended Jan. 31. Open enrollment has now been extended to April 30, a move that the insurance exchange said could help hundreds of thousands of uninsured residents avoid paying the tax penalty. If an uninsured consumer enrolls in April, they could still be assessed a smaller fee for not carrying medical insurance. For at least the first three years, the penalty will be used to offset the state's cost to provide larger health insurance subsidies.

"The penalty is on the books, but no one wants that money," said Peter Lee, Covered California's executive director. "We want that to be the economic nudge to get people covered."

Lee said the threat of a penalty drove a 41% increase in people newly signing up for health insurance through Covered California, bringing that total to 418,052 residents. However, the health insurance exchange saw an 8% drop compared to last year in the number of residents renewing their health insurance. Lee blamed that drop on the federal government's decision to remove its own individual mandate effective last January. The Trump administration's action prompted Gov. Gavin Newsom to announce his own plan to create an uninsured penalty and expand health insurance subsidies.

Covered California said Tuesday that, on average, lower-income individuals received a subsidy of $608 per month when combining state subsidies and federal tax credits, which took monthly premiums down to $272. State subsidies for middle-income residents who did not previously qualify for any state or federal subsidies helped drive down premiums by an average of $504 per month for nearly 32,000 consumers.

Lee said even more striking was that more than 1 in 10 middle-income earners had their premiums reduced by more than $1,000 a month.

"The new state subsidies are making a huge difference to families across California," he said.

As part of Tuesday's announcement, the state will also keep enrollment open for consumers insured directly through private health plans who did not realize they qualified for state subsidies through Covered California. An estimated 280,000 residents are likely eligible for new state subsidies or existing federal ones but opted to keep their existing coverage.

Lee said the extended deadline to obtain coverage or switch to a plan that includes a state subsidy comes after Covered California surveyed insurance agents this month and found many reporting that consumers were still unaware that they would face a penalty if they did not have insurance.

"While we are pleased with the increase in new enrollment, we know hundreds of thousands of Californians are still going without coverage," said Anthony Wright, executive director of the advocacy group Health Access California. "Many do not know about new state subsidies that could make their coverage more affordable or are not aware that California has reinstated the mandate for health coverage and that they may face a tax penalty. With this new enrollment period, Californians now have more time to sign up for healthcare and more financial help than any other state in the nation and we encourage everyone to take advantage."

San Francisco Chronicle

Covered California enrollment grows slightly amid nationwide Obamacare decline

Catherine Ho

The number of Californians who signed up for health insurance through Covered California, the state insurance marketplace created by the 2010 federal law known as Obamacare, grew 1.6% to 1.5 million during the most recent open enrollment period ending Jan. 31, compared to the previous year, Covered California officials said Tuesday.

The number of new enrollees increased 41% to 418,000 people — a metric that officials consider important because people who have newly joined tend to be relatively healthy and therefore help bring down overall premium rates.

The California figures are in sharp contrast to declining enrollment in Obamacare exchanges nationally, and offer one window into how new policies enacted by state legislators can result in California bucking nationwide trends. California has recently adopted a mandate requiring people to buy health insurance, and is providing new state-funded financial assistance to help middle-income earners pay for premiums.

Since 2016, the last full year the Affordable Care Act was implemented at the federal level, California's total marketplace enrollment and new enrollment have each dipped 2%, while nationwide, total enrollment has dropped 14% and new enrollment has plummeted 48%.

"California's penalty provided motivation to shop, and subsidies provided motivation for consumers to buy," said Covered California's executive director Peter Lee.

Still, Covered California officials are extending the enrollment period to April 30 — it had been Oct. 15 to Jan. 31 — because hundreds of thousands of residents are still unaware they will have to pay a tax penalty if they don't buy insurance, and do not know they are eligible to receive state subsidies to help cover the cost of insurance premiums.

The newly extended enrollment period applies to two groups: people who have bought insurance directly from an insurance carrier like Kaiser or Blue Shield but are paying full price because they are not receiving subsidies they are eligible for; and people who are uninsured and didn't know about the penalty or subsidies. Those who sign up by April 30 will have coverage take effect May 1.

Covered California, which spent $47 million in paid advertising during open enrollment and held promotional events, including a swim clinic with Olympic swimmer Nathan

Adrian, plans to spend an additional $7 million between now and April 30 to inform consumers about the new state subsidies and tax penalty.

Both the tax penalty and the state subsidies are California policies that took effect at the beginning of 2020. California residents must buy insurance or pay a tax penalty of $695 per adult and $347.50 per child under 18, or 2.5% of one's annual income, whichever is higher. Previously, all Americans were required to buy insurance under the Affordable Care Act, but Congress repealed the federal mandate in 2017. In response, California and several other states passed their own mandates to try to get more residents insured.

California's subsidies vary depending on one's income, and are in addition to existing federal subsidies established by the ACA. People who earn between roughly $17,000 to $50,000 are eligible for a federal subsidy. Those who earn between $25,000 to $50,000 are eligible for federal and state subsidies. People who earn between $50,000 to $75,000 are eligible for state subsidies.

AP

Following gain, California to reopen health coverage signups

Adam Beam

SACRAMENTO, Calif. (AP) — More than 1.5 million people in California have purchased health insurance through a taxpayer funded marketplace, state officials announced Tuesday, the first increase in enrollment after three years of decline.

It's a 1.6% increase over last year, a jump that comes after the state Legislature imposed a new tax on the uninsured and offered new subsidies to help middle-income earners pay their monthly health insurance premiums. Both changes were aimed at boosting enrollment at a time when the federal government under Republican President Donald Trump has seen enrollment fall nationwide.

But even though the open enrollment period ended Jan. 31, California's numbers could still increase this year. State officials say many people still don't know about the new tax on the uninsured, despite a robust state marketing campaign. Most who don't know will find out when they file their state and federal income taxes by April 15.

That's why state officials have decided to give anyone who did not know about the tax another chance at signing up for coverage. This "special enrollment period" will end April 30. But anyone who signs up after March 31 would still have to pay the tax. People who did not know about the new state subsidies would also be eligible to enroll.

"I encourage everyone who does not have qualifying health insurance to take advantage of the special enrollment period," State Controller Betty Yee said in a news release. "I like signing tax refund checks, not assessing penalties."

Former President Barack Obama's health care law lets people who don't have health insurance through their jobs buy coverage through a marketplace, where insurance companies sell individual plans. The law also requires the federal government to help some of those people pay their monthly health insurance premiums, depending on how much money they make.

Most states let the federal government run the marketplace for them. But California has its own marketplace, called Covered California. Nationwide, the number of people purchasing health insurance through these marketplaces has been dropping since Trump took office and the federal government reduced its marketing budget and Republicans in Congress eliminated a tax on people who refuse to buy health insurance.

But last year, under new Democratic Gov. Gavin Newsom, California doubled down on its efforts to boost enrollment. They spent millions of dollars to offer new subsidies to people — so much that families of four earning up to $154,500 could be eligible for assistance. They passed a law that taxes people for not having health insurance, a penalty that could cost a family of four up to $2,000.

California gave people more time to sign up for coverage, extending its deadline through Jan. 31, more than a month after the federal deadline. And they spent a whopping $121 million on marketing and outreach, including $47 million on TV and radio in multiple languages.

The result, announced Tuesday: a 1.6% increase in enrollment in Covered California, while enrollment on the federal marketplace dropped 0.5%.

State officials say a closer look at the numbers shows more reasons to celebrate. California has gotten its enrollment almost back to where it was in 2016. Total enrollment in Covered California is down 2% since 2016, while enrollment in the federal marketplace is down 14%.

But state officials are the most excited about the number of people who signed up for coverage this year who did not have coverage last year. That number — more than 418,000 — is a 41% increase over last year. Covered California Executive Director Peter Lee said new enrollments are important because they tend to be people who are healthier, which helps keep rates down for everyone.

This year, health insurance rates on Covered California increased 0.8%, the lowest increase in five years.

The federal government offers subsidies to people who earn up to 400% of the federal poverty level, or about $100,000 for a family of four. This year, California became the first state in the country to offer subsidies to people who earn up to 600% of the federal poverty level, or $154,500 for a family of four.

State officials said 32,000 people qualified for those first-in-the-nation subsidies, which average about $500 per month. But they estimate at least another 40,000 people are eligible for those subsidies. State officials hope those people will sign up during the special enrollment period.

“Our goal was always to leave no one behind,” Lee said.

Anthony Wright, executive director of consumer advocacy group Health Access California, praised the state for continuing to allow enrollments but urged state lawmakers to spend even more money on subsidies.

“We have more work to do to ensure that every Californian can afford and access care,” Wright said.

CaliforniaHealthline

Surge In Enrollment As Californians Avoid Penalty, Receive State Aid

Rachel Bluth and Samantha Young

Hundreds of thousands of new enrollees signed up for 2020 coverage through Covered California, driven by new carrot-and-stick state policies that provide financial aid to help some people afford their premiums while penalizing those who don’t have coverage, state health officials announced Tuesday.

Covered California Executive Director Peter Lee said the health insurance exchange is giving consumers who remain uninsured another chance to enroll: Effective immediately, those who were not aware of the new penalty or financial aid can sign up for coverage during a special enrollment period that will last through April.

Covered California is the state's Affordable Care Act health insurance marketplace, where eligible individuals, families and small businesses can purchase plans and may qualify for federal tax credits and/or the new state-based subsidies based on their incomes.

"This has proven the case that the Affordable Care Act, as designed and not kneecapped, works and works well," Lee said.

The new state penalty encouraged people to check the insurance exchange, he said. The subsidies encouraged people to buy.

About 418,000 Californians newly enrolled in individual or family plans through Covered California by the Jan. 31 enrollment deadline, 41% more than last year and the highest new enrollment since 2016, according to preliminary data from the exchange.

About 1.1 million existing Covered California enrollees renewed plans, bringing the total number of enrollees to more than 1.5 million.

While California officials invest in the exchange and expand opportunities for state residents to enroll in coverage, the Trump administration has taken the opposite approach with the federally run exchange, healthcare.gov: It has cut funding for marketing and outreach, eliminated the federal penalty for not having insurance and shortened the open enrollment window.

This year, about 8.3 million people enrolled in new plans or renewed their coverage via the federal exchange, down slightly from 8.4 million in 2019.

California is one of six states and the District of Columbia that require most of their residents to purchase health insurance or face a penalty. Congress eliminated the Affordable Care Act's federal tax penalty, effective last year.

California's penalty mirrors the federal one that was nullified. In many cases, it will amount to $695 for a single adult and about $2,000 for a family of four. But for a lot of people, the financial hit could be substantially larger.

The state projects the penalty could raise $317 million in the first year, which is intended to partially fund the subsidies. Lee said he would forgo the extra revenue if it meant people were getting covered.

“The penalty is on the books, but nobody wants the money,” he said. “We want it to be an economic nudge to get people to get covered.”

People who were motivated by the penalty to shop for insurance might have found their out-of-pocket premium costs lower than last year.

Some of the new state financial aid is available to low-income customers, but California became the first state to offer subsidies to middle-income people: those whose incomes are between 400% and 600% of the federal poverty level, or about $51,000 to $76,000 a year for an individual and $104,800 to $157,200 for a family of four. Those thresholds are too high to qualify for federal aid but low enough to make health insurance a financial burden.

The average state assistance for this group is about $500 a month, Lee said.

About 625,000 people qualified for the new state subsidies, including 32,000 middle-income enrollees, Lee said.

The subsidies vary by income, household size, location and age. Some went to low-income residents who also qualify for federal tax credits.

Evette Tsang, an insurance broker in Sacramento who serves mostly Chinese-speaking immigrants, said her clients used their state subsidies this year to purchase more comprehensive silver-tier plans with higher premiums rather than the cheaper bronze plans with lower benefits.

“After these few years, they start to see the importance of health insurance,” Tsang said. “Before, they only wanted bronze, but now they’re going to silver.”

Deborah Kelch, executive director of the Insure the Uninsured Project, said a lot of the success of this year’s enrollment numbers was the product of an aggressive marketing campaign urging Californians who hadn’t been able to afford insurance in the past to take a second look.

“At this stage, Covered California has a really good formula they’re using,” Kelch said. “There are TV ads, they have their bus tour, they work with community organizations.”

Covered California budgeted $47 million for advertising this year, including $6 million for the special enrollment period, Lee said. By comparison, the federal government budgeted $10 million on advertising for healthcare.gov, which serves 38 states.

Despite the advertising dollars, Lee said, there still isn’t enough awareness about the penalty and subsidies, which explains the special enrollment period through April 30.

Insurance broker Tsang said that while she wants everyone to get covered, she isn't looking forward to the new enrollment period and the extra work it will bring. Nearly all her clients knew about the penalty, she said, and it was the No. 1 reason they signed up.

California already has a longer enrollment window than the federal government's healthcare.gov exchange, which lasts only six weeks.

Combined with other factors, the extended period encourages higher enrollment and a better mix of healthy and sick people in the insurance pool, said Laurel Lucia, director of the Health Care Program at the Center for Labor Research and Education at the University of California-Berkeley.

"With the state mandate and the new state subsidies, we project the uninsured rate will remain flat over the next few years," Lucia said.

That's the important comparison, according to Lee. While new enrollment in the federal exchange has dropped by 48% since 2016, new enrollment in Covered California has been relatively stable since then, dropping by 2%.

POLITICOPRO

Covered California reports 41 percent increase in new enrollments

Victoria Colliver

OAKLAND — Covered California officials said on Tuesday new enrollments in the state's Obamacare marketplace surged 41 percent over last year, a massive increase they attributed to a reinstated mandate in California, as well as new subsidies and robust marketing.

More than 418,000 new enrollees selected plans in Covered California by the Jan. 31 deadline, compared with 295,980 a year ago. In addition, about 1.12 million existing consumers renewed their plans, bringing total enrollment to more than 1.5 million. Overall, enrollment is up 1.6 percent over the previous year.

The pace surprised even Covered California's executive director, Peter Lee, who was hoping to at least make up for 2019's dismal showing. Last year, new enrollments plummeted nearly 24 percent in the first year consumers faced no penalty for skipping coverage.

“It’s not just a baby rebound; it’s a huge growth in enrollment,” Lee said in an interview.

"Whether you’re a presidential candidate, a state policymaker or a lawmaker in Washington D.C., California’s made clear the Affordable Care Act is a platform that works and can be built upon," he added.

Obamacare has been in the crosshairs since President Donald Trump took office.

In 2017, the Trump administration gutted the ACA’s marketing budget by 90 percent and shortened the enrollment period to six weeks, or half as long as in previous years. Congress then nixed the Obamacare tax penalty, effective for the 2019 enrollment period.

California stepped in, reinstating its own penalty in 2020. The state's penalty can be as high as $2,000 for a family of four when they file their taxes in 2021.

The state also retained its three-month enrollment period. Last year, California’s enrollment period ended Jan. 15, but a state law now requires it to run from Nov. 1 through Jan. 31. In contrast, the federal enrollment period ends Dec. 15.

California also added new state-funded subsidies to help low-income consumers as well as more middle class residents — those earning between 400 to 600 percent of the federal poverty level.

Covered California estimated that about 32,000 middle-income consumers were deemed eligible for those subsidies this enrollment period, but another 40,000 could take advantage of them. Exchange officials said these consumers likely buy their coverage outside the exchange and may not know about the new subsidies or realize they could benefit from them.

To compensate for that, Covered California today announced a new “special enrollment” period for those consumers; anyone who enrolled in coverage without knowing they were eligible for new subsidies has through April 30 to sign up or switch to Covered California to take advantage of the new subsidies. Consumers typically are barred from signing up after open enrollment ends unless they experience a significant event that separates them from their coverage, like a job loss or divorce.

Covered California has invested more than $120 million to get the word out, including additional funds to let people know about the expanded special enrollment period.

THE SACRAMENTO BEE

New penalty, extended deadline drive increase in California health insurance sign-ups

Cathie Anderson

Covered California executive director Peter V. Lee was in San Luis Obispo on Friday, November 3, 2017, promoting the current health insurance open enrollment period. By Joe Johnston

New numbers released Tuesday show many more Californians signed up for health insurance this year than last year, even as state officials are extending the deadline for people to enroll in coverage.

California's marketplace saw a 41 percent jump in new sign-ups from last year, from nearly 300,000 to more than 418,000. In total, over 1.5 million people signed up for or renewed insurance plans through the marketplace, known as Covered California.

State officials and advocacy groups attribute the jump in new enrollments to new state policies aimed at lowering insurance costs for some Californians and fining others who opt not to buy coverage.

Gov. Gavin Newsom and state lawmakers approved new subsidies for roughly 1 million low- and middle-income people. To pay for it, the state will fine people who don't buy insurance through an "individual mandate," a policy first implemented through the Affordable Care Act that has since been rolled back at the federal level.

The state also extended the deadline to sign up for coverage from Jan. 15 to Jan. 31.

The boost in new sign ups shows the penalty has worked as a "nudge" to prompt people to shop for insurance and the new subsidies helped people afford it, said Peter V. Lee, executive director of Covered California. But he said surveys his department has done show many still don't know about the new state policies.

Open enrollment ended Jan. 31, but Covered California is creating a special enrollment period to allow people who didn't know about the new policies to sign up for coverage through the end of April.

“Even though a lot of people signed up during open enrollment, we know a lot of people still don’t know about the penalty,” he said in a video released by Covered California. “If you’re a Californian that didn’t know about the penalty or didn’t know about new state subsidies, our doors are wide open.”

Those who sign up by March 31 can avoid the penalty entirely. Those who sign up during April will have to pay a pro-rated penalty of one-third the total annual fine, according to a Covered California fact sheet.

Although the new subsidies rely in part on revenue from the individual mandate, Lee said he would prefer that people buy insurance, which will lower costs across the board as healthier people pay into the system and offset costs from sicker people.

“We don’t want people to pay a penalty,” he said. “We want Californians to get insurance.”

People can sign up for insurance during the special enrollment period on coveredca.com or by calling 800-300-1506.

AXIOS AXIOS

California's Affordable Care Act coverage experiment
Caitlin Owens

Covered California, the state's Affordable Care Act exchange, announced yesterday that new enrollment rose 41% in 2020 after the state reinstated the individual mandate and expanded the law's insurance subsidies.

Why it matters: If California is acting as a real-life test case for what happens when policymakers beef up the ACA, the experiment seems to be going well, at least in terms of coverage numbers.

Yes, but: The number of enrollees who renewed their coverage was down 8%, which "could be due to the strong economy. It could also signal a problem retaining consumers due to high costs," the Kaiser Family Foundation's Larry Levitt tweeted.

The big picture: Even the healthiest of marketplaces have had limited success in controlling health care costs. That's likely part of the reason why most Democrats are ready to move beyond the ACA only a decade after it passed.

Go deeper: California's new health care milestones

ASIAN JOURNAL™

New CA policies increase signups during Covered CA open enrollment

Staff

SACRAMENTO — Covered California announced that 418,052 people had newly selected a health plan for 2020 during the most recent open-enrollment period. The total is more than 122,000, or 41 percent, higher than last year's figure of 295,980.

The increase comes after the state of California instituted two key policies designed to help and encourage more people to become insured: reinstituting a penalty for those going without coverage, which had been lowered to zero by federal action in 2019, and adding state subsidies to build on and go beyond the Affordable Care Act's financial help.

"Californians are seeing that by building on – instead of undercutting – the Affordable Care Act, they are directly benefiting from lower health care costs and more people being insured," said Covered California Executive Director Peter V. Lee. "The new enrollment that occurs during each year's open-enrollment period is vital to getting more people covered and keeping costs down by enrolling a healthy risk mix. This dramatic rebound in new enrollment shows how effective state policies can make quality coverage more affordable and encourage people to get covered."

Preliminary analysis shows that the total number of net plan selections for 2020 is 1,538,819, which reflects 1,120,767 consumers renewing their coverage and 418,052 consumers newly signing up for coverage during open enrollment. Overall, there are 24,936 more plan selections compared to 2019, an increase of almost 2 percent.

New State Policies and Effective Outreach Drive New Enrollment

California adopted several policies to pursue Gov. Newsom's stated goal of moving toward universal coverage, including two that were specific to the individual market:

Effective January 2020, California required its residents to have health insurance coverage – reinstating the federal penalty that was integral to the Affordable Care Act. Those who can afford coverage but choose to go without it could face a penalty when they file their taxes with the California Franchise Tax Board in 2021. The penalty can be more than $2,000 for a family of four.

California launched a state subsidy program that expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage. The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500.

California extended its open-enrollment period through Jan. 31, compared to Jan. 15 last year — in dramatic contrast to the federal decision to have open enrollment close on Dec. 15.

Covered California and the Franchise Tax Board (FTB), which will be implementing the penalty, worked to get the word out about these new policies throughout open enrollment. Elements of the robust marketing and outreach included Covered California:

Investing $121 million in statewide marketing and outreach during the current fiscal year.

Supporting more than 10,000 Certified Insurance Agents across the state and more than 100 community organizations that were recipients of Covered California's Navigator grants totaling $6.5 million.

Conducting more than a dozen phone banks on in-language television stations across the state targeting English, Spanish, Mandarin and Hmong speakers.

Partnering with social media influencers such as Laila Ali, Leo Santa Cruz, J.R. Todd, Nathan Adrian and others to create content that has generated more than 3 million impressions.

In addition, Franchise Tax Board has worked with Covered California to get the word out, including:

Working with tax-filing software companies to include penalty information that consumers will see when they file their taxes.

Conducting outreach and training for tax professionals.

Sending mail to more than 2 million households alerting them to the penalty and telling them how to get coverage.

Through the open-enrollment and renewal periods, about 625,000 new and renewing consumers qualified to receive the new state subsidies.

About 576,000 lower-income consumers, who earn between 200 and 400 percent of the federal poverty level (FPL), will receive an average of $608 per month per household in federal tax credits and new state subsidies (which averages $23 per household). The financial assistance lowers the average household monthly premium from $881 per month to $272, a decrease of 70 percent.

Nearly 32,000 middle-income consumers who were previously ineligible for any federal support because their household income was above the federal “cliff” of 400 percent of the FPL qualified for new state subsidies. The new financial help went to about 47 percent of consumers applying in the 400 to 600 percent FPL income bracket. The average state subsidy to eligible households is $504 per month, lowering their monthly premium by nearly half.

“The average state subsidy for eligible middle-income Californians – who up until now were not eligible for any assistance – was $504 per month. But it’s even more striking that more than one in 10 of those receiving help had their monthly premium lowered by over $1,000,” said Lee. “The new state subsidies are making a huge difference to families across California.”

Covered California also reported that an estimated 280,000 Californians, likely eligible for new state or existing federal subsidies, kept their “off-exchange” coverage and did not get the financial help that would make it easier to afford and keep their coverage. Most of these individuals earn under 400 percent of the federal poverty level and would be eligible for both the state and federal subsidy, while about 40,000 would be eligible to receive the new state subsidies for middle-income Californians.

“The penalty helped drive down premiums for everyone in the individual market, and new state subsidies are already helping more than 600,000 people save even more on their health insurance,” Lee said. “However, we are still hearing that far too many people do not know about these policies, so Covered California wants to continue to get the word out and give them more time to learn about the penalty and how affordable coverage can be.”

Drop in Renewals Driven by Low New Enrollment for 2019 Following the Penalty Removal

The significant increase in new enrollment was partially offset by an 8 percent decrease in the number of renewing consumers. Covered California's preliminary analysis points to several potential reasons for the reduction in renewals relative to 2019. As noted above, 2019 marked the first year that the federal government zeroed out the individual mandate penalty, which led to a sharp decrease in the number of new consumers signing up for coverage during last year's open-enrollment period. Historically, a decrease in new enrollment translates to a decrease among renewing consumers because there are fewer consumers in the system to carry forward into renewal. Covered California entered this renewal season with nearly 40,000 fewer members covered in October 2019 (for 2020 coverage) than it did in October 2018 (for 2019 coverage).

"Covered California's preliminary analysis of the reduction in the number of consumers renewing appears to be another result of the federal decision to remove the penalty that resulted in fewer people eligible to carry their coverage into 2020," Lee said. "What we have seen this open-enrollment period only affirms the bold decision of the governor and the state Legislature to provide that economic nudge that some people need to get health insurance."

New Special-Enrollment Period Announced

Covered California also announced that effective Feb. 18 it will establish a special-enrollment period for those who were unaware of the state penalty or the new financial help. Consumers who fall into those categories, or who are currently insured off-exchange (directly through an insurer) and want to switch to Covered California to benefit from the new state subsidies, will have through April 30 to sign up for coverage.

Covered California made the decision after gathering information throughout open enrollment and after the close of enrollment. In December, Covered California surveyed the public and found a significant percentage of the uninsured were unaware of the new financial help or penalty. Based on those findings, Covered California began looking at whether a special-enrollment period would be warranted. In the first week of February, Covered California surveyed 10,000 of its Certified Insurance Agents and found that there is still a substantial lack of awareness, with 41 percent saying only some or none of their consumers knew about the penalty, and 80 percent saying the penalty is motivating or extremely motivating for their consumers.

"I encourage everyone who does not have qualifying health insurance to take advantage of the special enrollment period and secure coverage now. I like signing tax refund checks, not assessing penalties," said State Controller and FTB Chair Betty T. Yee.

Covered California will be launching a new campaign to publicize the special-enrollment period, starting this month with social media messaging and consumer emails. Television ads in English and Spanish will start on March 9. Also starting that day will be radio and digital ads in English, Spanish, Mandarin, Cantonese, Korean and Vietnamese. This marks Covered California’s first use of television ads to promote a special-enrollment period.

“We know that there are hundreds of thousands of people, both low income and middle income, who are insured off exchange but could be saving significant amounts of money if they switch to Covered California to benefit from federal financial help or new state subsidies, or both,” Lee said. “Covered California is working with everyone it can to put consumers first by maximizing the amount of time that people can get covered and minimizing the number of people who are subject to a penalty.”

During this special-enrollment period, consumers will be able to sign up at any point and will be covered on the first of the following month.

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.

Vida en el valle

Covered California has established a new special-enrollment period

María G. Ortiz-Briones

Peter V. Lee, Covered California executive director, during the statewide bus tour on Nov. 15, 2018 in Fresno to encourage consumers to sign up for health care coverage during the current open-enrollment period.María G. Ortiz-Briones mortizbriones@vidaenelvalle.com

If you were unaware of the existence of the state penalty for not having health insurance in 2020 or you didn't know about the new financial help available from the state to help pay for health insurance premiums in 2020, you are in luck.

Covered California has established a new special-enrollment period for those individuals who were unaware of the state penalty or the new financial help.

The special-enrollment period started on Feb. 18 and will run until April 30.

“I encourage everyone who does not have qualifying health insurance to take advantage of the special enrollment period and secure coverage now,” said State Controller and FTB Chair Betty T. Yee.

The state enacted new laws in 2020 that require people to have health insurance in 2020 or face a penalty. The new laws also increase the amount of financial help available for consumers who select a health plan through Covered California.

The Franchise Tax Board website has an estimator to assist consumers in understanding what they could pay when filing their taxes in 2021 for the 2020 year. In addition, Covered California and Franchise Tax Board have developed a fact sheet with more information about the penalty. “I like signing tax refund checks, not assessing penalties,” Yee said.

According to Covered California officials, people who fall into those categories or people who have health insurance through the individual market, which means having insurance coverage directly through an insurer and off-exchange and would like to switch to Covered California to take advantage of the new state subsidies, will have until April 30 to sign up for coverage through this special-enrollment.

“We know that there are hundreds of thousands of people, both low income and middle income, who are insured off exchange but could be saving significant amounts of money if they switch to Covered California to benefit from federal financial help or new state subsidies, or both,” said Peter V. Lee, Covered California executive director.

According to Lee, approximately 287,000 people have coverage off the exchanges.

According to Lee, Covered California made the decision to launch a new special-enrollment period after gathering information throughout open enrollment and after the close of enrollment.

In December, Covered California surveyed the public and found a significant percentage of the uninsured were unaware of the new financial help or penalty.

A total of 418,052 people newly signed up for coverage during Covered California’s open-enrollment period, which is 41 percent higher than last year’s figure of 295,980 according to Covered California, which added that the strong total shows how California is building on the Affordable Care Act, enrolling healthy consumers and saving money for Californians, in contrast to federal policies that have led to higher premiums and millions losing coverage.

Thanks to the new state policies, which provided additional money to help people purchase health insurance and established a state penalty, Covered officials said were key components that led to Covered California’s highest new enrollment total since 2016.

“While we are pleased with the increase in new enrollment, we know hundreds of thousands of Californians are still going without coverage,” said Anthony Wright, executive director, Health Access California, the statewide health care consumer advocacy coalition. “Many do not know about new state subsidies that could make their coverage more affordable or are not aware that California has reinstated the mandate for health coverage and that they may face a tax penalty.”

Lee said based on those findings, Covered California began looking at whether a special-enrollment period would be warranted.

Lee added that in the first week of February, Covered California surveyed 10,000 of its Certified Insurance Agents and found that there is still a substantial lack of awareness, with 41 percent saying only some or none of their consumers knew about the penalty, and 80 percent saying the penalty is motivating or extremely motivating for their consumers.

“Covered California is working with everyone it can to put consumers first by maximizing the amount of time that people can get covered and minimizing the number of people who are subject to a penalty,” Lee said.

During this special-enrollment period, consumers will be able to sign up at any point and will be covered on the first of the following month.

Covered California will be launching a new campaign to publicize the special-enrollment period, starting this month with social media messaging and consumer emails.

Television ads in English and Spanish will start on March 9. Also starting that day will be radio and digital ads in English, Spanish, Mandarin, Cantonese, Korean and Vietnamese.

This marks Covered California’s first use of television ads to promote a special-enrollment period, Lee said.

“With this new enrollment period, Californians now have more time to sign up for health care and more financial help than any other state in the nation and we encourage everyone to take advantage,” said Wright.

“Californians will now be reminded at tax time about their health coverage options, and instead of having no options to avoid a penalty, will have the opportunity to enroll in health coverage for themselves and their families.”

If people enroll by March 31, they will not incur a penalty. However, if they wait and enroll in April, individuals will have to pay the penalty for the entire period of the coverage gap, including the three-month short coverage gap period.

For example, four or five months of coverage gap for coverage start date of May or June 1. Consumers enrolling by February 29 would have coverage effective March 1 (and no penalty as only two months without insurance.

Consumers enrolling by March 31 would have coverage effective April 1 and no penalty as only three months without insurance.

Consumers enrolling by April 30 would have coverage effective May 1 and would have a pro-rated penalty of 1/3 of the annual penalty amount — assuming the individual is not otherwise exempt.

Consumers interested in learning more about their special enrollment they can visit https://www.coveredca.com/ or get free and confidential in-person assistance, in a variety of languages, from a certified enroller or have a certified enroller call them and help them for free or call Covered California at (800) 300-1506.

Record Searchlight
PART OF THE USA TODAY NETWORK

Avoid a fine for not having healthcare: Covered California extends enrollment deadline

Margaret Beck

It may come as a surprise to some Californians that our state has implemented its own penalty for those who do not have health insurance in 2020. It's similar to the federal penalty under the Affordable Care Act (ACA), also known as Obamacare. While the federal law continues to be in effect, President Trump used an executive order to eliminate enforcement of the penalty collection part of the legislation in 2019.

In response to this confusion, Covered California, the state’s exchange, has extended the open enrollment period until April 30 for those who were unaware of the new California law. Californians who have individual coverage, but didn't know they would qualify for subsidies, may also take advantage of this extension. Further, there are additional subsidies for California residents beyond the federal subsidies.

Act now if you're going to proceed. If you enroll by March 31, you will not incur a penalty. But if you wait and enroll in April, you'll have to pay the penalty for the entire period of the coverage gap, including the three-month short-coverage gap period. So it's best to enroll before the end of March.

California was one of the first states to create its own exchange. After a rocky start, it has proven to be one of the most successful. The state’s uninsured population went from 17% to 7.2% between 2013 and 2018, the largest drop of any state.

World Health Organization Director-General Tedros Adhanom Ghebreyesus discusses the sudden increase in new coronavirus cases in Iran, Italy and South Korea during a news conference in Geneva. Video Elephant

Covered California reports the state has consistently has a risk score around 20% below the national average in the individual market, which likely saved those enrolled and the U.S. Treasury about $12.5 billion during the past five years. Other states have seen a drop in enrollment — near 45% —while California enrollment has stayed stable, with a slight increase this year.

The value of subsidies for those who qualify can't be overstated. We have clients paying only $1 per month for coverage who would otherwise pay over $900 without subsidies. The fact that one must purchase coverage through Covered California to be able to access the subsidies makes this special enrollment period that much more valuable: If a person has coverage outside the exchange and thinks they might qualify, it would be worthwhile to consider re-applying through the exchange.

Covered California is working with carriers to determine how they might be able to allow consumers to be credited for deductibles and out of pocket expenses already accrued for 2020. As of Feb. 25, it hasn't been guaranteed.

Qualifying for a subsidy continues to be subject to the same rules, based on household size and income.

To see an estimate, go to www.coveredca.com and click on "Shop and Compare."

Remember when it asks for household size, it's referring to your tax household. You must be able to claim a dependent on your tax return in order to qualify them as part of your tax household.

Be wary of marketing sites that come up when you are searching for the site. Don’t go to the advertisements or sponsored sites. That will just put you in a marketing queue.

To talk to a live person, call 800-300-1506 and talk to one of their representatives.

More stories:

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Election 2020 guide: What you need to know to vote on Super Tuesday

Historically dry: This could be first February on record in Redding with no rain

A final important note: Understand if you or your spouse are offered “affordable” health insurance coverage by an employer, the family is likely not eligible for a subsidy. What you might think is affordable is not the same as the government’s definition: A job-based health plan covering only the employee that costs 9.78% or less of the employee’s household income. If a job-based plan is affordable, and meets the minimum value standard, you're not eligible for a premium tax credit if you buy a marketplace insurance plan instead.

The average American pays about $1,200 per year on prescription drugs, more than anyone else in the world. We explain. USA TODAY

The plan used to define affordability is the lowest priced self-only plan the employer offers, meaning a plan covering only the employee, not dependents. This is true even if you're enrolled in a plan that costs more or covers dependents. The cost is the amount the employee would pay for the insurance, not the plan's total premium.

The employee's total household income is used. Total household income includes income from everybody in the household who's required to file a tax return.

See examples and get further information at https://www.healthcare.gov/glossary/affordable-coverage/.

Don't miss an opportunity to have coverage, and help paying for it.

THE ACA TIMES
NEWS AND INFORMATION ABOUT THE AFFORDABLE CARE ACT
THE ACA TIMES
NEWS AND INFORMATION ABOUT THE AFFORDABLE CARE ACT

California Health Exchange Welcomes New Enrollees Thanks to Individual Mandate

Robert Sheen

As California finalizes its initial open enrollment results, the data shows the state's Individual Mandate played a part in the higher turnout.

According to Covered California, the state had a total of 418,052 new individuals sign up for health coverage through the exchange during open enrollment. That is 41% higher than the previous year's figures, which only had 295,980.

Under California's state-wide Individual Mandate, state residents, including domestic partners and their dependents, must enroll in qualified health insurance coverage for each month of the calendar year or face a penalty. The penalty state residents will face for failing to comply is calculated at a rate of $695 per adult and $347.50 per child or 2.5% of gross income above the filing threshold, whichever is higher.

Covered California has released an Individual Shared Responsibility Penalty calculator for individuals interested in determining the penalty amount that could be imposed on them for failing to obtain adequate coverage. It can be viewed here.

In light of the penalty for failing to obtain adequate health coverage, Covered California has announced a special-enrollment period to help individuals unaware of the new California penalty obtain coverage. The special-enrollment period will run from February 18 through April 30.

Only in effect for two months, California's Individual Mandate is already having a positive impact. California Governor, Gavin Newsom said, "California is leading the way when it comes to putting policies in place that make health care more affordable for all."

The success in California is part of a much bigger picture taking shape across the country as several other states had Individual Mandates go into effect this year. It is only a matter of time until they start seeing positive results as well.

In addition, the federal open enrollment results on Healthcare.govdemonstrate that the health care system is stabilizing and even growing. Over 2 million new individuals signed up for coverage through the federal health exchange, up from 2019 and, for the second consecutive year, the number of insurers participating in the marketplace is increasing.

Employers who thought the ACA was going away should reconsider their position. Evidence shows that the health care law, including its Employer Mandate, is becoming more ingrained in our healthcare ecosystem. And with the recent Fifth Circuit court ruling regarding the constitutionality of the ACA, it is very possible the law remains for good.

Under the ACA's Employer Mandate, Applicable Large Employers (ALEs) organizations with 50 or more full-time employees and full-time equivalent employees) are required to offer Minimum Essential Coverage (MEC) to at least 95% of their full-time workforce (and their dependents) whereby such coverage meets Minimum Value (MV) and is Affordable for the employee or be subject to Internal Revenue Code (IRC) Section 4980H penalties.

The IRS is currently issuing penalty assessments to employers that fail to comply with the ACA in Letter 226J. The agency is currently issuing notices for the 2017 tax year. It is speculated that IRS enforcement of the ACA will become more severe this year as well.

San Francisco Chronicle

California shows how to build on the ACA

Peter V. Lee

As we near the 10th anniversary of the Affordable Care Act, our country faces two divergent paths to address health care cost and affordability. One road includes federal actions that not only undermine the ACA but threaten to wipe out the law as it goes back to the U.S. Supreme Court in the fall. In California, we have taken a different path to protect and build on the ACA. The results of these differing strategies are becoming increasingly clear and are being felt by millions of people.

The ACA was the most significant piece of health care reform our country has seen in more than 50 years, but it was never designed to be the finish line. This year California took major steps to both protect and go beyond the ACA by implementing two policies designed to encourage enrollment and improve affordability. The results are profound.

Covered California announced more than 418,000 people newly signed up for coverage during the most recent open enrollment period. Not only is this 122,000 more than last year — a 41% increase — which saw a huge drop after the federal decision to zero out the individual mandate penalty, it is Covered California's highest level of new sign-ups since 2016.

California got there by focusing on expanding coverage, protecting consumers and reducing premiums. The state expanded Medicaid, established its own independent and self-funded state-based marketplace in Covered California, created patient-centered benefit designs, expanded open enrollment, invested in marketing and outreach, and built a robust and competitive environment where 11 plans compete for consumers.

The policies California implemented this year include offering new financial help and restoring the penalty. While the penalty is not popular, the policy itself gives people an economic nudge to do the right thing and get covered, which helps build a healthier consumer pool and lowers premiums for everyone.

As a result, California's 2020 statewide average premium rose less than 1% — the lowest increase since California launched the ACA in 2014 — because carriers believed the penalty would encourage more healthy consumers to sign up for coverage.

In addition, more than 625,000 people are receiving additional financial help through the new state subsidies that are being offered for the first time. While many of those are getting money on top of the federal tax credits they already receive, for many middle-income families they are receiving first-in-the nation financial help. The average state subsidy for households at income levels above the ACA's 400% of poverty ceiling — which extends to an individual earning $75,000 a year and a family of four earning up to $154,000 — is $504 per month. More than 10% of those eligible are getting over $1,000 per month to reduce their premiums.

The results of these policies, supported by Covered California's continued investments in marketing and a longer open enrollment period, are stark and prove that implementing the right policies matters.

While Covered California's new enrollment and overall totals have been stable over the past four years, new enrollment in states served by the federal marketplace has plunged 48% since 2016. Not only does this drop mean the risk mix of those in the individual market is worse, which leads to higher costs, there are 1.3 million fewer people insured in the federal marketplace today and at least one million more have lost their unsubsidized coverage in the off-exchange market.

We know premiums are higher in the 38 states that rely on the federally facilitated exchange because of ongoing cuts to marketing and outreach, and policies that encourage Americans to leave the exchange and enroll in cheaper "short term" or other non-ACA-compliant plans. These plans cost less because they do not offer the same benefits and protections of ACA plans, and consumers can have their claims denied or be turned away if they have pre-existing conditions.

California's experience shows that when you protect and build on the ACA, it leads to lower costs and more people covered, which is good for everyone. The penalty encourages enrollment, which lowers costs by fostering a healthier risk mix; lower premiums help unsubsidized consumers, and ironically, the federal government spends far less per person on federal tax credits due to the lower premiums.

Lake County
RECORD-BEE

Covered California now offering a very special enrollment period

Staff

Covered California is giving those without health care coverage another chance.

With the new year came new subsidies for middle-income households and a new penalty from the Franchise Tax Board (FTB). Because many people were unaware of the changes, California's exchange has established a special-enrollment period for people who did not hear about the state penalty or the new financial help during open enrollment.

Consumers who fall into those categories, or who are currently insured off-exchange and want to switch to Covered California to benefit from the new state subsidies, will have until April 30 to sign up for coverage.

"We as a state — whether it is Covered California, the Franchise Tax Board or the governor — do not want anyone to pay a penalty," said Covered California Executive Director Peter V. Lee. "We want everyone covered and protected, and that's why we are giving people more time to enroll."

People who can afford health insurance coverage, but choose to go without it, could face a penalty when they file their state taxes with the FTB in 2021. The penalty can be more than $2,000 for a family of four.

Covered California, carrying out the Patient Protection and Affordable Care Act in the nation's most populous state, announced that 418,052 new individuals signed up for health insurance for 2020 during open enrollment, which ran from Oct. 15 to Jan. 31.

The exchange now has over 1.5 million enrollees, but there are hundreds of thousands of people, both low-income and middle-income, who are insured off-exchange but could be saving significant amounts of money if they switched to Covered California to benefit from federal financial help, the new state subsidies, or both.

The state expanded the amount of financial help available to many consumers, including a first-in-the-nation program to help middle-income consumers afford coverage. The new state subsidies could extend to an individual making up to $74,940 and a family of four with a household income of up to $154,500. The average subsidy for eligible middle-income households is $504 per month.

Covered California launched a new campaign to publicize the special-enrollment period, starting with social media messaging and consumers emails on Feb. 16. Television ads in English and Spanish started earlier this month, along with radio and digital ads in English, Spanish, Mandarin, Cantonese, Korean and Vietnamese. This marks Covered California's first use of television and radio ads to promote a special-enrollment period.

In addition, the FTB has sent letters to more than 2 million households alerting them to the penalty and informing them on how to get coverage. FTB has also worked with tax-filing software companies to include penalty information that consumers will see when they file their taxes this spring. The Department of Motor Vehicles is also playing videos at its offices that describe the penalty to visiting consumers.

“Covered California is working with everyone it can to put consumers first by maximizing the amount of time that people can get covered and minimizing those who are subject to a penalty,” Lee said. “We will make it loud and clear: You must have coverage effective April 1 to avoid paying a penalty.”

Those interested in learning more about their special enrollment options can:

Visit www.CoveredCA.com.

Get free and confidential in-person assistance, in a variety of languages, from a certified enroller.

Have a certified enroller call them and help them for free.

Call Covered California service center at (855) 295-2024.

Los Angeles Times

Column: How California made Obamacare work

Michael Hiltzik

California’s nation-leading embrace of the Affordable Care Act began with a Republican governor.

Arnold Schwarzenegger had been trying since 2007 to create a universal healthcare program for the state. He had reached an agreement with then-Assembly Speaker Fabian Nuñez (D-Los Angeles) to impose an individual mandate — a requirement that almost all Californians carry health insurance — while providing subsidies for low-income residents. His plan, drawing from the program implemented in Massachusetts under then-Gov. Mitt Romney, would forbid insurers to turn away people with preexisting medical conditions.

In the end, the cost of the program, estimated at $15 billion in 2008, when recession was beginning to bite, sank its chances in Sacramento. But the work done on the proposal placed the state in a perfect position to fully exploit the Affordable Care Act when it came into existence two years later.

California made the right bets.... The ACA is about health being a public good.

Peter V. Lee, executive director, Covered California

“Those of us who worked on the legislation understood that a lot of what was in the Affordable Care Act was a reflection of the work that California had done,” recalls Deborah Kelch, who was a legislative staffer during the California push and went on to become executive director of the Sacramento-based Insure the Uninsured Project.

“There was a lot of desire and effort in the Schwarzenegger administration and the Legislature to do something like the ACA,” Kelch says. “So when the ACA came, we were particularly well situated to take advantage of it and go forward.”

With the Affordable Care Act’s tenth anniversary upon us — President Obama signed the measure on March 23, 2010 — it’s evident that California’s full-scale embrace of the law has yielded dividends for the state, its residents and even the federal government, measured in the billions of dollars and millions of covered enrollees.

Since the inauguration of the individual insurance exchanges in 2013, California’s uninsured rate has fallen by 10 percentage points, to 7.2%. That’s the largest drop in the nation. Among “eligible uninsured” people — that is, excluding those barred from participating because of their immigration status, such as adult undocumented residents — the rate is even lower, 3%.

“California made the right bets,” says Peter V. Lee, executive director of Covered California, the state’s ACA insurance exchange.

What inspired Schwarzenegger in 2007, and the state’s leaders since then, was the realization that healthcare is in the community’s interest — that a hole in the public health safety net affecting any individual or family is a danger to all. Nothing has brought that fact to the nation’s consciousness like the current coronavirus crisis.

“If you think you can be an island unto yourself and not worry about the health of your neighbor, there’s no better lesson than what we’re seeing with this virus,” Lee says. “I want my neighbor, my co-workers, the kids going to school with my children to be vaccinated when they should be and treated with ready access to affordable care.”

While California’s approach to coverage may have given it a leg up in grappling with the spread of COVID-19, the disease caused by the novel coronavirus, it’s still hampered by attacks on the ACA taking place outside its borders.

The most serious threat is a lawsuit brought by Texas and 17 other red states aiming to declare the entire law unconstitutional. The Supreme Court agreed earlier this month to review the case, which means the ACA's fate will be up in the air at least until the end of the year. A ruling overturning the law will undo much of what California has accomplished.

After the ACA's enactment, Schwarzenegger became the first governor in the nation to announce that his state would form its own insurance exchange and appointed a task force to create it.

The state's acceptance of the law continued with Gov. Jerry Brown, who took office in 2011. Brown expanded Medi-Cal, California's version of Medicaid, to take advantage of the federal government's 100% funding for the expansion population starting in 2014. (The federal match fell in stages to the current, permanent level of 90%.)

Despite the obvious fiscal and public health benefits of expansion, 14 states — all controlled by Republican legislatures or governors — still haven't accepted it.

The state took pains to avoid pitfalls in implementing the law. Covered California chose to create an "active" insurance exchange, in which it would set benefit and quality standards that participating insurers must meet, whereas other states and the federal exchange, HealthCare.gov, accommodated all insurers willing to meet the ACA's less stringent standards.

The California exchange told insurers that it would monitor the adequacy of provider networks to ensure that they included a sufficient selection of primary care doctors, specialists and accessible hospitals. Insurers had to report regularly on how they cared for patients with chronic conditions requiring coordinated treatment, such as diabetes, asthma, hypertension and heart disease. They would be judged on how they managed enrollees requiring expensive specialty treatments, such as those with rare cancers or transplants or who required end-of-life care.

By standardizing plans, Covered California forced insurers to compete chiefly on price, rather than benefit peculiarities that might be hard for consumers to understand. The exchange also maintained a vigorous marketing and outreach program that is still budgeted at about $100 million.

By contrast, the Trump administration cut the nationwide marketing and promotion budget for the ACA by 90%, to a mere $10 million. The Trump administration has made other moves to undermine the ACA, including reducing the open enrollment period by weeks. California has kept the open enrollment period at Oct. 15 to Jan. 31, although late enrollees won't be able to start their coverage until after Jan. 31.

Trump and the Republican congressional majority also reduced the individual mandate penalty to zero as part of the December 2017 tax cut bill. Removing the federal penalty as of January 2019 had a measurable effect on enrollment, experts have found. Covered California blamed its 24% drop in new enrollments for 2019 almost entirely on the penalty's elimination.

"Even robust marketing cannot offset the negative impact of its removal," the California exchange said.

The result of Trumpian sabotage has been a sharp 13.5% drop in nationwide enrollment through the federal government's HealthCare.gov exchange, to 8.3 million in December 2019 compared with peak enrollment in 2016.

At Covered California, which is largely if not entirely insulated from federal policy, the drop has been a more modest 2.3% over that period, to 1.54 million. Some of that can be attributed to the end of the federal penalty, but some may also be caused by rising premiums, which affect households with incomes too high to qualify for subsidies.

California's enrollment includes more than 418,000 consumers signing up for the first time, an increase of 41% over the previous year. Medi-Cal's expansion enrollment was about 3.4 million as of September.

California took other steps to keep younger, healthier customers in its individual insurance pool despite sabotage at the federal level. The state banned the sale of short-term insurance plans, which aren't subject to ACA consumer protections that guarantee affordable coverage to people with preexisting conditions and bar annual or lifetime coverage limits.

The Trump administration has promoted these plans because they're cheaper than full-scale ACA coverage, but that's because they're riddled with coverage gaps and can reject applicants with potentially costly conditions. Their low prices, however, could siphon healthier customers out of the ACA pool.

"Short-term plans are a return to the Wild West of health insurance before the ACA," Lee told me. "One of the big lessons from the pre-ACA days is that you can get a lower-cost plan if you can exclude people and you're not there when your customers get cancer. That's not California's play."

By maintaining standards, California avoided many of the travails of the ACA market in other states — "phenomenal instability, with plans coming and going, insurers losing hundreds of millions of dollars, consumers facing huge uncertainty," Lee observed.

The uncertainty has contributed to an increase in benchmark ACA plan premiums of 79% since 2014 nationwide, compared with the increase of 45% in California. The figures refer to gross premiums, before tax subsidies. The benchmark premium, which is charged by the second-cheapest mid-range silver plan in each region, is used to calculate federal subsidies.

While some other states struggle to attract insurers to cover their entire territory, California's roster of participating insurers has remained at 11 companies (though one carrier left and another came in). About 99% of state residents can choose from at least two insurers in their parts of the state; 27% of enrollees can choose from six or more.

California has fought back against other federal initiatives aimed at chipping away at the ACA. Last year the state enacted its own individual penalty for not carrying insurance. This was a response to the reduction of the federal penalty to zero.

The state's penalty, effective this year, is set at the same level as the former federal penalty — 2.5% of household income or $695 per adult, whichever is greater, with a family maximum of about $2,100.

California also expanded premium subsidies beyond the federal rule, which grants subsidies to households with earnings up to 400% of the federal poverty level ($104,800 for a family of four). California will provide subsidies for households with earnings up to 600%, or to $157,200 for a family of four, thus considerably improving the affordability of plans on the individual exchange for middle-class families.

For 2020, Covered California extended the open enrollment period to April 30 to accommodate applicants unaware of the state's imposition of its own individual mandate penalty or its expanded premium subsidies.

The state also expanded Medi-Cal eligibility to undocumented young adults up to the age of 26; those younger than that had already been granted eligibility in 2015.

California's capacity to stand fast against threats to the ACA isn't infinite. "There have been attempts to kill the ACA by a thousand cuts, but they've hardly affected California at all because we've been able to counter virtually all of them," Lee told me. The Texas lawsuit, however, is a dark cloud, for an adverse ruling by the Supreme Court would eliminate funding for the Medicaid expansion and premium subsidies.

"We could never counter taking away that money," Lee said. "Medicaid expansion and premium subsidies would go away, as would protection for preexisting conditions, as would tens of billions of dollars for preventive health and public health, which is relevant to the current virus. The ACA was about health being a public good."

Most important, without the Affordable Care Act, 17% of Californians would be uninsured. "Being uninsured is a public health catastrophe," Lee says. "Having so few people uninsured is good news when you have the worst happening in healthcare."

California has known that for years. The rest of the country is just learning.

CDC to screen at three US airports for signs of new virus from China
Elizabeth Cohen

(CNN) — More than 100 staffers from the US Centers for Disease Control and Prevention are being deployed to three US airports to check passengers arriving from Wuhan, China, for fever and other symptoms of a mysterious new virus that's killed two and infected dozens in China, the CDC announced Friday.

It's a highly unusual step. The last time the CDC did routine passenger health screening was during the 2014 Ebola outbreak, according to Dr. Martin Cetron, director of the CDC's division of global migration and quarantine.

"I've been here since 1996, and that's the only other time we've ever done this -- for Ebola," Cetron said.

The screenings at New York City's John F. Kennedy International Airport will start tonight, and screenings at San Francisco International Airport and Los Angeles International Airport will begin Saturday. The CDC will look for symptoms such as coughing and difficulty breathing and check temperatures of each passenger with an infrared thermometer.

The CDC took these steps after travelers from Wuhan recently arrived in Thailand and Japan infected with the new virus. There have been two cases in Thailand and one in Japan.

"Considering global travel patterns, additional cases in other countries are likely," the World Health Organization stated in a press releaseThursday.

Last year, more than 60,000 passengers flew into the United States from Wuhan, a city 700 miles south of Beijing. The vast majority flew into the three airports where the checks will take place, according to the CDC.

January is the peak travel season from China to the United States because of the Chinese Lunar New Year, Cetron said.

Cetron described the airport screenings as part of a set "proactive preparedness precautions."

"We believe the current risk to this virus is low," Dr. Nancy Messonnier, director of the CDC's National Center for Immunization and Respiratory Diseases, said at a press conference on Friday. "For families sitting around the dinner table tonight, this is not something they need to worry about."

At this point, it appears most people caught the virus directly from animals, and the infection does not spread very easily from person to person.

"This is not a time for people to freak out and be overly concerned," Cetron said. "This is a time for vigilance and awareness."

He added that much more common illnesses, such as the flu, are "much bigger threats" to Americans than the new virus from China.

"I'm fully aware that the unknown is more of a source of anxiety than that which is already defined," he said. "But we should not freak out."

What we know about the new virus

So far, two people in China have died from this new virus, officially called the 2019 Novel Coronavirus. Some 45 people in China have become infected. Some have developed pneumonia.

Coronaviruses, such as SARS, or severe acute respiratory syndrome, are common in many species of animals, including camels and bats. Sometimes -- but rarely -- they evolve and infect humans as well.

Chinese health authorities have reported that most of the patients in Wuhan had visited a large seafood and animal market. However, some patients in the outbreak reportedly had not been to animal markets, which suggests that "some limited person-to-person spread may be occurring," according to the CDC.

At least for now, that spread appears to be quite limited. Cetron said it's "reassuring" that Chinese authorities report that no health care workers who've cared for the patients have become infected, and that some 700 other contacts of patients have also not become ill.

"This isn't anywhere near in the same category as measles or flu," Cetron said. Those two infections spread easily from person to person.

To learn more about this new virus, health authorities are taking a close look at SARS.

In 2003, SARS spread to more than two dozen countries in Asia, Europe, North America and South America. Worldwide, more than 8,000 people became sick and 774 died. In the United States, there were 29 SARS cases and no deaths, according to the CDC.

SARS did spread person to person through close contact such as kissing, sharing utensils or talking to someone within 3 feet.

Cetron emphasized that this new virus may be different from its cousin and behave in unexpected ways.

"We have to have humility and appreciate that it may be different. We can't just assume that what we know from previous viruses will always apply," he said.

New screening procedures

Cetron said he expects that "the vast majority" of passengers arriving from Wuhan will be healthy. CDC will give them information in English and Mandarin about what symptoms to look for over the next two weeks.

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After further investigation, travelers that are symptomatic will be sent to local hospitals that work with the CDC.

Cetron said the symptoms of the new virus are so common that he expects the screenings will catch many more people with the flu or other winter viruses than with the new coronavirus.

If it turns out someone does have the new virus, they'll be isolated in the hospital.

He added that while there are still many questions about this new virus -- its incubation period, for example, or how easily it spreads from person to person -- the progress on it in such a short time has been impressive, including a sequencing of the virus' genome.

"It's quite remarkable to me that from a cluster of pneumonia detected just a little over a month ago in Wuhan, China, we have fully sequenced the virus and have some diagnostic capability to test for it," he said.

ORANGE COUNTY
REGISTER

The costly and unsustainable expansion of Med-Cal
Editorial Board

The annual budget for Medi-Cal is already more than the entire state budget of Florida, and it’s about to get bigger.

The safety-net state health insurance program now covers one out of every three California residents. The cost is over $100 billion per year, paid for with a combination of state and federal money. Gov. Gavin Newsom’s new budget pushes the cost of Medi-Cal to $107 billion per year and adds coverage for more people.

Ten years ago, Medi-Cal covered about 7.2 million people. According to the state Department of Health Care Services’ most recent data in August, 12.8 million Californians are now enrolled, about 4.9 million of them under the age of 19.

The biggest change during that period was the expansion of coverage in 2014 under the federal Affordable Care Act, which changed Medi-Cal into a low-income insurance program for anyone who met the income qualifications. Prior to the ACA, adults generally couldn’t enroll in the program unless they had dependent children or certain disabilities or conditions.

In addition to the federal expansion of eligibility, California lawmakers have made Medi-Cal available to groups that didn’t previously qualify. In 2016, lawmakers expanded eligibility for full Medi-Cal benefits to all children, regardless of immigration status. This year, that age limit expands to include young adults up to age 26 who meet the income requirements.

Full scope Medi-Cal covers medical, dental, mental health and vision care, prescription drugs and substance-abuse treatment. Newsom’s new budget would expand eligibility for full scope Medi-Cal benefits to undocumented immigrants ages 65 and over.

Undocumented immigrants in the remaining age group continue to be eligible for restricted scope, or limited, Medi-Cal benefits covering emergencies and medical care connected to pregnancy.

In addition to the rising cost of Medi-Cal — which would be even higher if the state paid health care providers enough to accept more Medi-Cal patients — Newsom has committed the state to pay for health insurance subsidies to Californians who buy policies on the state exchange, Covered California. The subsidies will offer extra assistance to those who already receive federal subsidies, and they will also be available to middle-income people who earn too much to qualify for the federal aid.

How much will that cost? Covered California announced that more than 486,000 people have already qualified for the state subsidies. Open enrollment continues through Jan. 31.

The money to pay for the subsidies will come from the General Fund and a tax on those who do not comply with the state's new individual mandate to have health insurance. As of Jan. 1, Californians without insurance face penalties of $695 per adult, or 2.5% of their income for people with higher earnings, even though the federal penalty has been eliminated.

Does it add up, or will taxpayers be soaked?

According to Covered California's most recent annual report, the subsidy payments will cost $428.6 million in fiscal year 2019-20, rising to $547.2 million in 2021-22. Covered California staff worked with two economists and a "microsimulation model" to estimate "how changes in premiums and subsidies affect the consumer enrollment and plan choice decisions."

The truth is that new entitlements have an unknown cost. The price of Medi-Cal expansion and premium subsidies is likely to grow. When politicians give away tax dollars, there's no fine print that reads, "While supplies last."

San Francisco Chronicle

New federal rule requires separate bill for abortion insurance in Covered California

Bob Egelko

While threatening to cut off federal health care funding to California because it requires insurers to cover abortion, the Trump administration has quietly enacted a separate rule ordering insurers to bill separately for abortion and non-abortion services — a mandate that could lead to cutoffs of coverage.

Under the rule, which took effect this month, the 1.4 million recipients of insurance under Covered California, the state entity overseeing coverage under the federal health care law sponsored by former President Barack Obama, will start receiving two bills a month as of June 27: one for the small amount of their premium that pays for abortion, the other for non-abortion care.

Those who don't pay both bills — because of confusion, personal views or any other reason — could lose their entire health insurance coverage until the next period of open enrollment this fall. Cancellation would apparently be up to individual insurers, though the state Department of Managed Health Care could try to step in with regulations. The department said it was reviewing the federal rule.

In announcing the plan in November, U.S. Health and Human Services Secretary Alex Azar noted that the Hyde Amendment, passed by Congress in 1976 and renewed every year since then, prohibits most federal funding of abortions for poor women.

"The separate billing requirement fulfills Congress' intent and reflects President Trump's strong commitment to preventing taxpayer funding of abortion coverage," Azar said.

But Shannon Hovis, director of NARAL Pro-Choice California, said the new rule "only serves to push abortion care further out of reach and is likely to result in confusion for individuals and families who rely on the ACA (Affordable Care Act) for insurance."

Jodi Hicks, president of Planned Parenthood Affiliates of California, said the new billing rules would also increase costs for insurers, who would then raise premiums to their customers.

Besides California, four other states — Illinois, New York, Oregon and Washington — require health insurers to cover abortion, and Maine has a similar requirement for insurers that cover prenatal care. California is also among the states that use their own funds to pay for poor women’s abortions under Medicaid, called Medi-Cal in California.

Twenty-six states prohibit insurers in the Affordable Care Act marketplace from covering abortion, according to the National Women’s Law Center. The new insurance-billing rule will have its greatest potential impact in the remaining states that make abortion coverage optional for insurers in the ACA.

Some insurers, when required to send separate bills, “might eliminate abortion coverage from their plans altogether because of the additional cost and administrative requirements,” the Kaiser Family Foundation said in an analysis of the new rule.

The Trump administration’s Centers for Medicare and Medicaid Services indicated that the billing change would also send a message to antiabortion customers in optional-coverage states.

The new rule “will alert customers that their health plan covers abortion services, allowing them to make fully informed decisions about their coverage,” the agency said.

POLITICO POLITICO

Obamacare’s Secret Success

Ezekiel Emanuel, Cathy Zhang and Aaron Glickman

The Democratic campaign has crackled with energy around “Medicare for All,” with one candidate after another jumping into the argument about how best to bring health care to all Americans.

Lost in all the back-and-forth is that much of this revolution has already happened. Under the Affordable Care Act, several states have already achieved near-universal coverage, and without anywhere near the national disruption that a full system reboot would cause. As of 2018, six states and Washington, D.C. have achieved over 95 percent health care coverage for their residents.

This coverage triumph does not mean that the American health care system does not need reform. But it does demonstrate that the ACA can catalyze near-universal coverage. And by adopting some modest policy reforms, every state, and the country as a whole, can get there, too.

This has happened despite the fact that the Trump administration has tried to sabotage health care expansion. The administration has cut the insurance exchange open enrollment period by 50 percent, reduced advertising and navigators to help people buy insurance by nearly 90 percent, added requirements to Medicaid to discourage enrollment, and authorized “skinny” insurance options with bare-bones coverage designed to lure healthy enrollees away from comprehensive plans in the ACA insurance pools.

The Census Bureau’s American Community Survey, which calculates average national and state-level uninsured rates over the course of the year, reports that Trump has succeeded in increasing the number of uninsured. In 2013, just before the ACA exchanges and Medicaid expansion went into effect, the uninsured rate was 14.5 percent. It dropped to a low of 8.6 percent in 2016. Despite a booming economy and record low unemployment, the Trump administration increased the uninsured rate to 9 percent in 2018.

But the trend is not uniform across the country. Some Republican-controlled states have especially high uninsured rates. Texas has an uninsured rate of 17.7 percent, with a fifth of the nation’s uninsured children. Georgia’s uninsured rate is 13.7 percent, and Florida’s is 13 percent. Together, just these three states account for roughly a third of all uninsured Americans.
Countering these failing states are Hawaii, Iowa, Massachusetts, Minnesota, Rhode Island, Vermont and D.C., which, using the tools provided in the ACA, have all achieved coverage rates over 95 percent and as high as 98 percent.

How? There are five very feasible policies that can get the U.S. to near-universal coverage.

First, Medicaid expansion. In 2018, the uninsured rate was 6.6 percent in expansion states, but nearly double, 12.4 percent, in non-expansion states. Nearly 5 million people would gain health insurance if the remaining 14 states expanded Medicaid.

Second, states with higher insurance coverage have found ways to protect their exchanges from the Trump administration’s attempts to undermine them. New York and Massachusetts have basically doubled the open-enrollment period by ending it in late January instead of mid-December. This is especially helpful because asking households to make large financial decisions during the financially stressful holidays dampens their willingness to buy insurance. Extending the open enrollment period for federally run exchanges into the New Year ensures more insurance coverage. And instead of cutting funding for health care navigators, the Massachusetts Health Connector has increased investment in its navigator program every year since 2016.

Third, states have taken measures that have kept exchange premiums low. Nearly 8 million uninsured Americans are eligible for exchange subsidies. The number one reason eligible people report not taking up exchange plans is cost. Studies show that for every $40 increase in monthly premiums, 25 percent fewer people sign up. Hence, the key to robust exchange enrollment is low premiums.

Lowering premiums is possible with a few simple policies. Massachusetts, whose exchange enrollment has doubled since 2015, has supplemented the federal premium subsidies. The monthly premium is $0 for people with incomes below 150 percent of the poverty line, compared to $48 to $63 per month in other states. Similarly, people with incomes between 200 percent and 250 percent of the poverty line pay $85 per month, while in other states the monthly cost ranges from $132 to $211. Minnesota and New York have also tried to reduce exchange premiums. In addition, high coverage states have merged individual and small group insurance pools, creating a larger—and therefore more stable—market, which is less susceptible to price hikes and premium fluctuations.

The result is competitive exchanges that generate lower premiums. In New York, all but three counties have at least three competing insurers, and many rural counties, such as Tioga County (population 49,000) and Schoharie County (population 33,000), have four competing insurers. In both counties, premiums are slightly lower than the state average. In Massachusetts, seven insurance companies offer plans in Boston and seven in Springfield, producing the lowest exchange premiums in the country.

Another way to reduce exchange premiums is through reinsurance, allowing insurance companies to insure themselves against unexpectedly high-cost patients—the proverbial “million-dollar baby.” This keeps overall expenses for insurers lower, reducing premiums. Seven states—Alaska, Maine, Maryland, Minnesota, New Jersey, Oregon and Wisconsin–have introduced their own reinsurance programs.

Fourth, some states simplified options on the exchange. Beyond cost, policymakers can address the well-known behavioral economic principle of “choice overload”—when given too many options, many people freeze and buy nothing at all. To counter this phenomenon, the Netherlands, which has 22 competing private health insurance companies for 17 million people, requires insurers to provide the same basic set of benefits with nearly identical cost-sharing. The standardization—along with a mandate—helps the Netherlands achieve 99 percent health insurance coverage.

Adopting a similar approach, Massachusetts requires insurers to provide standardized plans, with identical out-of-pocket costs for most benefits. Plans predominantly vary based on premium and network composition—simplifying exchange choices. This approach is also used in other states such as California, which has enrolled over 1.5 million people in its exchange.

Finally, the oft-maligned individual and employer mandates, which were zeroed out by the GOP tax bill, remain in place in some form in five states and DC, including New Jersey, Vermont, and Rhode Island—all of which have low uninsured rates. Although the federal mandate was struck down, state-imposed health insurance mandates are constitutional. While mandates are not as important as premium subsidies in increasing coverage, the experience in these states shows that mandates may persuade a few more healthy people to get insurance, stabilizing premiums even more.

These five changes to achieve near-universal coverage have been done without national legislation. Of course, there are federal initiatives that could help even more. One is for the federal government to reinstate cost-sharing subsidy payments to insurance companies suspended by Trump, which would lower exchange premiums. National reinsurance and risk corridors are very low-cost policies to reduce premiums. And some form of auto-enrollment into Medicaid would also help reduce the uninsured rate.

But states can go a long way without those federal supports. While it is easy to dismiss the ACA and focus on the promise of Medicare for All, there is a more straightforward path to universal coverage: adopting a handful of relatively simple policies and programs at the state level can ensure health insurance coverage for nearly all Americans.

The New York Times

Supreme Court Allows Trump’s Wealth Test for Green Cards

Adam Liptak

WASHINGTON — The Supreme Court on Monday allowed the Trump administration to move forward with plans to deny green cards to immigrants who are thought to be likely to make even occasional and minor use of public benefits like Medicaid, food stamps and housing vouchers.

The vote was 5 to 4, with the court's conservative justices in the majority. The court's brief order gave no reasons for lifting preliminary injunctions that had blocked the new program. Challenges to the program will continue to move forward in courts around the nation.

The administration announced in August that it would revise the so-called public charge rule, which allows officials to deny permanent legal status, also known as a green card, to immigrants who are likely to need public assistance. In the past, only substantial and sustained monetary help or long-term institutionalization counted, and fewer than 1 percent of applicants were disqualified on public-charge grounds.

The administration's revised rule broadened the criteria to include "noncash benefits providing for basic needs such as housing or food" used in any 12 months in a 36-month period. Use of two kinds of benefits in a single month counts as two months, and so on.

The new rule was challenged in courts around the country, and five trial judges entered injunctions blocking it. Appellate courts stayed some but not all of the injunctions while appeals moved forward, and the appeals themselves have been placed on fast tracks.

The Supreme Court considered two cases brought in New York, one by groups that provide services to immigrants and the other by New York, Connecticut, Vermont and New York City. The United States Court of Appeals for the Second Circuit, in Manhattan, denied the administration's request for a stay of two nationwide injunctions issued by a trial judge, and it scheduled arguments in the first week of March.

Justice Neil M. Gorsuch, joined by Justice Clarence Thomas, issued on Monday a concurring opinion addressing what they said was the growing problem of nationwide injunctions.

"It has become increasingly apparent that this court must, at some point, confront these important objections to this increasingly widespread practice," Justice Gorsuch wrote. "As the brief and furious history of the regulation before us illustrates, the routine issuance of universal injunctions is patently unworkable, sowing chaos for litigants, the government, courts, and all those affected by these conflicting decisions."

"I concur in the court's decision to issue a stay," Justice Gorsuch continued. "But I hope, too, that we might at an appropriate juncture take up some of the underlying equitable and constitutional questions raised by the rise of nationwide injunctions."

Kenneth T. Cuccinelli, the acting deputy secretary for the Department of Homeland Security, on Monday praised the Supreme Court decision.

“It is very clear the U.S. Supreme Court is fed up with these national injunctions by judges who are trying to impose their policy preferences instead of enforcing the law,” Mr. Cuccinelli said.

He noted that the Supreme Court has permitted the administration to move forward with other aspects of its immigration policy. In September, the court let the administration bar most Central American migrants from seeking asylum in the United States.

In July, the court allowed the administration to begin using $2.5 billion in Pentagon funds for construction of a wall along the southwestern border. In 2018, the court upheld Mr. Trump’s ban on travel from several majority Muslim countries.

Ghita Schwarz, a lawyer with the Center for Constitutional Rights, which represents groups challenging the new program, said in a statement that “the court’s decision to lift the injunction is very disappointing, but our challenge to the draconian public charge rule is still moving forward.”

In asking the Supreme Court to lift the injunctions in the new case, Solicitor General Noel J. Francisco wrote that the new rule was authorized by a federal statute that made immigrants inadmissible if “they are likely at any time to become a public charge.” The new rule, Mr. Francisco wrote, was a permissible interpretation of that phrase.

“An alien who depends on public assistance for necessities such as food and shelter for extended periods may qualify as a ‘public charge’ even if that assistance is not provided through cash benefits or does not provide the alien’s sole or primary means of support,” Mr. Francisco wrote.

Barbara D. Underwood, the New York solicitor general, responded that the new policy “would radically disrupt over a century of settled immigration policy and public-benefits programs.”

“The rule’s vast expansion of ‘public charge’ — to include employed individuals who receive any amount of certain means-tested benefits for even brief periods of time — is a stark departure from a more-than-century-long consensus that has limited the term to individuals who are primarily dependent on the government for long-term subsistence,” she wrote.

“‘Public charge’ has never included,” Ms. Underwood wrote, “employed persons who receive modest or temporary amounts of government benefits designed to promote health or upward mobility.”

Lawyers for the private groups challenging the new policy, relying on estimates published by the Department of Homeland Security, wrote that “the rule will cause hundreds of thousands of individuals and households, in many cases noncitizens not even subject to public charge scrutiny, to forego public benefits for which they are eligible, out of fear and confusion about the consequences for their immigration status of accepting such benefits.”

That could lead, they wrote, summarizing the department’s findings, to “increased malnutrition (especially for pregnant or breastfeeding women, infants, or children) and increased prevalence of communicable diseases, increased poverty and housing instability.”

Sara Rosenbaum, a professor of health law and policy at George Washington University, said the new program has “already had a measurable effect on Medicaid enrollment,” adding that “we have documented evidence of people just disappearing off the rolls.”

Mr. Francisco told the Supreme Court that discouraging immigrants seeking green cards from using public benefits was a lawful goal.

“And to the extent that the rule might cause disenrollment by aliens who are not subject to the rule, such disenrollment is unwarranted, easily corrected and temporary,” he added. “It does not outweigh the long-term harms the government will experience while the rule is enjoined.”

The New York Times

California Cracks Down on Alternative Health Plans

Reed Abelson

California state officials said on Tuesday they were ordering a major Christian group to stop offering an alternative to health insurance, joining several states scrutinizing these cost-sharing programs that provide limited coverage.

The plans, which have become increasingly popular, rely on pooling members’ contributions to cover their medical expenses, but they are not required to meet standards for traditional insurance plans.

The state’s insurance regulators accused Trinity HealthShare, which runs ministry plans, and Aliera, which sells them, of misleading consumers and offering products tantamount to health insurance policies without state approval.

The state estimated that up to 11,000 residents might belong to plans being offered by Aliera and Trinity.

“Consumers who bought these plans thinking they purchased comprehensive health insurance deserve the full protection of our laws,” said Ricardo Lara, the California insurance commissioner, in a statement announcing the state’s cease-and-desist order.

“Consumers should know they may be able to get comprehensive coverage through Covered California that will protect their health care rights,” he continued, referring to the marketplace where Californians can purchase plans regulated under the Affordable Care Act.

Trinity, which said it could not comment because it had not yet been served with the state’s action, said it anticipated contesting the order.