Media Clips

COVERED CALIFORNIA BOARD CLIPS
April 8, 2021 – May 11, 2021

Since the April board meeting, Covered California celebrated President Joe Biden and Congress passing the American Rescue Plan, which will bolster the Patient Protection and Affordable Care Act and it will enact a new Special Enrollment Period on April 12 with new savings available to consumers beginning May 1.

PRESS RELEASES

PRINT

Articles of Significance

COVERED CALIFORNIA

News Release

April 12, 2021

Covered California Opens the Doors for Millions of Californians to Benefit From Lower Health Care Premiums, Save Money and Stimulate the Economy Through the American Rescue Plan

- *Covered California launched a special-enrollment period today to allow Californians to benefit from lower health insurance premiums available through the American Rescue Plan.*
- *The new law will help an estimated 2.5 million Californians, including the uninsured and people enrolled directly through a health insurance carrier, by injecting $3 billion into the state's economy.*
- *Many Californians will be able to get a high-quality, name-brand plan for as little as $1 per month, or one with richer benefits for less than $100 per month, but only if they sign up through Covered California.*
- *Insured consumers who switch to Covered California could save up to $700 per month on their coverage, giving them more money to put toward needs like housing, their business and retirement.*
- *Covered California is launching a new statewide ad campaign to show consumers how the new financial assistance could help them and encourage them to check out their options on CoveredCA.com.*

SACRAMENTO, Calif. — Covered California launched a new special-enrollment period on Monday to allow Californians to benefit from lower health insurance premiums available through the American Rescue Plan. The new law can help an estimated 2.5 million Californians, including the uninsured and those who enrolled directly through a health insurance carrier, by providing additional financial help to lower the cost of their coverage.

“The new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering premiums, and for many, putting money back into their pockets,” said Peter V. Lee, executive director of Covered California. “The new financial help is only available through Covered California. You owe it to yourself to check if you benefit — and the sooner you sign up, the more you can save.”

The American Rescue Plan Helps Millions of Californians While Boosting California’s Economy

Covered California estimates the plan can help Californians — particularly low- and middle-income consumers who have been hit hardest by the pandemic and recession — through $3 billion in new and expanded federal subsidies (see Table 1: Californians Eligible for Assistance From the American Rescue Plan). The new money will strengthen the state’s economy by helping eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire.

“For some Californians, it means hundreds or even thousands of dollars back in their pockets to help them afford their housing, keep their business running, or assist with daily living expenses,” Lee said. “For others, it means they will finally be able to afford health care coverage and get the protection and peace of mind they need as we recover from this pandemic and recession.”

Table 1: Californians Eligible for Assistance From the American Rescue Plan[i]

Landscape of the 2.5 Million Californians Eligible for New Assistance*			California
ACTION NEEDED BY CONSUMER	Currently Uninsured	Covered CA Eligible, below 400% FPL	675,000
		Covered CA Eligible, above 400% FPL	135,000
		SUBTOTAL	*810,000*
	Currently Insured	Off-Exchange, below 400% FPL	90,000
		Off-Exchange, above 400% FPL	180,000
		SUBTOTAL	*270,000*
NO ACTION NEEDED BY CONSUMER	Currently Insured by Covered California	Covered CA, below 400% FPL	1,270,000
		Covered CA, above 400% FPL	140,000
		SUBTOTAL: No Action Needed	*1,410,000*
TOTAL		Total Eligible to Benefit from Subsidies	2,490,000
ACTION NEEDED	Currently Uninsured	Uninsured Medicaid Eligible	950,000
TOTAL		Total Eligible to Benefit from Affordable Coverage	3,440,000

Joseph Newhouse, a national expert on economics and consumer spending and Professor of Health Policy and Management at Harvard University, said the new subsidies have the potential to change the lives of people across the state.

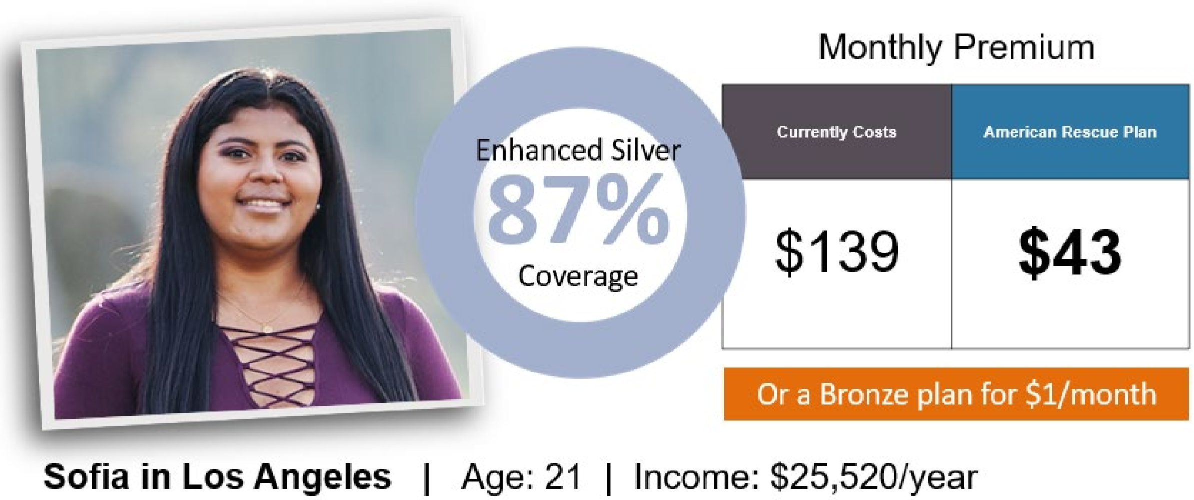
“Whether you live in a big city or in a rural area, these subsidies will provide significant financial relief for people who sign up for health care coverage through Covered California,” Newhouse said. “These subsidies are big, they matter, and they can have a dramatic impact on people’s lives — if they take action.”

Who will benefit from the American Rescue Plan?

The American Rescue Plan lowers health care premium costs for people who get coverage through Covered California by providing new and expanded subsidies to make health insurance more affordable than ever before. The following types of consumers stand to benefit:

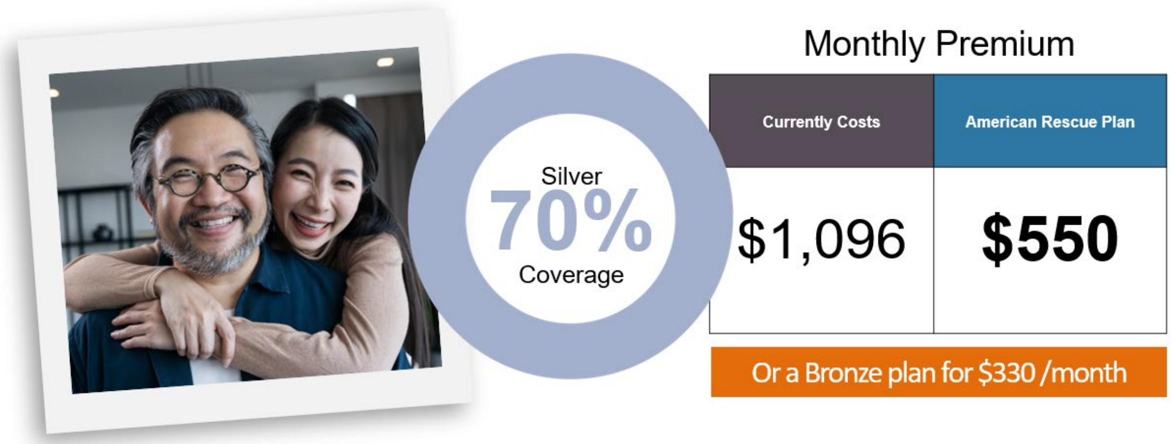
- **The uninsured:** New data shows that an estimated 810,000 Californians are uninsured and eligible for health insurance coverage through Covered California. Under the American Rescue Plan, most of them would be able to get a high-quality plan from a trusted name-brand company for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month.

  Figure 1: Health Care Premiums are Lower Than Ever for the Uninsured[ii]



- **Consumers insured directly through a health insurance company:** Nearly 270,000 Californians are insured directly through a health insurance company in what is referred to as “off-exchange coverage.” They currently do not receive any financial help. The new law ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled through an Affordable Care Act marketplace like Covered California (unless they select a plan in a higher metal tier). The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month — or thousands of dollars between May and the end of 2022 — if they switch and get their insurance through Covered California.

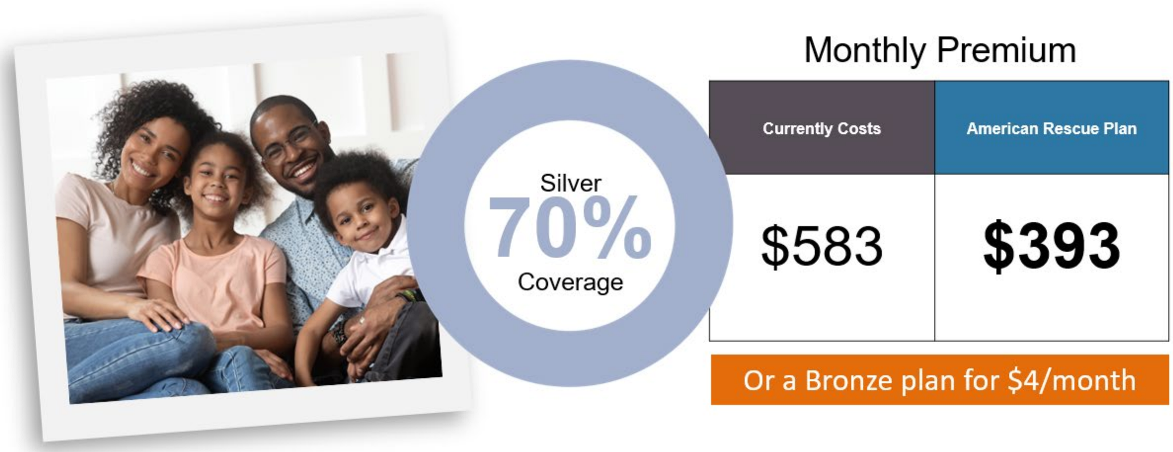
Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Shao and Amy in Sacramento | Ages: 45 | Income: $ 77,580 /year

- **Current Covered California enrollees:** The new law will also help about 1.4 million people currently enrolled through Covered California. An analysis shows that these consumers will see their net premiums decrease by an average of $180 per household per month. Existing consumers in California do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May.

Figure 3: Current Covered California Enrollees Will See Lower Premiums



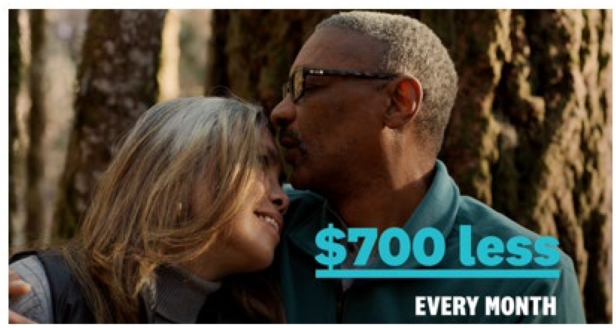
The Robinsons in Oakland | Ages: 45, 45, 12, 10 | Income: $78,600/year

“The American Rescue Plan provides the most significant consumer cost savings since the implementation of the Affordable Care Act, but in order for many Californians to make the most of that savings, they need to act now," Lee said. "Do not miss out: the sooner you sign up, the sooner you can start saving and be covered."

In addition, the American Rescue Plan will provide marketplace coverage to anyone who received unemployment insurance benefits in 2021. Under the new law, anyone who has received unemployment insurance benefits in 2021 will be eligible for the richest possible coverage from brand-name health plans, which will cost only $1 per month — *regardless of their actual total income in 2021*.

Covered California is currently working to implement this benefit in its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers who are enrolled or sign up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the basic changes under the American Rescue Plan, and additional savings when these changes are implemented this summer.

New Advertising Campaign to Promote Special Enrollment



Covered California is supporting the new special-enrollment period by taking the unprecedented action of treating the months of April through June as if it were its annual open-enrollment period. This includes launching a new ad campaign that starts today (see examples at right). The exchange plans to spend up to $30 million on television, radio and print ads throughout the state through June. The campaign will reach every community, with an emphasis on Hispanic, Asian, and African American media outlets, which represent the groups hit hardest by the pandemic and recession.

"We know that California's low-income communities — including Latino, Black and Pacific Islander — are the backbone of our state's essential workforce," said Jeffrey Reynoso, executive director of the Latino Coalition for a Healthy California. "They have suffered the most during the pandemic and recession, and this new law will make health care coverage more affordable and help them save money in the process."

Click here to see the television ad in English.

Click here to see the television ad in Spanish.

The new ads will encourage consumers to visit CoveredCA.com to see how much they can save thanks to the new money that is now available.

In addition, the campaign will include a robust digital and social media investment (see example below) as well as educational videos, emails, direct mail and text messaging to reach Californians who have been insured previously or have inquired about health insurance.

"We stand ready to do everything we can to make the American Rescue Plan successful for as many Californians as possible," Lee said. "Time is of the essence, because every month that goes by is a month that someone could be covered or could be saving hundreds of dollars on their health insurance."

Consumers Can Find Out in Minutes How Much They Can Save

Research has shown that for most consumers, the reason they do not have insurance coverage is that they do not believe they can afford it. Many may have checked their costs months or years ago — they need to check again to see how affordable coverage can be. On CoveredCA.com, consumers can easily see exactly how they can benefit from the new law. Consumers just need to enter their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Find local insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- Get a call from certified enroller. Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

News Release

April 21, 2021

California's Largest Public Health Care Purchasers Unite to Address Gaps in Childhood Immunizations and Colorectal Cancer Screenings Due to the COVID-19 Pandemic

- *Covered California, the Department of Health Care Services and CalPERS are joining together to require their health insurance companies to address significant drops in preventive care due to the COVID-19 pandemic, which has exacerbated racial and ethnic health disparities across the state.*
- *Together these three purchasers represent about 40 percent of California's overall population.*
- *Covered California added performance goals for health plans, requiring them to return to pre-pandemic levels of childhood vaccinations and colorectal cancer screenings by the end of 2021.*

SACRAMENTO, Calif. — Covered California, the Department of Health Care Services (DHCS) and CalPERS are taking the lead in addressing gaps in preventive care created by COVID-19 and will pay specific attention to racial and ethnic disparities that have been exacerbated by the pandemic. Covered California, DHCS — which operates the state's Medi-Cal program — and CalPERS announced complementary efforts to ensure that everyone covered by the programs gets vaccines to prevent COVID-19 as they become available while addressing preventive care gaps caused by patients not getting needed services.

"As we focus on the immediate health and economic impacts of COVID-19, we must be proactive to address downstream effects the pandemic can have on the health of Californians and our communities," said Peter V. Lee, executive director of Covered California. "Taking action now, on childhood immunizations and colorectal cancer screenings, is an investment in future good health, and these policies are intended to help avoid a surge of bad health outcomes in the future."

Covered California will require its 11 health insurance companies to reach pre-pandemic levels of childhood immunizations and colorectal cancer screenings by the end of 2021 and to exceed those numbers by the end of 2022.

Dr. Alice Hm Chen, Covered California's chief medical officer, said the motivation to act was data showing that COVID-19 has led to a sharp drop-off in primary and preventive care. At the same time, the pandemic has had a strikingly disproportionate impact on people of color.

"Coverage is a means to getting better care and ideally better outcomes," Dr. Chen said. "We wanted not only our health plans, but *all* health plans and providers in the state, to address the impact of COVID-19 on preventive care. Our hope is that by working collectively, we can make up critical ground that was lost over the past year."

Data from California's Department of Public Health shows that vaccination rates in the state have fallen. As of November 2020, 12 percent fewer children had received their first dose of the MMR (measles-mumps-rubella) vaccine compared to the year before, and 20 percent fewer adolescents received their Tdap (tetanus) shot. Dr. Chen said Covered California and its fellow public purchasers, DHCS and CalPERS, felt a sense of shared urgency to act.

"DHCS shares this focus on equity and childhood wellness, and we are finalizing a roadmap to reduce health inequities in Medi-Cal with measures to recognize health disparities among beneficiaries," said DHCS Director Will Lightbourne. "Early in the pandemic, we identified growing gaps in well-child visits and immunizations. We are committed to closing those gaps and others, in part through our ongoing requirement that Medi-Cal managed care plans conduct performance-improvement efforts on youth preventive health care."

"As the largest purchaser of public employee benefits in California, CalPERS is committed to providing high-quality, equitable care to our members. Our data shows that the use of preventive care, including cancer screenings and immunizations, has declined during the COVID-19 pandemic," said Don Moulds, CalPERS chief health director. "Together, with Covered California and DHCS, we are taking action to close gaps in care created by the pandemic, and are working with our health plans to ensure our members have access to much needed chronic care and preventive care services."

Dr. Chen said colorectal cancer is a leading cause of cancer death and a source of significant racial and ethnic disparities. Data from the Epic Health Research Network found that at the onset of the pandemic, colorectal cancer screenings had declined by nearly two-thirds compared to the historical average. Dr. Chen said those trends need to be reversed immediately.

"As a cancer that is amenable to prevention rather than just early detection, it's critical we get people between the ages of 50 and 75 screened, and it's a process that can be started without an in-person visit," Dr. Chen said. "Treatment for colorectal cancer in its earliest stage can lead to a 90 percent survival rate after five years."

Lee said these provisions chart a path for future collaboration for a bolder shared agenda in support of quality, equity and delivery system transformation.

“Covered California is proud to be joining with both other major purchasers and the health plans. We put a spotlight on core issues of health care equity and quality that matters, and they stepped up for the communities they serve,” Lee said.

American Rescue Plan Special-Enrollment Period

The announcement comes during Covered California’s special-enrollment period in support of the American Rescue Plan. The new and expanded financial help that is now available will allow the uninsured to sign up for coverage at dramatically lower premiums, with many being eligible for high-quality plans that cost as little as $1 per month. Californians who are insured directly through a health insurance carrier can also switch to Covered California, often with the same carrier and coverage level, and save hundreds of dollars a month.

Californians are encouraged to check their health care options, even if they have checked in recent months or years, to see how affordable coverage can be. On CoveredCA.com, consumers can easily see exactly how they can benefit from the new law. Consumers just need to enter their ZIP code, household income and the ages of people in their household to see their monthly cost and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Find local insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- Get a call from certified enroller. Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA **News Release**

April 26, 2021

Covered California Urges the State's Asian American Community to Enroll by April 30 to Get New Savings on Lower Health Insurance Premiums Provided by the American Rescue Plan

- *The American Rescue Plan provides new and expanded financial help that will dramatically lower health insurance premiums for people who purchase coverage through Covered California.*
- *More than 400,000 Asian Americans in California, including the uninsured and people enrolled directly through a health insurance carrier, stand to benefit from the new financial help that is now available.*
- *In order to maximize their savings, consumers need to enroll before the end of this month so they can begin benefitting from the new law on May 1.*
- *Many Asian Americans will be able to get a high-quality plan for as little as $1 per month, while currently insured consumers could save up to $700 per month on their coverage if they sign up through Covered California.*

SACRAMENTO, Calif. — Covered California announced the state's Asian American community has until April 30 to sign up for health insurance coverage, and start benefitting from new financial help available through the American Rescue Plan as early as May 1. The landmark law provides new and increased federal tax credits that will lower health care premiums for more than 400,000 Asian Americans in California.

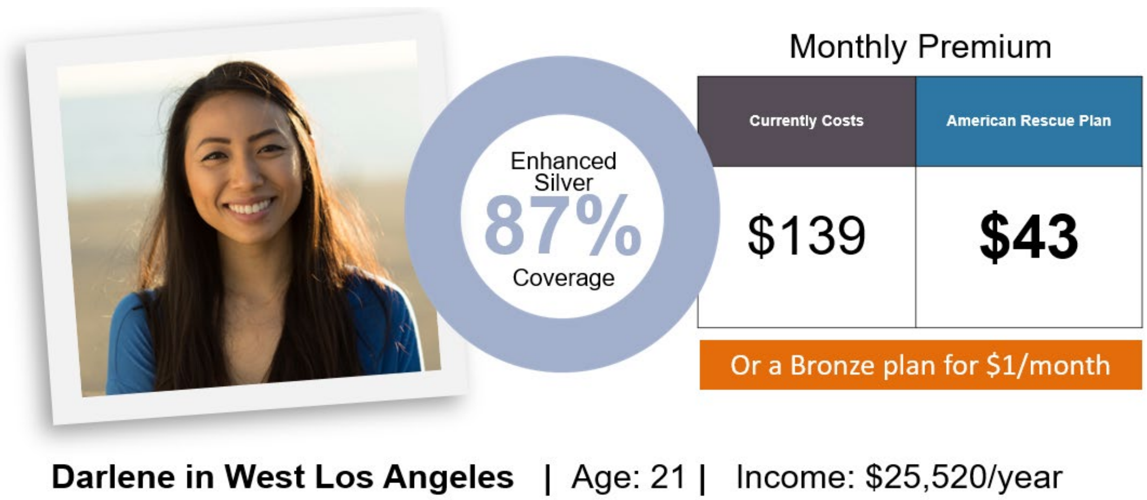
"The new and expanded financial help provided by the American Rescue Plan can help more Asian Americans get covered and stay covered by lowering their premiums and putting money back into their pockets," said Peter V. Lee, executive director of Covered California. "The American Rescue Plan provides the most significant consumer cost savings since the Affordable Care Act began, but in order for many Asian Americans to make the most of that savings, they need to act before the month ends."

Which Californians benefit from the American Rescue Plan?

Covered California estimates the new financial assistance can directly help 2.5 million Californians – including more than 400,000 Asian Americans in the state – by lowering their monthly premium to levels never seen before. The new law stands to benefit the following groups of people:

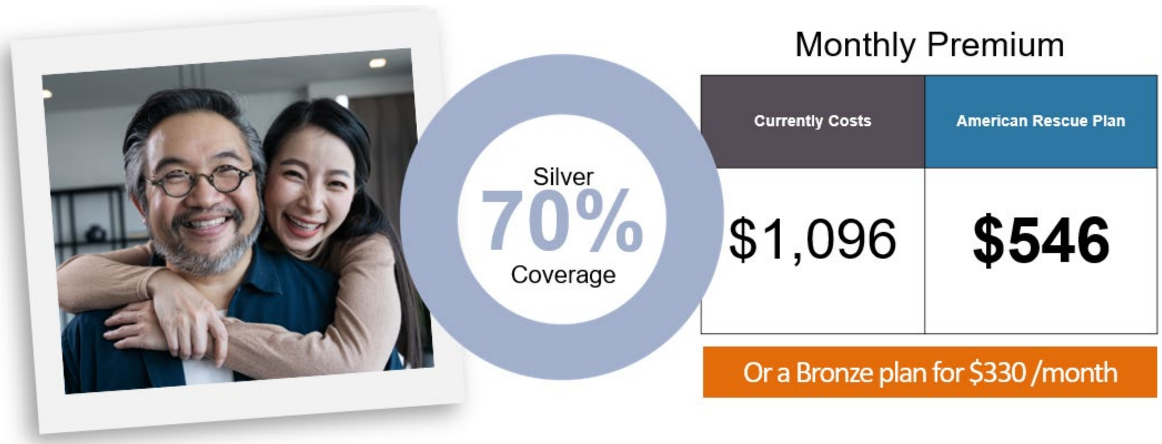
- **Uninsured Asian Americans** – New data shows that an estimated 83,000 Asian Americans in the state are uninsured and eligible for health insurance coverage through Covered California, with an additional 71,000 eligible for no-cost Medi-Cal. Under the American Rescue Plan most of those eligible for Covered California would be able to get a high-quality plan from one of 11 trusted name-brand companies for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month (see Figure 1: Premiums are Lower than Ever for the Uninsured).

Figure 1: Premiums are Lower than Ever for the Uninsured[iii]



- **Asian Americans insured directly through a health insurance company** – An estimated 40,000 Asian Americans in the state are insured directly through a health insurance company, in what is referred to as “off-exchange” coverage, and do not receive any financial help. The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health insurance premiums if they are enrolled in an Affordable Care Act Marketplace like Covered California. The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month – or thousands of dollars between May and the end of 2022 – if they switch and get their insurance through Covered California (see Figure 2: Off-Exchange Consumers Save by Switching to Covered California).

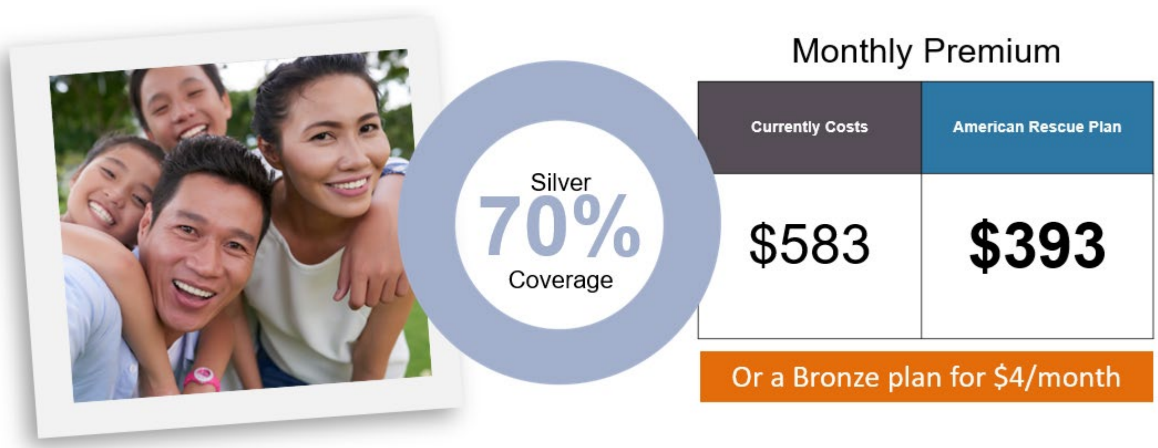
Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Daniel and Amy in Sacramento | Ages: 45 | Income: $ 77,580 /year

- **Asian Americans Enrolled in Covered California –** The new law will also help about 284,000 Asian Americans currently enrolled through Covered California. An analysis shows that Covered California consumers statewide will see their net premiums decrease by an average of $180 per household per month. Existing consumers do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May (see Figure 3: Covered California Enrollees Will See Lower Premiums).

Figure 3: Covered California Enrollees Will See Lower Premiums



The Chens in Oakland | Ages: 45, 45, 12, 10 | Income: $78,600/year

Covered California estimates the American Rescue Plan will put at least $3 billion into consumers' pockets in the form of lower premiums – providing a boost to the state's economy. The new money will help eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire, though Congress will be considering making these changes permanent in the coming weeks.

"For 90 percent of those who sign up through Covered California these savings can means hundreds or even thousands of dollars back in the pockets of our families, friends and neighbors to help them afford their housing, keep their business running, or deal with daily living expenses," Lee said.

In addition, the American Rescue Plan will maximize financial help to those who received unemployment insurance benefits in 2021. Under the new law, Californians who received unemployment insurance benefits in 2021 – ***regardless of their actual income in 2021* –** will be eligible for the richest possible coverage from brand-name health plans that will cost only $1 per month. Covered California is currently working to implement this benefit into its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers that are enrolled or sign-up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this added benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the general financial help provided under the American Rescue Plan, and additional savings when the new benefits related to unemployment insurance are implemented this summer.

"Do not miss out, the sooner you sign up, the sooner you can start saving and be covered," Lee said. "We don't want any eligible person in the California's Asian American community to be uninsured or leave money on the table."

Consumers Can Find Out In Minutes How Much They Can Save

Covered California is encouraging the Asian American community to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law at CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Through the website, consumers can find local insurance agents or individuals in "navigator" organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- If a consumer wants a certified enroller to call them – Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA News Release

April 27, 2021

Covered California Urges San Diegans to Enroll by April 30 to Get New Savings on Lower Insurance Premiums Provided by the American Rescue Plan

- *The American Rescue Plan provides new and expanded financial help that will dramatically lower health care premiums for people who purchase health insurance through Covered California.*

- *Nearly 200,000 San Diegans, including the uninsured and people enrolled directly through a health insurance carrier, stand to benefit from the new financial help that is now available.*

- *In order to maximize their savings, San Diegans need to enroll before the end of this month so they can begin benefitting from the new law on May 1.*

- *Many people will be able to get a high-quality plan for as little as $1 per month, while currently insured consumers could save up to $700 per month on their coverage if they sign up through Covered California.*

SACRAMENTO, Calif. — Covered California announced that San Diegans have until April 30 to sign up for health insurance coverage, and start benefitting from new financial help available through the American Rescue Plan as early as May 1st. The landmark law provides new and increased federal tax credits that will lower health care premiums for an estimated 200,000 people in the region.

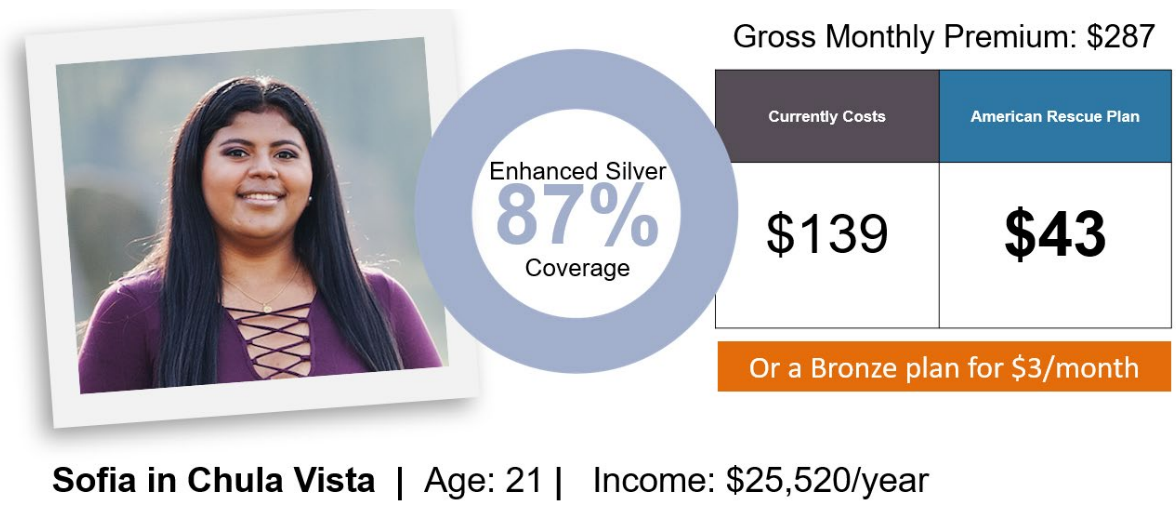
"The new and expanded financial help provided by the American Rescue Plan can help more San Diegans get covered and stay covered by lowering their premiums and putting money back into their pockets," said Peter V. Lee, executive director of Covered California. "The American Rescue Plan provides the most significant consumer cost savings since the Affordable Care Act began, but in order for many San Diegans to make the most of that savings, they need to act before the month ends."

Which Californians benefit from the American Rescue Plan?

Covered California estimates the new financial assistance can directly help 2.5 million Californians – including nearly 200,000 people in San Diego – by lowering their monthly premium to levels never seen before. The new law stands to benefit the following groups of people:

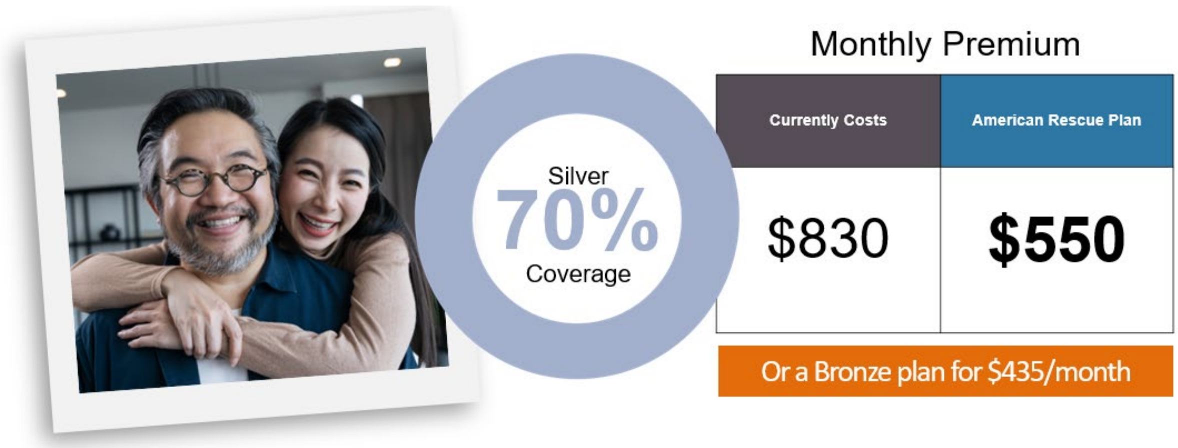
- **Uninsured San Diegans** – New data shows that an estimated 72,000 San Diegans are uninsured and eligible for health insurance coverage through Covered California, with an additional 81,000 eligible for no-cost Medi-Cal. Under the American Rescue Plan most of those eligible for Covered California would be able to get a high-quality plan from a trusted name-brand company – such as Blue Shield of California, Health Net, Kaiser Permanente, Molina Healthcare and Sharp Health Plan – for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month (see Figure 1: Premiums are Lower than Ever for the Uninsured).

Figure 1: Premiums are Lower than Ever for the Uninsured



- **San Diegans insured directly through a health insurance company** – Nearly 23,000 San Diegans are insured directly through a health insurance company, in what is referred to as "off-exchange" coverage and do not receive any financial help. The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled in an Affordable Care Act Marketplace like Covered California. The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month – or thousands of dollars between May and the end of 2022 – if they switch and get their insurance through Covered California (see Figure 2: Off-Exchange Consumers Save by Switching to Covered California).

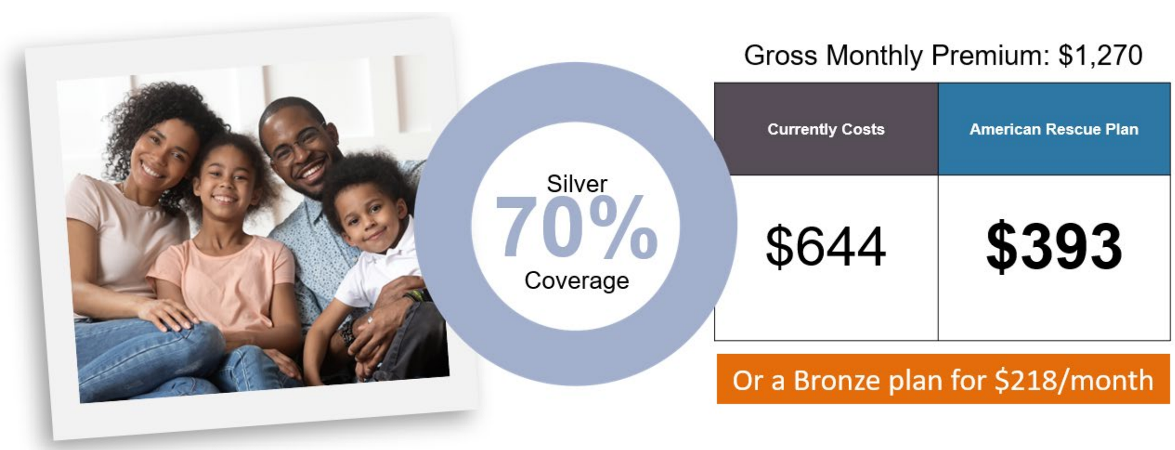
Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Shao and Amy in Santee | Ages: 45 | Income: $ 77,580 /year

- **San Diegans Enrolled in Covered California –** The new law will also help about 100,000 San Diegans currently enrolled through Covered California. An analysis shows that Covered California consumers statewide will see their net premiums decrease by an average of $180 per household per month. Existing consumers do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May (see Figure 3: Covered California Enrollees Will See Lower Premiums).

Figure 3: Covered California Enrollees Will See Lower Premiums



The Robinsons in Escondido | Ages: 45, 45, 12, 10 | Income: $78,600/year

Covered California estimates the American Rescue Plan will put at least $3 billion into consumers' pockets in the form of lower premiums – providing a boost to the state's economy. The new money will help eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire, though Congress will be taking up making these changes permanent in the coming weeks.

Rep. Scott Peters (D-San Diego) has long been a champion of making health care coverage more affordable and more accessible to San Diegans. Peters helped the

American Rescue Plan become law and he wants to make sure San Diegans take action to benefit from the new financial help that is now available.

“The financial support available now through the American Rescue Plan will bring the cost of coverage within reach for more Californians and more Americans,” Rep. Peters said. “These savings can make a difference for San Diegans as they keep up with day-to-day living expenses – like food and transportation – but they also provide peace of mind for those who have had to make difficult choices between their health and their livelihoods for far too long.”

In addition, the American Rescue Plan will maximize financial help to those who received unemployment insurance benefits in 2021. Under the new law, Californians who received unemployment insurance benefits in 2021 – ***regardless of their actual income in 2021 –*** will be eligible for the richest possible coverage from brand-name health plans that will cost only $1 per month. Covered California is currently working to implement this benefit into its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers that are enrolled or sign-up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this added benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the general financial help provided under the American Rescue Plan, and additional savings when the new benefits related to unemployment insurance are implemented this summer.

“Do not miss out, the sooner you sign up, the sooner you can start saving and be covered,” Lee said. “We don’t want any eligible San Diegan to be uninsured or leave money on the table.”

Consumers Can Find Out In Minutes How Much They Can Save

Covered California is encouraging San Diegans to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law at CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
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COVERED CALIFORNIA

News Release

April 28, 2021

Covered California Urges Bay Area Residents to Enroll by April 30 to Get New Savings on Lower Insurance Premiums Through the American Rescue Plan

- *The American Rescue Plan provides new and expanded financial help that will dramatically lower premiums for people who purchase health insurance through Covered California.*

- *More than 450,000 people in the Bay Area, including the uninsured and people enrolled directly through a health insurance carrier, stand to benefit from the new financial help that is now available.*

- *In order to maximize their savings, Bay Area consumers need to enroll by April 30 so they can begin benefitting from the new law on May 1.*

- *Many people will be able to get a high-quality plan for as little as $1 per month, while currently insured consumers could save up to $700 per month on their coverage if they sign up through Covered California.*

SACRAMENTO, Calif. — Covered California announced that people in the Bay Area have until April 30 to sign up for health insurance coverage, and start benefitting from new financial help available through the American Rescue Plan as early as May 1st. The landmark law provides new and increased federal tax credits that will lower health care premiums for more than 450,000 people in the region.

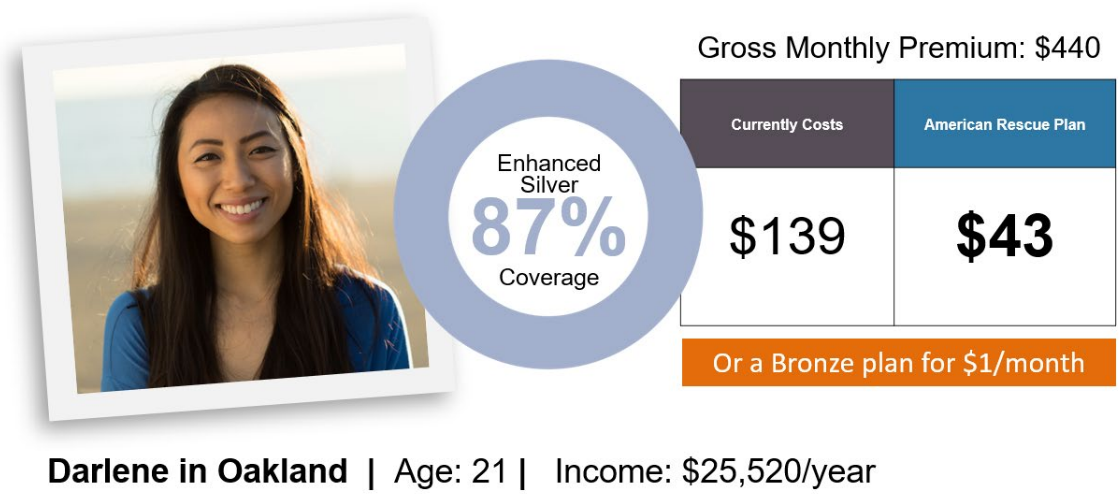
“The new and expanded financial help provided by the American Rescue Plan can help people throughout the Bay Area get covered and stay covered by lowering their premiums and putting money back into their pockets,” said Peter V. Lee, executive director of Covered California. “The American Rescue Plan provides the most significant consumer cost savings since the Affordable Care Act began, but in order for many people to make the most of that savings, they need to act before the month ends.”

Which Californians benefit from the American Rescue Plan?

Covered California estimates the new financial assistance can directly help 2.5 million Californians – including more than 450,000 people in the Bay Area – by lowering their monthly premium to levels never seen before. The new law stands to benefit the following groups of people:

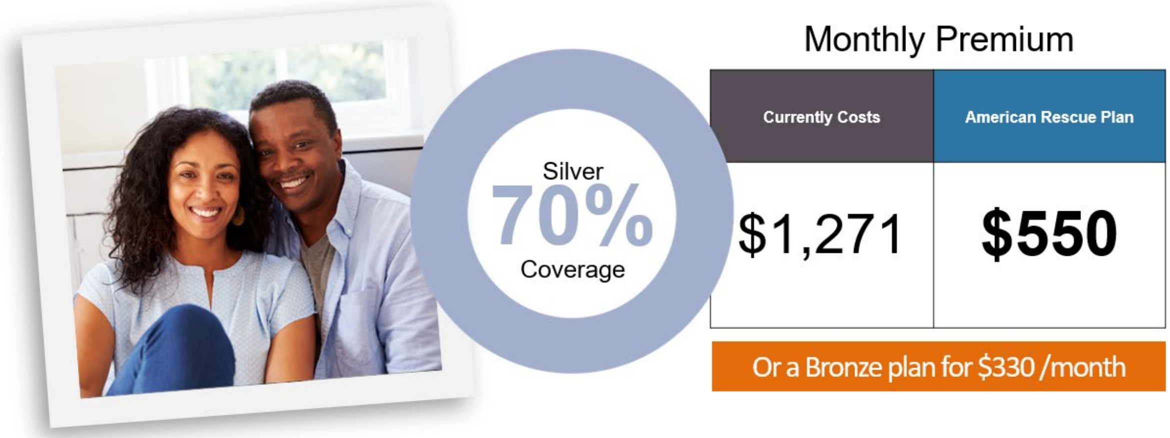
- **Uninsured Bay Area residents** – New data shows that an estimated 103,000 people in the region – which includes Alameda, Contra Costa, Lake, Marin, Mendocino, Napa, San Francisco, San Mateo, Santa Clara and Sonoma counties – are uninsured and eligible for health insurance coverage through Covered California, with an additional 89,000 eligible for no-cost Medi-Cal. Under the American Rescue Plan most of those eligible for Covered California would be able to get a high-quality plan from a trusted name-brand company – such as Blue Shield of California, Health Net, Kaiser Permanente and Chinese Community Health Plan – for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month (see Figure 1: Premiums are Lower than Ever for the Uninsured).

  Figure 1: Premiums are Lower than Ever for the Uninsured

- **Bay Area consumers insured directly through a health insurance company** – More than 71,000 people in the Bay Area are insured directly through a health insurance company, in what is referred to as “off-exchange” coverage and do not receive any financial help. The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled in an Affordable Care Act Marketplace like Covered California. The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month – or thousands of dollars between May and the end of 2022 – if they switch and get their insurance through Covered California (see Figure 2: Off-Exchange Consumers Save by Switching to Covered California).

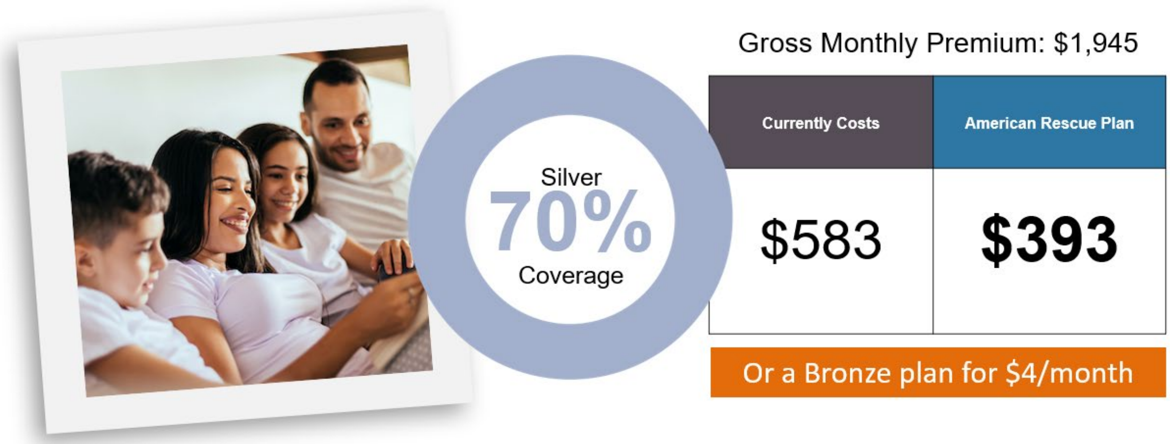
  Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Vanessa and Mike in Fremont | Ages: 45 | Income: $ 77,580/year

- **Bay Area residents in Covered California –** The new law will also help about 280,000 people in the Bay Area currently enrolled through Covered California. An analysis shows that Covered California consumers statewide will see their net premiums decrease by an average of $180 per household per month. Existing consumers do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May (see Figure 3: Covered California Enrollees Will See Lower Premiums).

Figure 3: Covered California Enrollees Will See Lower Premiums



The Ruizs in Pleasanton | Ages: 45, 45, 12, 10 | Income: $78,600/year

Covered California estimates the American Rescue Plan will put at least $3 billion into consumers' pockets in the form of lower premiums – providing a boost to the state's economy. The new money will help eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire, though Congress will be taking up making these changes permanent in the coming weeks.

“For 90 percent of those who sign up through Covered California these savings can means hundreds or even thousands of dollars back in the pockets of our families, friends and neighbors to help them afford their housing, keep their business running, or deal with daily living expenses,” Lee said.

In addition, the American Rescue Plan will maximize financial help to those who received unemployment insurance benefits in 2021. Under the new law, Californians who received unemployment insurance benefits in 2021 – ***regardless of their actual income in 2021 –*** will be eligible for the richest possible coverage from brand-name health plans that will cost only $1 per month. Covered California is currently working to implement this benefit into its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers that are enrolled or sign-up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this added benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the general financial help provided under the American Rescue Plan, and additional savings when the new benefits related to unemployment insurance are implemented this summer.

“Do not miss out, the sooner you sign up, the sooner you can start saving and be covered,” Lee said. “We don’t want any eligible person in the Bay Area to be uninsured or leave money on the table.”

Consumers Can Find Out In Minutes How Much They Can Save

Covered California is encouraging people in the Bay Area to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law at CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Through the website, consumers can find local insurance agents or individuals in “navigator” organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- If a consumer wants a certified enroller to call them – Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

COVERED CALIFORNIA

News Release

April 28, 2021

Millions of Californians Could Continue to Pay Lower Premiums Due to the American Families Plan

SACRAMENTO, Calif. — Covered California's executive director, Peter V. Lee, is issuing this statement following tonight's joint session of Congress, during which President Joe Biden introduced the American Families Plan. The proposal outlines the next step to the president's vision for economic recovery and would make permanent the new and expanded financial help from the American Rescue Plan, which is currently lowering health insurance premiums for millions of Americans.

The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they enroll through an Affordable Care Act marketplace like Covered California. However, the law is currently set to expire at the end of 2022.

> *"The American Families Plan would ensure lower premiums for millions of Americans for the long-term. The proposal would make permanent the new and expanded subsidies that are available right now, which stand to improve the lives of 2.5 million Californians and 25 million Americans.*
>
> *"Thanks to the leadership of President Biden and Congress, consumers are currently experiencing significant premium savings that will ease their financial burdens and allow them put money back into our economy. We have heard from a retired firefighter and his wife who will save $1,000 a month, a small business owner who will be able to expand his operations, and a family who says their savings mean they can put their children into a junior lifeguard program this summer.*
>
> *"Making these savings permanent will help more Californians, and more Americans, get covered and stay covered during this pandemic and recession and beyond.*
>
> *"While the American Families Plan will need to work its way through Congress, it's important to note that Californians can get these savings now. Covered California is in the early days of a special-enrollment period, and this Friday marks the first deadline for consumers to sign up for coverage and begin saving.*

> *“Many people will be able to get high-quality coverage for as little as $1 per month, while others will be able to save hundreds of dollars off what they are paying now. Do not miss out — the sooner you sign up, the sooner you can start saving and be covered. We don’t want any Californians to be uninsured or leave money on the table.”*

Covered California is currently holding a special-enrollment period to allow the uninsured, and those insured directly through a health insurance carrier, to sign up for coverage and begin benefiting from the lower premiums. While the special-enrollment period runs through the end of the year, consumers need to enroll by April 30 if they want to maximize their savings and have coverage that starts on May 1.

Consumers who are currently enrolled in Covered California will not need to take any action in order to receive the new benefits.

COVERED CALIFORNIA **News Release**

April 29, 2021

Covered California Urges Angelenos to Enroll by April 30 to Get New Savings on Lower Health Insurance Premiums Through the American Rescue Plan

- *The American Rescue Plan provides new and expanded financial help that will dramatically lower health care premiums for people who purchase health insurance through Covered California.*
- *More than 1.1 million people in Los Angeles County, including the uninsured and people enrolled directly through a health insurance carrier, stand to benefit from the new financial help that is now available.*
- *In order to maximize their savings, Angelenos need to enroll by April 30 so they can begin benefitting from the new law on May 1.*
- *Many people will be able to get a high-quality plan for as little as $1 per month, while currently insured consumers could save up to $700 per month on their coverage if they switch to Covered California.*

SACRAMENTO, Calif. — Covered California announced that people throughout Los Angeles County have until April 30 to sign up for health insurance coverage, and start benefitting from new financial help available through the American Rescue Plan as early as May 1st. The landmark law provides new and increased federal tax credits that will lower health care premiums for more than 1.1 million people in the region.

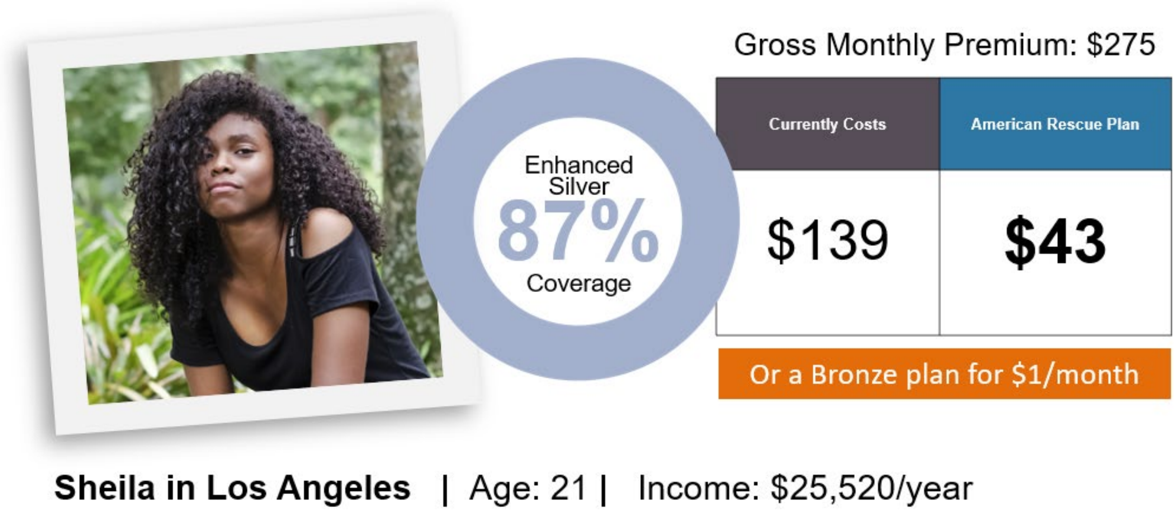
“The new and expanded financial help provided by the American Rescue Plan can help people throughout Los Angeles get covered and stay covered by lowering their premiums and putting money back into their pockets,” said Peter V. Lee, executive director of Covered California. “The American Rescue Plan provides the most significant consumer cost savings since the Affordable Care Act began, but in order for many Angelenos to make the most of that savings, they need to act before the month ends.”

Which Californians benefit from the American Rescue Plan?

Covered California estimates the new financial assistance can directly help 2.5 million Californians – including more than 1.1 million people in Los Angeles County – by lowering their monthly premium to levels never seen before. The new law stands to benefit the following groups of people:

- **Uninsured Angelenos** – New data shows that an estimated 368,000 people in Los Angeles County are uninsured and eligible for health insurance coverage through Covered California, with an additional 257,000 eligible for no-cost Medi-Cal. Under the American Rescue Plan most of those eligible for Covered California would be able to get a high-quality plan from a trusted name-brand company – such as Anthem Blue Cross, Blue Shield of California, Health Net, Kaiser Permanente, L.A. Care, Molina Healthcare and Oscar – for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month (see Figure 1: Premiums are Lower than Ever for the Uninsured).

Figure 1: Premiums are Lower than Ever for the Uninsured



- **Angelenos insured directly through a health insurance company** – More than 117,000 people in Los Angeles County are insured directly through a health insurance company, in what is referred to as “off-exchange” coverage and do not receive any financial help. The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled in an Affordable Care Act Marketplace like Covered California. The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month – or thousands of dollars between May and the end of 2022 – if they switch and get their insurance through Covered California (see Figure 2: Off-Exchange Consumers Save by Switching to Covered California).

Figure 2: Off-Exchange Consumers Save by Switching to Covered California

Silver 70% Coverage

Monthly Premium

Currently Costs	American Rescue Plan
$796	**$550**

Or a Bronze plan for $374/month

Jesse and Fran in El Segundo | Ages: 45 | Income: $ 77,580 /year

- **Angelenos in Covered California –** The new law will also help about 618,000 Angelenos currently enrolled through Covered California. An analysis shows that Covered California consumers statewide will see their net premiums decrease by an average of $180 per household per month. Existing consumers do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May (see Figure 3: Covered California Enrollees Will See Lower Premiums).

Figure 3: Covered California Enrollees Will See Lower Premiums

Silver 70% Coverage

Gross Monthly Premium: $1,217

Currently Costs	American Rescue Plan
$583	**$393**

Or a Bronze plan for $/month

The Chens in Santa Monica | Ages: 45, 45, 12, 10 | Income: $78,600/year

Covered California estimates the American Rescue Plan will put at least $3 billion into consumers' pockets in the form of lower premiums – providing a boost to the state's economy. The new money will help eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire, though Congress may up making these changes..

“For 90 percent of those who sign up through Covered California these savings can means hundreds or even thousands of dollars back in the pockets of our families, friends and neighbors to help them afford their housing, keep their business running, or deal with daily living expenses,” Lee said.

In addition, the American Rescue Plan will maximize financial help to those who received unemployment insurance benefits in 2021. Under the new law, Californians who received unemployment insurance benefits in 2021 – ***regardless of their actual income in 2021 –*** will be eligible for the richest possible coverage from brand-name health plans that will cost only $1 per month. Covered California is currently working to implement this benefit into its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers that are enrolled or sign-up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this added benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the general financial help provided under the American Rescue Plan, and additional savings when the new benefits related to unemployment insurance are implemented this summer.

“Do not miss out, the sooner you sign up, the sooner you can start saving and be covered,” Lee said. “We don’t want any Angeleno to be uninsured or leave money on the table.”

Consumers Can Find Out In Minutes How Much They Can Save

Covered California is encouraging Angelenos to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law at CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Through the website, consumers can find local insurance agents or individuals in “navigator” organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- If a consumer wants a certified enroller to call them – Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506

COVERED CALIFORNIA

News Release

May 3, 2021

Covered California Launches New Television Ad Campaign to Encourage Asian Americans to Save With Lower Health Insurance Premiums Provided by the American Rescue Plan

- *New television ads began airing today in four languages – Mandarin, Cantonese, Korean and Vietnamese – to let California's Asian Americans know about the new savings provided by the American Rescue Plan.*
- *The new ad campaign coincides with the start of Asian American and Pacific Islander Heritage Month.*
- *More than 400,000 Asian Americans in California, including the uninsured and people enrolled directly through a health insurance carrier, stand to benefit from the new financial help that is now available.*
- *Many Californians will be able to get a high-quality plan for as little as $1 per month, while currently insured consumers could save up to $700 per month on their coverage if they sign up through Covered California.*

SACRAMENTO, Calif. — Covered California launched a new television ad campaign on Monday to raise awareness in California's Asian American community about the new financial help now available through the American Rescue Plan. The ads, which are in Mandarin, Cantonese, Korean and Vietnamese, highlight how 400,000 Asian Americans can now get lower health insurance premiums starting June 1.

"We are reaching out to California's Asian American community to make sure that everyone in the state knows about the new and expanded financial help provided by the American Rescue Plan," said Peter V. Lee, executive director of Covered California. "The new law provides the most significant consumer cost savings since the Affordable Care Act began and for some, it will mean hundreds or even thousands of dollars back in their pockets."

The new ad campaign supports Covered California's current special-enrollment period during which consumers can sign up to begin benefiting from these new savings. The exchange is investing more than $20 million in television, radio and print advertisements throughout the state to encourage people to check their options.

The television ads began airing today in California's biggest media markets.

You can see the ads here:

- Click here for Mandarin
- Click here for Cantonese
- Click here for Korean
- Click here for Vietnamese

Dr. Alice Hm Chen, Covered California's chief medical officer, said data shows the importance of providing Californians with vital health care information – particularly in those communities that have been hit hard by the pandemic – such as California's Asian Americans.

"We have seen how COVID-19 has disproportionately affected communities of color, including many who have forgone preventive and chronic care during the pandemic," said Dr. Chen. "It is critical to ensure that all Californians know that quality health care coverage is more affordable than ever."

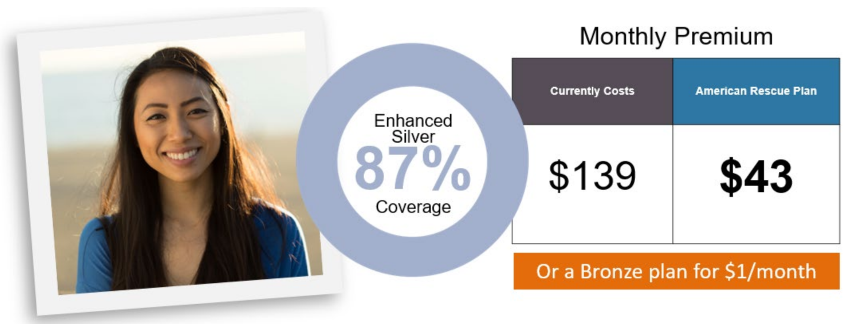
Which Californians need to act now to benefit from the American Rescue Plan?

Covered California estimates the new financial assistance can directly help 2.5 million Californians, including more than 400,000 Asian Americans in the state, by lowering their monthly premium to levels never seen before. However, in order to maximize their savings, the following groups of people need to act now:

- **Uninsured Asian Americans**: New data shows that an estimated 83,000 Asian Americans in the state are uninsured and eligible for health insurance through Covered California, with an additional 71,000 eligible for no-cost Medi-Cal.(more)

Under the American Rescue Plan most of those eligible for Covered California would be able to get a high-quality health plan from one of 11 trusted name-brand companies for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month (see Figure 1: Premiums Are Lower Than Ever for the Uninsured).

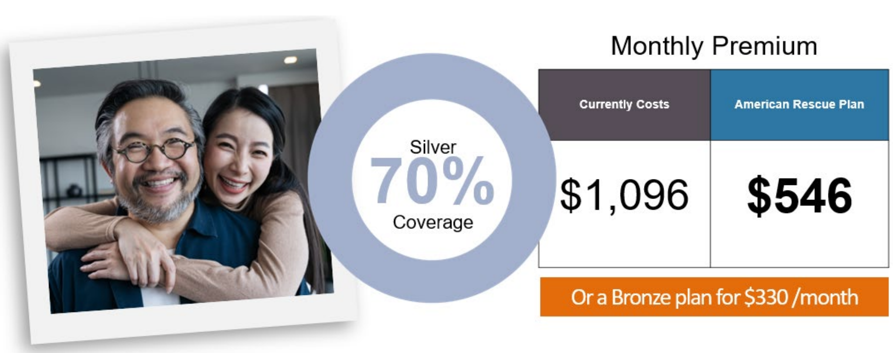
Figure 1: Premiums Are Lower Than Ever for the Uninsured



Darlene in West Los Angeles | Age: 21 | Income: $25,520/year

- **Asian Americans insured directly through a health insurance company**: An estimated 40,000 Asian Americans in the state are insured directly through a health insurance company, in what is referred to as “off-exchange” coverage, and do not receive any financial help. The American Rescue Plan ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health insurance premiums if they are enrolled in an Affordable Care Act marketplace like Covered California. The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month if they switch and get their insurance through Covered California (see Figure 2: Off-Exchange Consumers Save by Switching to Covered California).

Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Daniel and Amy in Sacramento | Ages: 45 | Income: $ 77,580 /year

In addition, the new law will also help about 284,000 Asian Americans currently enrolled through Covered California. Existing consumers do not need to take any action and should have seen lower premiums starting May 1.

Consumers Can Find Out in Minutes How Much They Can Save

Covered California is encouraging the Asian American community to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law at CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Use the website to find local insurance agents or certified enrollers in community organizations who provide free and confidential assistance over the phone or in person, in a variety of languages, including Mandarin, Cantonese, Korean and Vietnamese.
- Have a certified enroller call them for free help.
- Call Covered California at (800) 300-1506

COVERED CALIFORNIA News Release

May 5, 2021

Covered California Study Shows How Outreach Helps Consumers Get Improved Coverage and Pay Lower Premiums by Making Better Plan Choices

- *The study focused on Covered California consumers who selected a Gold- or Platinum-level plan, even though they were eligible for a lower-premium Silver plan that provides richer benefits.*
- *Covered California intervened in these cases to encourage consumers to switch to the better plan level, and those who did saved an average of $140 per month in premiums and out-of-pocket expenses.*
- *The study shows how similar outreach could be used across the country to help more Americans save money on their health insurance by maximizing their benefits under the Affordable Care Act.*
- *Covered California is holding a special-enrollment period to allow the uninsured and those enrolled directly through a health insurance carrier to enroll and benefit from lower premiums due to the American Rescue Plan.*

SACRAMENTO, Calif. — A Covered California study shows how efficient and low-cost outreach can help low-income consumers save on their health insurance. The study focused on Covered California consumers who had selected a Gold or Platinum plan but who were eligible for lower-cost coverage that provided richer benefits.

“The Affordable Care Act made a lot of progress in helping people navigate and understand health insurance, but it can still be confusing to many people, especially for those who have not been insured regularly,” said Peter V. Lee, executive director of Covered California. “Covered California tested how best we could inform consumers that they could have better options as part of our mission to help people make better choices and save money. We will use this information to improve our services, and we hope it is useful for other marketplaces across the nation.”

The study, "Using Email and Letters to Reduce Choice Errors Among ACA Marketplace Enrollees," was published by Health Affairs, a prominent outlet devoted to health policy and issues affecting health and health care.

The study looked at low-income consumers, particularly those who earn less than 200 percent of the federal poverty level, which is currently equal to $25,520 per year for an individual and $52,400 for a family of four. Under the Affordable Care Act, consumers in this income bracket are eligible for Enhanced Silver plans, which feature cost-sharing reductions that have lower premiums and lower out-of-pocket expenses.

A Covered California analysis found that nearly 20,000 Covered California consumers had selected more costly Gold and Platinum plans for the 2019 coverage year, despite being eligible for an Enhanced Silver plan with richer benefits. For example, instead of obtaining a plan with an actuarial value of 94, a Silver 94-eligible consumer chose a plan with an actuarial value of 90 (Platinum) or 80 (Gold) with a higher monthly premium. Similarly, a Silver 87-eligible consumer may have chosen a Gold plan instead of selecting a less-expensive option with more generous coverage.

To encourage those consumers to switch to Enhanced Silver plans, Covered California sent additional emails and letters to consumers that described the average premium and out-of-pocket savings they could see while keeping the same carrier and providers.

The results were significant. At the end of the open-enrollment period for the 2019 coverage year, 19.7 percent of the group that received additional emails switched to Enhanced Silver plans, while 21.6 percent of those that received additional emails and letters made the change. This compares to 17.7 percent of the study's control group, which received traditional renewal reminders that did not specifically call out the potential savings possible by switching.

Consumers who switched to a better plan saved an average of $84 per month in lower premiums and $56 per month in reduced out-of-pocket expenses, totaling an average savings of $1,680 per year.

"Putting money back in the pockets of consumers, while helping them better understand their health plan, is the right thing to do," Lee said. "We are looking to expand our efforts, because lowering the cost of coverage helps people stay covered and it allows them to put that money back into our economy, which helps their communities."

The American Rescue Plan Provides New Lower Premiums for Californians

The study comes during the early days of Covered California's new special-enrollment period that allows Californians to benefit from lower health insurance premiums available through the American Rescue Plan. The new law can help an estimated 2.5 million Californians, including the uninsured and those who enrolled directly through a health insurance carrier, by providing additional financial help to lower the cost of their coverage.

Consumers Can Find Out in Minutes How Much They Can Save

Covered California is encouraging Californians to check if they are eligible for lower premiums due to the American Rescue Plan. Consumers can easily see exactly how they can benefit from the new law on CoveredCA.com by entering their ZIP code, household income and the ages of the people in the household. They will see how low their premiums can be and the health insurance options in their area.

"Time is of the essence, because every month that goes by is a month that someone could be covered or could be saving hundreds of dollars on their health insurance," Lee said. "Do not miss out. The sooner you sign up, the sooner you can start saving."

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

- Visit www.CoveredCA.com.
- Use the website to find local insurance agents or certified enrollers in community organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- Have a certified enroller call them for free help.
- Call Covered California at (800) 300-1506

Covered California low-cost healthcare opens special enrollment
James Torrez

OAKLAND, Calif. - More than three million people in California are now eligible for low-cost health insurance through the state's Covered California program.

Starting Monday, the program will open a special enrollment thanks to the recently signed American Rescue Act.

The benefits can apply whether you are insured or uninsured.

Program leaders say the new COVID relief bill, signed by President Joe Biden earlier this year, will inject $3 billion into the state's economy while also providing direct financial relief to people hit hardest by the pandemic.

Program executive director Peter Lee says three groups will be affected; those who are uninsured, those who are uninsured through other providers, and those who are already enrolled in Covered California.

Lee says about one million people in California qualify and are already not enrolled in Covered California. They will need to apply to see savings.

"We are not waiting until fall," said Lee. "We're treating this like it's one of our mega enrollment periods because this is major for California."

Lee revealed a new marketing campaign and explained how new federal tax credits will help save Californians hundreds of dollars a month on health insurance. In some cases, households can pay as low as $1 a month.

He gave an example of an Oakland family of four earning less than $80,000 a year. Out of pocket, their health care would average about $2,000 a month.

"What happens with the American Rescue Plan, it goes down to $383 a month."

Those already enrolled will not have to do a thing. Lee says their savings will be automatically applied.

Covered California is part of the Federal Affordable Care Act.

This special enrollment period lasts until the end of the year.

Coverage can begin as early as May 1.

You can submit an application on the Covered California website.

POLITICOPRO

Covered California will keep enrollment open to take advantage of Biden's relief plan
Victoria Colliver

Covered California on Monday threw its enrollment doors wide open for the rest of the year to allow residents to take advantage of the cost savings offered through President Joe Biden’s Covid-19 stimulus plan.

About 2.3 million Californians stand to benefit from the American Rescue Plan through lowered health care insurance premiums, in some cases as little as $1 a month, according to exchange officials. The federal plan directs about $3 billion to California to help the economy and reduce health costs.

What this means: The new federal relief dollars allow people to start getting reductions in their health care expenses this year. But the savings only apply to coverage purchased through Covered California.

A Covered California analysis found that exchange enrollees will save $119 a month on average, while those purchasing off-exchange plans could save hundreds of dollars a month starting in May.

The more than 1.4 million Californians who already have coverage through the state-based Obamacare exchange will have their premiums automatically adjusted, but those who bought coverage through an insurer or agent outside the exchange will have to take action to benefit from the new savings offered through the federal stimulus infusion. That means contacting the insurer, agent or the exchange.

Covered California on Monday is launching a $20 million advertising campaign that will continue through June to encourage people to sign up sooner rather than later, said Peter Lee, executive director of the exchange.

"Every month that goes by is money they will never get back," Lee said.

The background: California pushed back against efforts by former President Donald Trump’s administration to dismantle the Affordable Care Act, defending former President Barack Obama’s signature health law in court and passing state laws that protect the benefits and increase subsidies.

But the Biden administration has marked a new era for Obamacare. Covered California had already extended its enrollment period through May 15 to align with Biden’s announcement that the federal marketplace would reopen to allow more Americans to sign up for coverage. Sign-ups for California’s exchange had originally been set to end Jan. 31, but the states that rely on the federal Obamacare platform had been forced to stop enrollments by Dec. 15.

The savings: The American Rescue Plan provides a two-year boost in ACA subsidies by changing the way the financial help is calculated and lowering how much consumers pay, essentially across the board. The new law reduces the percentage of income they must pay for their premiums and expands subsidies to lower their out-of-pocket costs. It also ensures no one, regardless of income, will pay more than 8.5 percent of their income on health insurance.

A Congressional Budget Office report has predicted that only 20 percent of Americans will take advantage of the new benefits for 2022 coverage, but that very few will do so this calendar year. Lee said Covered California's job is to prove them wrong.

"If they’re right, millions of Americans will not get the benefits they’re entitled to," Lee said. "We don't want that to be the case in California.”

The outlook: Lee said the next challenge is to convince Congress to keep the additional financial help in 2023 and beyond.

“These changes are the right thing to do in this recession, but they're also the right thing to (make) permanent,” he said. “They are giving Americans who don’t have access to employer-sponsored coverage a fair leg up to having affordable health care coverage.”

THE SACRAMENTO BEE

Health care for $1 a month? Covered California touts massive subsidies from COVID relief
Dale Kasler

Covered California — the state's subsidized private health insurance program under the Affordable Care Act — is about to get a good deal cheaper.

Some Californians could wind up paying as little as $1 a month for coverage.

Armed with about $3 billion in fresh subsidies from the COVID-19 economic relief package signed by President Joe Biden, the state-run program will drop its rates beginning with May premium payments.

The lower rates will kick in automatically for the roughly 1.6 million Californians already enrolled in the system, said Covered California executive director Peter Lee. As the subsidies flow in, the state agency on Monday launched a marketing campaign to bring hundreds of thousands of additional Californians into the fold.

"This is a big deal," Lee said in an interview. "You don't want to leave money on the table; you want to get in the door. ... This is absolutely the biggest expansion of the Affordable Care Act since it was launched."

The average Covered California customer now pays about $130 a month in premiums, although the figure varies widely based on household income and the type of plan they buy. Although the insurance is purchased through Covered California's platform, customers are getting coverage through major carriers such as Kaiser Permanente and Western Health Advantage.

'It's essentially free — $1 a month for the vast majority'
Covered California's rates are already subsidized to the tune of about $10 billion a year. The additional $3 billion from the recently enacted American Rescue Plan means that Californians who've "been spending $150 a month or $80 a month — they will see that what they need to spend out of pocket cut in half," Lee said.

"If they'd rather get what we call a high-deductible plan, it's essentially free — $1 a month for the vast majority."

He said the subsidies will largely go to those who need it most. “These are mostly low-income families from the communities of color that have been hardest hit by the covid pandemic,” he said.

The enhanced Affordable Care Act subsidies, which will run through the end of 2022, will flow nationwide. In California, the extra cash piggybacks on a program signed into law two years ago by Gov. Gavin Newsom to reduce premiums. The new subsidies from Congress will save the state the $350 million-a-year it’s been spending on the program.

Existing customers of Covered California “won’t have to do a thing” to get the benefit of the additional subsidies, Lee said.

The state is starting a $20 million ad campaign, mainly targeting roughly 800,000 uninsured Californians who qualify for Covered California but haven’t felt they could afford it, Lee said. At the same time, participating health insurers will reach out to hundreds of thousands of Californians who pay for coverage individually but aren’t already part of Covered California. The marketing campaign also will encourage about 1 million uninsured Californians who are eligible for Medi-Cal to sign up.

CAL MATTERS

Paying too much for health insurance? New subsidies announced
Ana B. Ibarra

Californians enrolled in health coverage this year will qualify for substantial savings as $3 billion in federal aid kicks in, including for people who are currently getting no subsidies.

Covered California, the state’s insurance marketplace, today opened a special enrollment period that allows people to sign up and make use of federal COVID-19 relief dollars designated for health coverage aid. This money is on top of subsidies already provided to some low-income and middle-income Californians through the Affordable Care Act.

Households that already receive some aid could get a couple hundred dollars more in savings in their monthly premiums. Also, people who are currently paying full price for insurance could get about $700 in savings a month, said Covered California Executive Director Peter V. Lee.

Experts expect this boost in aid to translate into a significant drop in the number of Californians living without health insurance, especially once the word spreads.

“This is a huge deal for middle class Californians paying mammoth checks to insurance companies,” Lee told CalMatters. Affordability, he said, is the number one reason people go without health coverage.

The new aid, part of the American Rescue Plan, makes subsidies available to many more Californians. Covered California estimates about 2.5 million people will benefit from new and expanded help. That includes about 810,000 currently uninsured people.

For people looking to sign up, their coverage can go into effect as soon as May 1 if they enroll before the end of April. People will be able to sign up for the remainder of the year. This enhanced federal aid, however, does have an expiration date: It will run through the end of 2022.

For people already enrolled in a health plan through Covered California, their out-of-pocket share will be automatically adjusted; they should see savings as early as next month.

The federal law expands eligibility for federal assistance and sets a maximum for how much of their own money families and individuals can spend on health coverage — 8.5% of their income.

For instance, for a household with $70,000 of annual income, the cost of its health insurance would be capped at $5,950 per year. A household earning $200,000 per year wouldn’t have to pay more than $17,000 per year for health insurance.

“The American Rescue Plan does limit the subsidy to amounts in excess of 8.5% of household income, so for a millionaire that would be premiums in excess of $85,000 (a year) and American health care is expensive but it’s not that expensive,” Joseph Newhouse, a professor of health policy and management at Harvard University, said during a press call with Covered California.

Previously, households with incomes above 400% federal poverty level — about $51,040 for an individual or $104,800 for a family of four — were not eligible for federal assistance. Those families and individuals often buy their health coverage directly from insurers, but now those same people may be able to pocket some of their premium cost if they go through the state exchange.

Last year, California became the first state in the nation to offer aid to middle-income residents who made too much to benefit from federal subsidies. The state raised the threshold for aid to incomes at 600% of the poverty level. Lee said about 50,000 more Californians signed up for coverage through the state marketplace when that assistance came online.

The new federal subsidies will be bigger than what the state provides and will replace state help. Now “California doesn’t have to write the check,” Lee said.

According to the state Department of Finance, it may be another month or so before the state knows exactly how this will be reflected in the state’s budget.

California has embraced the ACA wholeheartedly and has passed several pieces of legislation to enhance the health law. Besides creating its own bucket of subsidies, it also created its own tax penalty when the previous administration eliminated the federal one. Surveys and polls have shown that mandating people to have health insurance through a penalty is unpopular, but Lee and other insurance market experts say it does nudge people to sign up.

L.A. Care Health Plan, which serves Los Angeles County, has about 100,000 people enrolled through Covered California. Lower income individuals who are just above the threshold to qualify for Medi-Cal could see their portion of the premium reduced to almost zero, said John Baackes, the CEO of L.A. Care Health Plan.

The vast majority of L.A. Care enrollees “were getting a subsidy of some sort, but none had a $0 payment,” Baackes said.

During 2020, as many people lost their jobs during the pandemic and with it their employer-sponsored health insurance, more people fled to Covered California and Medi-Cal, the state health insurance program for low-income people.

Historically, people drop off Covered California because they gain coverage through a job or become newly eligible for Medi-Cal. Usually, about 10% of those who drop off become uninsured, Lee said. Last year, that number grew — about 25% of those who left Covered California lost coverage completely.

Covered California Launches New Enrollment Period Promoting American Rescue Plan Savings
Staff

SACRAMENTO (CBS SF) — State officials on Monday launched a new special enrollment period for Covered California to allow residents to receive reduced health insurance premiums available through the American Rescue Plan.

According to a release issued by Covered California, the new law will be able help an estimated 2.5 million Californians, including the uninsured and those who enrolled directly through a health insurance carrier, by providing additional assistance to lower coverage cost.

“The new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering premiums, and for many, putting money back into their pockets,” said Covered California Executive Director Peter V. Lee in the release. “The new financial help is only available through Covered California. You owe it to yourself to check if you benefit — and the sooner you sign up, the more you can save.”

The law will subsidize low- and middle-income consumers who have been hit hardest by the pandemic and recession. Officials say the money saved by Californians will strengthen the state’s economy as residents take advantage of the benefits reducing their insurance premiums between now and the end of 2022, when the benefits are currently scheduled to expire.

“For some Californians, it means hundreds or even thousands of dollars back in their pockets to help them afford their housing, keep their business running, or assist with daily living expenses,” Lee said in the release. “For others, it means they will finally be able to afford health care coverage and get the protection and peace of mind they need as we recover from this pandemic and recession.”

The Covered California website has additional details on the savings available for residents, including an American Rescue Plan savings calculator.

Covered CA Unveils Immediate Low-Cost Pandemic Relief Healthcare
Kat Schuster

CALIFORNIA — Golden State residents with a healthcare plan under Covered California are about to see their premiums drop significantly next month.

Thanks to a significant cash boost from the Biden administration's American Rescue Plan, the state-run healthcare program will gain $3 billion in subsidies, allowing the agency to drop its rates for healthcare substantially next month.

A special enrollment period began Monday and lower rates automatically were triggered for the 1.6 million Californians signed with Covered California, said Peter Lee, Covered California's executive director, at a Monday conference.

On Monday, Covered California also launched a $20 million campaign to promote the unusual timing for open enrollment, Lee said. The agency aims to reach Latinx, Black, Pacific Islander and Asian American communities hard hit by the pandemic.

"We're not waiting until fall," Lee said. "We are treating [this] as if it's one of our mega open enrollment periods."

Typically, the state agency opens enrollment once a year in the fall to enroll new members. But Covered California opened enrollment on Monday to extend through June.

Funds were injected into the healthcare program to "provide large benefits to the community who have been most hit by the pandemic, both as a matter of their health as their economic lives," Lee told reporters.

"We're talking about communities of color, in particular, the Latino community, and we're talking about low-income Californians," he said. "Those are the folks that lost their jobs and are still struggling to get back on their feet."

Latinx families face higher average unemployment rates and have been heavily impacted by the pandemic, Jeffrey Reynoso, executive director of the Latino Coalition for Healthy California, said Monday.

"Latinos are more likely to be essential workers including farmworkers, restaurant and grocery store workers, trucking and distribution workers, and all the other occupations that made it possible for our economy to keep running," Reynoso said. "If the work of Latinos is is essential than our work healthcare should be essential too."

Some Californians will qualify to pay as little as $1 per month. Those who received unemployment insurance in 2021 are eligible for this plan, Lee said.

"They would be paying only $1 a month for each person in their household for that coverage," he said. "This is getting Platinum coverage for almost nothing."

The extra $3 billion cash boost will further reduce premiums that were already lowered by bills signed into law by Gov. Gavin Newsom in 2019. Now, many Californians will see their spending slashed in half, Lee said.

The boost in Affordable Care Act aid will extend through the end of 2022 across the United States.

"It's just going to be a huge savings for me," Mitch Higgins, a Stockton resident and retired firefighter, said at the Monday briefing.

Higgens said his healthcare was always covered through the city up until the city filed for bankruptcy in 2012. Since then, Higgens and his wife have been paying close to $20,000 per year for bronze health coverage under the state plan.

"And then this happened and now I'm able to get help with it and it's going to be substantial savings for me and my wife," he said.

California re-opens enrollment for health insurance coverage
Adam Beam

SACRAMENTO, Calif. (AP) — California on Monday re-opened enrollment for its state health insurance exchange, hoping more people will buy coverage now that the federal government is offering new assistance that could lower monthly premiums by $1,000 or more in some cases.

Normally, people can only buy health insurance through the state exchange — known as Covered California — once per year during an open enrollment period. But last month, President Joe Biden signed a $1.9 trillion coronavirus relief package. About $3 billion of that money is coming to California in the form of new subsidies to help some people pay their monthly health insurance premiums. In some cases, people can buy coverage for as little as $1 per month.

The new subsidies are only available through December 2022 to people who buy coverage through a health insurance exchange, which were created as part of former President Barack Obama's health care law. Starting Monday, state officials said they would let people purchase plans on California's exchange through the end of the year.

To get the money, people must be legal U.S. residents who can't get affordable health insurance from their job and meet certain income requirements. About 1.4 million people in California already get federal subsidies that lower their monthly health insurance premiums. For those people, the new subsidies will automatically lower their premiums even more — about $180 on average per household per month.

The new federal subsidies are so generous that about 92% of people who don't get health insurance through their work will be eligible for help, according to an analysis by the Kaiser Family Foundation. In California, that means more than 1 million people are eligible for the subsidies but don't receive them, either because they don't have insurance or they purchase coverage off the exchange.

That includes people like Jack "Mitch" Huggins, a retired firefighter from Stockton. He lost his health insurance during the city's bankruptcy proceedings. Since then, he said it's cost him about $20,000 a year to buy coverage on his own. He wasn't eligible for a federal subsidy in the past, but he is eligible under the new law. He said he will save about $1,000 a month on his premiums.

"I couldn't believe it was true," he said. "It's going to be substantial savings to me and my wife."

The new federal assistance is more in line with California's health care policy goals, which have been driven by the state's Democratic-dominated Legislature and governor's office. The state has tried to get more people insured through aggressive, multi-million dollar marketing campaigns and taxing people who refuse to buy health coverage — both things that had been eliminated when President Donald Trump was in office.

“This is not like the days of old where, like, the federal government was going in a completely opposite direction than Covered California,” said Anthony Wright, executive director of Health Access California, a consumer health care advocacy group.

Peter Lee, Covered California’s executive director, believes the new federal subsidies will win over more people once they understand how cheap the plans are. That’s why he’s launching a $20 million statewide advertising campaign to tell people about the new subsidies and how they can get them.

The Congressional Budget Office estimates enough people will sign up in California that it will cost the federal government about $3 billion to pay for all of them. Lee said his goal is to beat that estimate.

“It may end up being $6 billion,” Lee said. “If we do our job and get the word out there, if we enroll more people, it’s actually going to cost the feds more, but for good reason.”

The new subsidies are far more generous than what’s available now. For example, Lee said premiums for one type of insurance plan would cost $1,945 per month for a family of four living in Oakland that earns $78,000 per year. Current federal subsidies reduce that premium to $583 per month. But the new federal subsidies would reduce the premium further, to $393 per month.

It’s hard to say for sure how much each person could save because how much money they can get from the federal government depends on a number of factors, including how old they are and where they live.

The San Diego Union-Tribune

Generous federal recovery subsidies prompt special enrollment push at Covered California
Paul Sisson

America’s $1.9 trillion COVID-relief act includes $22 billion to increase premium subsidies available to the millions who buy health insurance through the exchanges created by the Affordable Care Act.

The act helps the estimated 9 million people who already buy through health insurance exchanges more-easily afford their coverage and expands the number of people eligible for financial help from 18.1 million to 21.8 million, according to a recent analysis from the nonpartisan Kaiser Family Foundation.

Set to run through 2022, the funding increase impacts about 1.4 million Californians already covered by health plans from Covered California, the state's health insurance exchange. It also increases subsidies, or offers them for the first time, for about 1 million Californians who qualify for coverage but are not yet enrolled or have plans outside the exchange.

Peter Lee, executive director of Covered California, said that premium savings, which will average $180 per month per household, require no paperwork for those already signed up.

"For the people that have coverage with us, they don't need to do anything," Lee said. "Their regular monthly premium notice that will come in late April will deliver the good news that their premiums have been lowered immediately."

Usually, the exchange accepts new enrollees only during its annual open enrollment period in the fall and early winter, also allowing people to join within 60 days of certain "qualifying life events" such as job loss, loss of employer health coverage, marriage, birth and adoption.

In recognition that the recovery act has caused the overall cost of coverage to drop across the board, Covered California announced a new open enrollment period for anyone who does not have employer coverage. Enrollment will continue through the end of the year, and anyone can visit coveredca.com to view plans and premium costs in their areas.

Affordable Care Act premiums are based on total household income and the age of the people covered by each policy.

In some cases, the savings can be dramatic. In California, individuals making between 138 percent and 150 percent of the federal poverty level — between $17,776 and $19,140 per year — will see their already-low premiums eliminated. Those making under that amount already qualify for Medi-Cal and thus are not allowed to buy exchange policies.

Those earning between 200 percent and 400 percent of the federal poverty rate — between $52,400 and $104,800 for a family of four — have a potential to see their premiums shrink significantly due to new lower caps on the maximum percentage of total household income that can be spent on monthly premiums.

For example, a San Diego family making $80,000 per year with adults age 40 and 39 and kids age 12 and nine would see the monthly premium for the cheapest silver plan available on the exchange drop 36 percent, from $519 to $332 per month. Premiums for the most-expensive silver plan would drop 16 percent, from $1,161 to $974 per month, Covered California confirmed in an email.

A couple age 60 and 62 making $65,000 per year would experience decreases 6 percent to 20 percent for silver plans, which cover 70 percent of health care costs. The cheapest silver plan drops from $409 to $324 per month and the most-expensive from $1,290 to $1,204.

The new federal subsidy expansion also caps health care expenditures at 8.5 percent no matter how much money a household makes. Any costs beyond that percentage necessary to buy the second-cheapest silver plan in a resident’s home market are covered by a subsidy.

Previously, subsidies were only available to those earning up to 400 percent of the federal poverty rate. That’s anything beyond $51,040 for an individual, $68,960 for a couple and $104,800 for a family of four.

Capping premium expenses at 8.5 percent for higher earners eliminates what some call the “subsidy cliff,” a phenomenon where, for some residents, subsidies evaporate if enrollees’ incomes exceed the 400 percent limits by even one dollar.

The state already offered extra help to certain types of consumers earning above the 400 percent limit, but those benefits have been increased and more broadly applied, meaning that someone earning solid middle-class wages who qualified for little premium help under the old rules may now see their premiums reduced by more than $100 per month.

Lee said the savings are significant enough that Covered California is launching its own television ad campaign to hopefully entice people who are not covered, or who buy their policies outside of the exchange because they previously earned too much to get a subsidy, to check out the new rates.

“Our job is to get every Californian that doesn’t have employer-based coverage to check and check again because it is such big savings,” Lee said.

Covered California launches new enrollment period, ad campaign alongside American Rescue Plan
Kristi Gross

SACRAMENTO, Calif. (KTXL) – Even in the middle of a pandemic, health insurance in California is getting cheaper, thanks to President Joe Biden's American Rescue Plan.

Covered California says this is the biggest expansion of the Affordable Care Act since it launched in 2014 and they want more uninsured Californians to get covered.

"There's about 1.4 million Californians right now, getting financial health through Covered California," said Covered California's Executive Director Peter Lee. "On average, they're going to see premiums drop automatically on May 1 about $200 per household."

Lee says there are already more than 1 million people enrolled, but on Monday they're launching a new enrollment period and advertising campaign to get even more people insured.

"There's another 1.1 million Californians eligible to come on in. We can take them all," Lee said.

According to Covered California, the cost of premiums will drop an average of $200 per month and some people will be able to lock in a plan for as little as $1 per month for a high-deductable plan.

"You pick the brand name plan that you want to be in. You just get a financial leg up to pick that plan and save money while doing it," Lee explained.

The savings will start May 1 and will mostly go toward communities that were hardest hit by the pandemic and the economic recession.

"A lot of people think they can't afford health care. It's still expensive, but it's a lot less expensive than ever before," Lee told FOX40.

Covered California says the influx of federal money to will save the state $500 million per year while expanding access to more Californians.

“One of the things we’ve learned in the pandemic is health is something to value and having coverage is something we all want and need,” Lee said.

Covered California says if you’re uninsured now is the time to act.

For more information on what a plan would cost you or to find out how much you can save click or tap here.

Covered California lowers health care premiums, expands eligibility
Kelly DeLeon

REDDING, Calif. — Covered California is lowering its health care premiums and expanding its eligibility as part of the American Rescue Plan.

Starting April 12, Covered CA increased its income limits allowing more families to qualify for the state's health insurance marketplace.

The Silver Plan, which has more benefits than the Bronze Plan, is now also the benchmark for subsidies.

Those who are already enrolled in Covered California will start receiving an automatic reduction in their monthly premiums starting May 1.

To ensure you receive your automatic deduction, financial advisor and owner of Maxwell Insurance and Financial, Judy Maxwell emphasizes logging into your Covered CA account or talking to an agent, to make sure your Consent for Verification is provided through 2022.

"If they do not have that consent file checked then they will not be automatically included in that rate reduction starting in May," says Judy. She also says if you receive letters in the mail from Covered CA, do not ignore them because they may contain important information.

According to a press release, Covered CA hopes by lowering monthly premiums, people will have extra money in their pockets that will eventually be funneled back into the economy.

To check if you are eligible, Covered CA has a Shop and Compare tool on their website that will guide you through the many plans.

Judy says whether you are enrolled, or not, the Shop and Compare tool is a good way to check out all your options.

Covered CA is currently in a special open enrollment period until the end of the year.

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Covered California opens special enrollment period
Staff

Covered California launched a new special-enrollment period on Monday to allow Californians to benefit from lower health insurance premiums available through the American Rescue Plan.

The new law can help an estimated 2.5 million Californians, including the uninsured and those who enrolled directly through a health insurance carrier, by providing additional financial help to lower the cost of their coverage.

“The new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering premiums, and for many, putting money back into their pockets,” said Peter V. Lee, executive director of Covered California. “The new financial help is only available through Covered California. You owe it to yourself to check if you benefit — and the sooner you sign up, the more you can save.”

Covered California estimates the plan can help Californians — particularly low- and middle-income consumers who have been hit hardest by the pandemic and recession — through $3 billion in new and expanded federal subsidies.

The new money will strengthen the state’s economy by helping eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire.

“For some Californians, it means hundreds or even thousands of dollars back in their pockets to help them afford their housing, keep their business running, or assist with daily living expenses,” Lee said. “For others, it means they will finally be able to afford health care coverage and get the protection and peace of mind they need as we recover from this pandemic and recession.”

Joseph Newhouse, a national expert on economics and consumer spending and professor of Health Policy and Management at Harvard University, said the new subsidies have the potential to change the lives of people across the state.

“Whether you live in a big city or in a rural area, these subsidies will provide significant financial relief for people who sign up for health care coverage through Covered California,” Newhouse said. “These subsidies are big, they matter, and they can have a dramatic impact on people’s lives — if they take action.”

Who will benefit from the American Rescue Plan?

The American Rescue Plan lowers health care premium costs for people who get coverage through Covered California by providing new and expanded subsidies to make health insurance more affordable than ever before. The following types of consumers stand to benefit:

The uninsured: New data shows that an estimated 810,000 Californians are uninsured and eligible for health insurance coverage through Covered California. Under the American Rescue Plan, most of them would be able to get a high-quality plan from a trusted name-brand company for as little as $1 per month, or a plan that offers richer benefits for less than $100 per month.

Consumers insured directly through a health insurance company: Nearly 270,000 Californians are insured directly through a health insurance company in what is referred to as “off-exchange coverage.” They currently do not receive any financial help. The new law ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled through an Affordable Care Act marketplace like Covered California (unless they select a plan in a higher metal tier). The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month — or thousands of dollars between May and the end of 2022 — if they switch and get their insurance through Covered California.

Current Covered California enrollees: The new law will also help about 1.4 million people currently enrolled through Covered California. An analysis shows that these consumers will see their net premiums decrease by an average of $180 per household per month. Existing consumers in California do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May.

“The American Rescue Plan provides the most significant consumer cost savings since the implementation of the Affordable Care Act, but in order for many Californians to make the most of that savings, they need to act now,” Lee said. “Do not miss out: the sooner you sign up, the sooner you can start saving and be covered.”

In addition, the American Rescue Plan will provide marketplace coverage to anyone who received unemployment insurance benefits in 2021.

Under the new law, anyone who has received unemployment insurance benefits in 2021 will be eligible for the richest possible coverage from brand-name health plans, which will cost only $1 per month — regardless of their actual total income in 2021.

Covered California is currently working to implement this benefit in its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers who are enrolled or sign up before that time will receive the lower premium retroactive to when their coverage commenced.

An estimated 10 percent of current Covered California enrollees would be eligible for this benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the basic changes under the American Rescue Plan, and additional savings when these changes are implemented this summer.

Covered California is supporting the new special-enrollment period by taking the unprecedented action of treating the months of April through June as if it were its annual open-enrollment period. The exchange plans to spend up to $30 million on television, radio and print ads throughout the state through June. The campaign will reach every community, with an emphasis on Hispanic, Asian, and African American media outlets, which represent the groups hit hardest by the pandemic and recession.

“We know that California’s low-income communities — including Latino, Black and Pacific Islander — are the backbone of our state’s essential workforce,” said Jeffrey Reynoso, executive director of the Latino Coalition for a Healthy California. “They have suffered the most during the pandemic and recession, and this new law will make health care coverage more affordable and help them save money in the process.”

“We stand ready to do everything we can to make the American Rescue Plan successful for as many Californians as possible,” Lee said. “Time is of the essence, because every month that goes by is a month that someone could be covered or could be saving hundreds of dollars on their health insurance.”

Research has shown that for most consumers, the reason they do not have insurance coverage is that they do not believe they can afford it. Many may have checked their costs months or years ago — they need to check again to see how affordable coverage can be. On www.CoveredCA.com, consumers can easily see exactly how they can benefit from the new law. Consumers just need to enter their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

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

- Visit www.CoveredCA.com.
- Find local insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- Get a call from a certified enroller. Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at 800-300-1506.

Observer Group Newspapers of Southern California

Brand-Name Health Plans as Low as $1
Staff

With more financial help than ever, Covered California has launched a new special enrollment period to sign up for health insurance, touting $3 billion in extra federal support to help more Californians afford and keep their health coverage. According to Covered California, African Americans and other people of color will be among the primary targets to benefit from this new round of financial help.

People who are currently uninsured, or insured directly through a health insurance company, can sign up now with Covered California and see lower monthly health care premiums than ever before. Many people could get a quality, brand-name health insurance plan for as little as $1 per month, while others could save hundreds of dollars a month if they switch their coverage to Covered California.

The lower premiums are the result of the American Rescue Plan, the landmark federal response to the COVID-19 pandemic recently approved by Congress and signed into law last month by President Joe Biden. The new law provides new and expanded financial help to people who get health insurance coverage through Covered California.

An estimated 2.5 million Californians – especially lower- and middle-income consumers — could be eligible for expanded financial help to greatly reduce their monthly health care costs, including people currently uninsured, consumers who are buying coverage directly from an insurance carrier, and Covered California's existing members.

"This new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering health care premiums, and for many, putting money back into their pockets," said Peter V. Lee, executive director of Covered California. "The new financial help is only available through Covered California, and if you sign up by April 30, you will find big savings by May 1. You owe it to yourself to check if you benefit — and the sooner you sign up, the more you can save."

That is good news to Manny Otiko, a freelance writer in Southern California. Otiko has worked in the media for more than 20 years as a journalist and a public relations professional.

"After being hit with an $8,000 bill for a kidney stone, I learned the hard way that it's better to have insurance than not have insurance," Otiko said. "The good thing about Covered California is the price is affordable. I had looked before, and the plans were out of my range. Now Covered California fits my budget."

Now enrolled, the American Rescue Plan will lower Otiko's monthly health care premium by nearly $100 per month, and that's on top of him already saving about $200 every month with financial assistance from Covered California to lower his health care costs.

Covered California also launched a new advertising campaign for special enrollment that it says will reach every community in the Golden State, with an emphasis on African American, Hispanic, Asian communities, which represent the groups hit hardest by the COVID-19 pandemic and recession. This new campaign will use television, radio, print, and digital advertising to reach communities of color statewide.

In addition to multicultural media efforts, Covered California will emphasize specific ethnic markets and media channels to reach more African Americans, Hispanics, Asians. Tentative Covered California ethnic outreach strategies include partnering with popular DJ personalities on top-rated radio stations to encourage consumers to enroll.

Covered California will also use its community Navigator organizations on the ground to spread the word and engage with local clinics and COVID-19 vaccination sites, work with community assistance programs like food banks, and participate on social media sites used by African Americans and other people of color.

Those interested in learning more about their health coverage options through Covered California and Medi-Cal can:

- Visit www.CoveredCA.com.
- Find local help from insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
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WSS NEWS
WESTSIDE STORY NEWSPAPER

California's Largest Public Health Care Purchasers Unite to Address Gaps in Childhood Immunizations and Colorectal Cancer Screenings Due to the COVID-19 Pandemic
Staff

SACRAMENTO, Calif. — Covered California, the Department of Health Care Services (DHCS) and CalPERS are taking the lead in addressing gaps in preventive care created by COVID-19 and will pay specific attention to racial and ethnic disparities that have been exacerbated by the pandemic. Covered California, DHCS — which operates the state's Medi-Cal program — and CalPERS announced complementary efforts to ensure that everyone covered by the programs gets vaccines to prevent COVID-19 as they become available while addressing preventive care gaps caused by patients not getting needed services.

“As we focus on the immediate health and economic impacts of COVID-19, we must be proactive to address downstream effects the pandemic can have on the health of Californians and our communities,” said Peter V. Lee, executive director of Covered California. “Taking action now, on childhood immunizations and colorectal cancer screenings, is an investment in future good health, and these policies are intended to help avoid a surge of bad health outcomes in the future.”

Covered California will require its 11 health insurance companies to reach pre-pandemic levels of childhood immunizations and colorectal cancer screenings by the end of 2021 and to exceed those numbers by the end of 2022.

Dr. Alice Hm Chen, Covered California’s chief medical officer, said the motivation to act was data showing that COVID-19 has led to a sharp drop-off in primary and preventive care. At the same time, the pandemic has had a strikingly disproportionate impact on people of color.

“Coverage is a means to getting better care and ideally better outcomes,” Dr. Chen said. “We wanted not only our health plans, but all health plans and providers in the state, to address the impact of COVID-19 on preventive care. Our hope is that by working collectively, we can make up critical ground that was lost over the past year.”

Data from California’s Department of Public Health shows that vaccination rates in the state have fallen. As of November 2020, 12 percent fewer children had received their first dose of the MMR (measles-mumps-rubella) vaccine compared to the year before, and 20 percent fewer adolescents received their Tdap (tetanus) shot. Dr. Chen said Covered California and its fellow public purchasers, DHCS and CalPERS, felt a sense of shared urgency to act.

“DHCS shares this focus on equity and childhood wellness, and we are finalizing a roadmap to reduce health inequities in Medi-Cal with measures to recognize health disparities among beneficiaries,” said DHCS Director Will Lightbourne. “Early in the pandemic, we identified growing gaps in well-child visits and immunizations. We are committed to closing those gaps and others, in part through our ongoing requirement that Medi-Cal managed care plans conduct performance-improvement efforts on youth preventive health care.”

“As the largest purchaser of public employee benefits in California, CalPERS is committed to providing high-quality, equitable care to our members. Our data shows that the use of preventive care, including cancer screenings and immunizations, has declined during the COVID-19 pandemic,” said Don Moulds, CalPERS chief health director. “Together, with Covered California and DHCS, we are taking action to close gaps in care created by the pandemic, and are working with our health plans to ensure our members have access to much needed chronic care and preventive care services."

Dr. Chen said colorectal cancer is a leading cause of cancer death and a source of significant racial and ethnic disparities. Data from the Epic Health Research Network found that at the onset of the pandemic, colorectal cancer screenings had declined by nearly two-thirds compared to the historical average. Dr. Chen said those trends need to be reversed immediately.

"As a cancer that is amenable to prevention rather than just early detection, it's critical we get people between the ages of 50 and 75 screened, and it's a process that can be started without an in-person visit," Dr. Chen said. "Treatment for colorectal cancer in its earliest stage can lead to a 90 percent survival rate after five years."

Lee said these provisions chart a path for future collaboration for a bolder shared agenda in support of quality, equity and delivery system transformation.

"Covered California is proud to be joining with both other major purchasers and the health plans. We put a spotlight on core issues of health care equity and quality that matters, and they stepped up for the communities they serve," Lee said.

American Rescue Plan Special-Enrollment Period

The announcement comes during Covered California's special-enrollment period in support of the American Rescue Plan. The new and expanded financial help that is now available will allow the uninsured to sign up for coverage at dramatically lower premiums, with many being eligible for high-quality plans that cost as little as $1 per month. Californians who are insured directly through a health insurance carrier can also switch to Covered California, often with the same carrier and coverage level, and save hundreds of dollars a month.

Californians are encouraged to check their health care options, even if they have checked in recent months or years, to see how affordable coverage can be. On CoveredCA.com, consumers can easily see exactly how they can benefit from the new law. Consumers just need to enter their ZIP code, household income and the ages of people in their household to see their monthly cost and the health insurance options in their area.

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

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- 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..

STATE OF REFORM

ARP subsidies projected to help over 1.6 million Californians
Sydney Kurle

A recent joint publication by the UC Berkeley Labor Center and UCLA Center for Health Policy Research projected the subsidies passed in the American Rescue Plan (ARP) will help over 1.6 million Californians. This number includes 151,000 individual market enrollees who will qualify for subsidies for the first time and 135,000 uninsured people who will become insured.

The ARP has a number of important health coverage provisions, including 100% premium subsidies for COBRA coverage through September 2021. Those receiving Unemployment Insurance benefits in 2021 will pay only $1 per month for an Enhanced

Silver 94 plan. This plan, on the Covered California market, requires the least cost sharing from households.

The ARP also includes substantial additional premium subsidies for coverage purchased through Covered California for 2021 and 2022. Californians earning up to 150% of the Federal Poverty Line (FPL) qualify for an Enhanced Silver 94 Plan for $1 per month.

The act also eliminates the federal subsidy cliff that existed for those with income above 400% FPL, meaning no family is required to pay more than 8.5% of income for a benchmark plan.

The ARP will provide additional subsidies for the 1.35 million Californians already enrolled with subsidies through Covered California as of June 2020. Without the ARP, they would have received subsidies worth an average of $411 per person per month in 2022, but with the ARP they will get an additional $91 per month.

The modeling done by researchers, using the California Simulation of Insurance Markets (CalSIM) model, suggests that in 2022 almost 300,000 Californians would newly get subsidies. This includes 151,000 Californians who would otherwise be enrolled in the individual market without subsidies will now receive an average of $165 per person per month from the ARP in 2022.

Eighty percent of these 151,000 people have incomes above 400% FPL, with about one-third above 600% FPL. The ARP ensures that none of them pay more than 8.5% of income toward premiums for a benchmark plan. Approximately two-thirds are part of a household with at least one self-employed worker, reflecting that while most California workers have health insurance through their employer, the self-employed generally do not have that option and are disproportionately enrolled in individual market coverage.

Miranda Dietz, a research and policy associate at the UC Berkeley Labor Center and one of the authors of the report, said these subsidies will increase the amount of equity in insurance coverage in California.

“If you look at the demographics of who’s enrolled already in Covered California, and who’s getting the additional subsidies. It’s majority non-white and a substantial portion of lower-income [people].”

Dietz said this will have a major effect in drawing new Californians to the Covered California marketplace.

“The American Rescue Plan includes subsidies that provide a pretty substantial benefit in giving people additional help and paying for premiums on the individual market. Folks who are already enrolled are going to get an average of about $1,000 a year in 2022. And some people might use those extra subsidies to purchase more generous coverage moving up to a gold or a platinum plan without a deductible. And in addition to the affordability help we protect that the subsidies are going to bring additional people into the market. So our projections are that 135,000 people who would otherwise be uninsured will enroll in coverage through Covered California in 2022 because of these subsidies.”

A majority of these new enrollees have incomes under 400% of the Federal Poverty Level, and a majority are ages 45-64. About half of these enrollees are part of a household with at least one self-employed worker. These enrollees would get a total of $464 on average per person per month, $55 more per month than they would have without the ARP subsidies.

However, the report asserts the benefits of these subsidies will be reversed if the subsidies disappear in 2023 and are not made permanent. Dietz said:

“[The loss of subsidies] will certainly have a measurable impact on the affordability. And, you know, enrollees will feel the pinch of having to pay more for coverage. And we expect that enrollment would take a hit given the higher prices that people will face.”

Despite the ARP’s improvements to the affordability of coverage through Covered California, the researchers project that the state will still have 3.2 million uninsured Californians under age 65 in 2022, or approximately 9.5% of the population under age 65.

Covered California’s Special Enrollment Underway to Sign Up for Super Low-Cost Health Plans
Fisher Jack

Covered California’s new special-enrollment period is underway to allow millions of Californians to benefit from lower monthly health care costs available through the

American Rescue Plan. This new special enrollment period runs through Dec. 31, 2021, and consumers who enroll by April 30 will see lower premiums for their health coverage beginning on May 1.

The new American Rescue Plan, also known as the COVID economic relief package, is expected to help an estimated 2.5 million Californians, including those without health insurance and people enrolled directly through a health insurance carrier, by injecting $3 billion into the state’s economy to lower health care costs. The ability to have access to quality health coverage is more important than ever before during this age of COVID-19, especially for African Americans and other people of color who are most likely to get infected, hospitalized, or die from the virus.

Many Californians will now be able to get a quality, name-brand health plan for as little as $1 per month or richer benefits for less than $100 per month, but only if they sign up for health coverage through Covered California. In addition, consumers who are directly insured through a health insurance company can switch to a Covered California health plan and could save up to $700 per month on their health coverage — giving them savings of thousands of dollars annually.

Covered California is offering 11 brand-name health plans to choose from, and health insurance companies vary by region. The health plans are: Anthem Blue Cross, Blue Shield, Chinese Community Health Plan, Health Net, Kaiser Permanente, L.A. Care, Molina Health Care, Oscar, Sharp, Valley Health Plan, and Western Health Advantage.

Covered CA scenario 2A new “Shop and Compare” tool is also now available on CoveredCA.com to allow consumers to easily see exactly how much money they can save on health coverage with expanded financial help. Consumers just need to enter their ZIP code, household income and the ages of the people in the household to see how low their monthly health care costs can be and the options in their area for both Covered California and Medi-Cal health plans.

Uninsured Consumers Will See Lower Premiums With Covered California Health Plans

Consumers Already Insured Directly by Health Insurance Companies
Can Save by Switching to Covered California Plans

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- source: Covered California.

Observer Group Newspapers of Southern California

Covered California's Special Enrollment Underway to Sign Up for Lower-Cost Health Plans
Staff

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San Diegans Encouraged To Sign Up For Health Care Through Covered California For New Savings
Melissa Mae

Covered California on Tuesday was pushing for San Diegans to take advantage of lower-cost health insurance thanks to a new federal law, the American Rescue Plan.

Covered California is the state's health insurance marketplace, where Californians can find affordable insurance from various companies.

The American Rescue Plan, recently passed by Congress, makes 2.5 million Californians eligible for lower health care costs or new coverage if they're uninsured.

Previously, Covered California extended its open enrollment period through May 15 because of the COVID-19 pandemic. However, the new law means that Californians have until the end of the year to sign up for health coverage.

In San Diego, there are approximately 72,000 uninsured people and 22,000 who are insured but may save money through the state marketplace. About 81,000 San Diegans are eligible for low-cost or free Medi-Cal.

Covered California executive director Peter Lee said 100,000 San Diegans who already have insurance through Covered California will all see lower premiums starting in May.

"The COVID pandemic has had huge health effects, but huge economic effects," Lee said. "The communities hardest hit economically; communities of color, low-income communities; those are exactly the communities targeted by the American Rescue Plan."

The sooner residents sign up for health coverage, the more money they could save, he said.

San Diegans who were not eligible in the past may now be eligible through The American Rescue Plan. Consumers are encouraged to visit Covered California's website to check their eligibility.

Residents need to sign up by April 30 to have coverage starting May 1..

OurWeekly Los Angeles

Covered California's special enrollment discount ends April 30
Staff

Covered California's new special-enrollment period runs through Dec. 31, and consumers who enroll by April 30 will see lower premiums for their health coverage beginning on May 1.

The new American Rescue Plan, also known as the COVID economic relief package, is expected to help an estimated 2.5 million Californians, including those without health insurance and people enrolled directly through a health insurance carrier, by injecting $3 billion into the state's economy to lower health care costs.

The ability to have access to quality health coverage is more important than ever before during this age of COVID-19, especially for African- Americans and other people of color who are most likely to get infected, hospitalized, or die from the virus.

Many Californians will now be able to get a quality, name-brand health plan for as little as $1 per month or richer benefits for less than $100 per month, but only if they sign up for health coverage through Covered California. In addition, consumers who are directly insured through a health insurance company can switch to a Covered California health plan and could save up to $700 per month on their health coverage -- giving them savings of thousands of dollars annually.

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Uninsured consumers will see lower premiums with Covered California Health Plans. Consumers already insured directly by health insurance companies can save by switching to Covered California plans

Those interested in learning more about their health coverage options through Covered California and Medi-Cal can:

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sanjoseinside

State, Local Officials Urge Bay Area Residents to Sign up for Health Insurance by Friday
Eli Walsh

State and local officials urged Bay Area residents Wednesday to sign up for health insurance coverage through the state's health insurance marketplace by Friday to benefit from lower premiums.

More than 450,000 residents across the Bay Area, including more than 103,000 who are uninsured, are eligible for lower health care premiums if they sign up for insurance through Covered California by the end of the week, according to state officials.

The reduced costs are the result of federal tax credits included in the American Rescue Plan, the pandemic relief package Congress passed last month.

“I think this is a golden opportunity to take advantage of additional subsidies that the Rescue Plan will include but also some subsidies the state of California has invested in,” La Clinica de La Raza CEO Jane Garcia said Wednesday in a virtual briefing. “I think this is a golden opportunity to get covered and to catch up.”

The tax credits in the relief package are also expected to lower premiums by an average of $180 per month for roughly 280,000 Bay Area residents who already get insurance through Covered California, which the state formed under the Affordable Care Act, former President Barack Obama’s health care law.

Those savings will automatically be applied to existing customers’ accounts, according to Covered California officials.

State officials expect the tax credits will save state residents more than $3 billion in total through the end of 2022, when they are set to expire.

“The new and expanded financial help provided by the American Rescue Plan can help people throughout the Bay Area get covered and stay covered by lowering their premiums and putting money back into their pockets,” Covered California executive director Peter Lee said in a statement. “The American Rescue Plan provides the most significant consumer cost savings since the Affordable Care Act began, but in order for many people to make the most of that savings, they need to act before the month ends.”

Residents can visit coveredca.com or contact Covered California at 800.300.1506 for information on signing up for health care coverage.

NOOZHAWK
the freshest news in Santa Barbara

With Biden’s American Families Plan, Millions of Californians Could Continue to Pay Lower Premiums
Staff

Following Wednesday’s joint session of Congress, during which President Joe Biden introduced the American Families Plan, Covered California’s executive director, Peter V. Lee issued the following statement:

The proposal outlines the next step to the president’s vision for economic recovery and would make permanent the new and expanded financial help from the American

Rescue Plan, which is currently lowering health insurance premiums for millions of Americans.

The American Rescue Plan ensures everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they enroll through an Affordable Care Act marketplace like Covered California. However, the law is currently set to expire at the end of 2022.

“The American Families Plan would ensure lower premiums for millions of Americans for the long-term,” Lee said. “The proposal would make permanent the new and expanded subsidies that are available right now, which stand to improve the lives of 2.5 million Californians and 25 million Americans.

“Thanks to the leadership of President Biden and Congress, consumers are currently experiencing significant premium savings that will ease their financial burdens and allow them put money back into our economy.

“We have heard from a retired firefighter and his wife who will save $1,000 a month; a small business owner who will be able to expand his operations; and a family who says their savings mean they can put their children into a junior lifeguard program this summer.

“Making these savings permanent will help more Californians, and more Americans, get covered and stay covered during this pandemic and recession and beyond,” Lee said.

“While the American Families Plan will need to work its way through Congress, it’s important to note that Californians can get these savings now,” he said. “Covered California is in the early days of a special-enrollment period, and this Friday marks the first deadline for consumers to sign up for coverage and begin saving.

“Many people will be able to get high-quality coverage for as little as $1 per month, while others will be able to save hundreds of dollars off what they are paying now. Do not miss out — the sooner you sign up, the sooner you can start saving and be covered. We don’t want any Californians to be uninsured or leave money on the table.”

Covered California is currently holding a special-enrollment period to allow the uninsured, and those insured directly through a health insurance carrier, to sign up for coverage and begin benefiting from the lower premiums. While the special enrollment period runs through the end of the year, consumers need to enroll by April 30 if they want to maximize their savings and have coverage that starts on May 1.

Consumers currently enrolled in Covered California will not need to take any action in order to receive the new benefits.

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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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CoveredCA: Enroll By April 30 To Be Covered May 1
Staff

Covered California's new special-enrollment period is underway to allow millions of Californians to benefit from lower monthly health care costs available through the American Rescue Plan. This new special enrollment period runs through Dec. 31, and consumers who enroll by April 30 will see lower premiums for their health coverage beginning on May 1.

The new American Rescue Plan, also known as the COVID economic relief package, is expected to help an estimated 2.5 million Californians, including those without health insurance and people enrolled directly through a health insurance carrier, by injecting $3 billion into the state's economy to lower health care costs. The ability to have access to quality health coverage is more important than ever before during this age of COVID-19, especially for African Americans and other people of color who are most likely to get infected, hospitalized, or die from the virus.

Many Californians will now be able to get a quality, name-brand health plan for as little as $1 per month or richer benefits for less than $100 per month, but only if they sign up for health coverage through Covered California. In addition, consumers who are directly insured through a health insurance company can switch to a Covered California health plan and could save up to $700 per month on their health coverage — giving them savings of thousands of dollars annually.

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INLAND VALLEY NEWS
News from the Heart of the Inland Valley | Since 1992

Covered California’s Special Enrollment Underway to Sign Up for Lower-Cost Health Plans
Staff

Covered California’s new special-enrollment period is underway to allow millions of Californians to benefit from lower monthly health care costs available through the American Rescue Plan. This new special enrollment period runs through Dec. 31, 2021, and consumers who enroll by April 30 will see lower premiums for their health coverage beginning on May 1. Enroll by April 30 to be covered by May 1.

The new American Rescue Plan, also known as the COVID economic relief package, is expected to help an estimated 2.5 million Californians, including those without health insurance and people enrolled directly through a health insurance carrier, by injecting $3 billion into the state's economy to lower health care costs. The ability to have access to quality health coverage is more important than ever before during this age of COVID-19, especially for African Americans and other people of color who are most likely to get infected, hospitalized, or die from the virus.

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Deadline for Covered California's More Affordable Plans Quickly Approaching
Karla Rendon-Alvarez

San Diego County residents looking for a more affordable health insurance plan have one more day to sign up just for that as Covered California's deadline quickly approaches.

Thanks to the American Rescue Plan, a $1.9 trillion White House initiative to reverse inequities and hardships brought upon to residents by the coronavirus pandemic, residents of the Golden State can get more affordable health insurance. The plan set aside $3 billion so Californians could get lower health care costs.

The deadline for the reduced health insurance enrollment is Friday, April 30, with benefits kicking in immediately beginning the next day. Roughly 2.5 million Californians are eligible for the lower health care costs, according to the health insurance marketplace.

Anyone is currently uninsured, which includes about 70,000 San Diegans, may benefit from the reduced costs. In some cases, households could get health insurance for as much as $1 a month. Californians who are buying insurance on their own without an employer can keep their plan and still may be able to save money.

The new subsidies are only going to be available through December 2022 to people who buy coverage through a health insurance exchange.

Covered California has three coverage options that range in premium and out-of-pocket costs. Its website has helpful tools to guide interested individuals on making a decision best for them.

Anyone interested in applying for Covered California, or anyone interested in seeing how much they could potentially save, can click here for more information.

San Francisco BayView
National Black Newspaper

Brand-name health plans as low as $1!
Staff

With more financial help than ever, Covered California has launched a new special enrollment period to sign up for health insurance, touting $3 billion in extra federal support to help more Californians afford and keep their health coverage. According to Covered California, African Americans and other people of color will be among the primary targets to benefit from this new round of financial help.

People who are currently uninsured or insured directly through a health insurance company can sign up now with Covered California and see lower monthly health care premiums than ever before. Many people could get a quality, brand-name health insurance plan for as little as $1 per month, while others could save hundreds of dollars a month if they switch their coverage to Covered California.

The lower premiums are the result of the American Rescue Plan, the landmark federal response to the COVID-19 pandemic recently approved by Congress and signed into law last month by President Joe Biden. The new law provides new and expanded financial help to people who get health insurance coverage through Covered California.

An estimated 2.5 million Californians – especially lower- and middle-income consumers – could be eligible for expanded financial help to greatly reduce their monthly health care costs, including people currently uninsured, consumers who are buying coverage directly from an insurance carrier and Covered California's existing members.

"This new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering health care premiums, and for many, putting money back into their pockets," said Peter V. Lee, executive director of Covered California.

Covered California's campaign for special enrollment will reach every community in the Golden State, with an emphasis on African American, Hispanic, Asian communities, which represent the groups hit hardest by the COVID-19 pandemic and recession.

“The new financial help is only available through Covered California, and if you sign up by May 31, you will find big savings by June 1. You owe it to yourself to check if you benefit – and the sooner you sign up, the more you can save.”

That is good news to Manny Otiko, a freelance writer in Southern California. Otiko has worked in the media for more than 20 years as a journalist and a public relations professional.

“After being hit with an $8,000 bill for a kidney stone, I learned the hard way that it’s better to have insurance than not have insurance,” Otiko said. “The good thing about Covered California is the price is affordable. I had looked before, and the plans were out of my range. Now Covered California fits my budget.”

Now enrolled, the American Rescue Plan will lower Otiko’s monthly health care premium by nearly $100 per month, and that’s on top of him already saving about $200 every month with financial assistance from Covered California to lower his health care costs.

Covered California also launched a new advertising campaign for special enrollment that it says will reach every community in the Golden State, with an emphasis on African American, Hispanic, Asian communities, which represent the groups hit hardest by the COVID-19 pandemic and recession. This new campaign will use television, radio, print and digital advertising to reach communities of color statewide.

In addition to multicultural media efforts, Covered California will emphasize specific ethnic markets and media channels to reach more African Americans, Hispanics, Asians. Tentative Covered California ethnic outreach strategies include partnering with popular DJ personalities on top-rated radio stations to encourage consumers to enroll.

Covered California will also use its community Navigator organizations on the ground to spread the word and engage with local clinics and COVID-19 vaccination sites, work with community assistance programs like food banks, and participate on social media sites used by African Americans and other people of color.

Those interested in learning more about their health coverage options through Covered California and Medi-Cal can:

- Visit www.CoveredCA.com.
- Find local help from insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.

- Get a call from certified enroller. Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

California Healthline

Covered California Says Health Insurance Just Got Too Cheap to Ignore
Bernard J. Wolfson

If you are uninsured because health coverage seemed too expensive the last time you looked, it’s time to look again.

A new federal law could make it a whole lot cheaper to buy your own insurance if you don’t get coverage through an employer or a government insurance program such as Medicare or Medicaid.

The law, the American Rescue Plan, provides billions of federal dollars to reduce premiums for people who buy their coverage through the insurance exchanges established by the Affordable Care Act.

The aid expands a federal tax credit created by the ACA that you can take upfront as a discount on your premium or claim when you file your taxes the following year. It is not available for those who buy individual or family policies in the open market outside an ACA exchange. So, if you are in an off-exchange health plan, you might save a lot of money by switching to one inside the exchange.

Covered California, the state’s ACA exchange, opened a special enrollment period on April 12 for people who want to take advantage of the new aid by enrolling or switching coverage. The period runs through December — 4½ months later than the Aug. 15 special enrollment end date on the federally run exchanges.

Covered California estimates the new money will reduce its customers’ monthly premium bills by an average of $180 per household. Nearly 90% of Covered California enrollees already get financial aid, and many will now get more. Some enrollees who didn’t previously qualify for tax credits may now be eligible.

Darci Gutierrez, an insurance agent in Dublin, California, says a client with a large family saved $425 a month on a Blue Shield PPO at the silver tier — the second-lowest level in the ACA’s four-tier system of coverage.

“I was shocked at the amount of reduction in cost. I was like, ‘Holy cow,’” Gutierrez says.

The additional federal aid is slated to stop after 2022, which means your insurance could cost you more after that. But there is talk in Congress about extending the enhanced tax credits for longer.

The new law follows the lead of California, which provided groundbreaking state-funded tax credits starting last year to augment the ACA credits and push eligibility for aid well into the middle class. The new federal dollars will provide assistance even further up the income scale.

Covered California estimates 100,000 consumers with incomes too high to qualify for federal or state credits under prior law will now be eligible for subsidies averaging $500 a month per household.

The share of the new money going to California could be about four times as much as those state-funded subsidies and will completely replace them, saving the state about $761 million this fiscal year and next.

The newly enhanced federal tax credits take effect with coverage that starts May 1. To get coverage for the first of any month, you need only sign up by the day before.

If you are currently enrolled in Covered California, you can keep your plan and take the savings, or you could shop around and save even more — or switch to a higher level of coverage without increasing your monthly bill.

“It’s critical that anybody who buys coverage as an individual take a look, because they may be leaving hundreds if not thousands of dollars on the table,” says Anthony Wright, executive director of Health Access, a Sacramento-based consumer advocacy group.

The new law, signed by President Joe Biden in March, also allocates money to provide virtually premium-free coverage — in 2021 only — for anyone, regardless of income, who receives unemployment benefits at any point during the year.

California is projected to get about $3 billion of the new federal money. Officials at Covered California think the state can get even more, and the exchange is spending more than $20 million on a television, radio and social media advertising blitz to drum up business. It is targeting in particular the approximately 810,000 uninsured Californians who are eligible for federal support under the new law.

“We need to rattle uninsured people to look again and realize this is new and different,” says Peter Lee, Covered California’s executive director. “If they think it’s just the same old same old, they ain’t going to check.”

Covered California is also marketing itself to an additional 270,000 people who are enrolled in health plans outside the exchange and would qualify for subsidized coverage if they switched to Covered California.

In an example used by Covered California in its promotional campaign, an Oakland couple making $77,580 a year, both 45 years old, pay the full monthly premium of $1,271 for a silver plan outside the exchange. By switching to the same plan in Covered California, they would pay only $550 — a monthly saving of $721.

If you are a current enrollee, Covered California — unlike the federally run exchanges — will automatically calculate your lower premium, and you will see a credit for May on your June bill. You will also reap that saving retroactively for the first four months of 2021 in the form of an additional premium reduction, in equal monthly installments, over the rest of the year.

If you are uninsured or in an off-exchange health plan, however, you need to take action. The money won’t just come to you. Research your options and enroll.

To find out if you qualify for federal assistance, log on to www.coveredca.com.

Click the “shop and compare” button to find the health plans available to you in your area, along with the monthly premium you will pay after your tax credit.

You can also click a button to get a call from a licensed health insurance agent who can help you figure it all out — without charging you. If you don’t have a computer, call Covered California at 800-300-1506.

In contrast to the federally operated exchanges, Covered California requires that people switching from off-exchange health plans into exchange-based ones be allowed to apply any deductible paid so far this year against the new policy, as long as they don’t change insurance companies. That flexibility also applies if you are exchanging one Covered California plan for another, but with more restrictions, so ask your health plan before you make any changes.

If you are coming to Covered California from the open market, it should be easy to keep doctors you like, since most off-exchange plans mirror ones in Covered California and have the same networks. But there are cases in which you would not be able to keep your doctors, so be sure to ask your insurer about it before making a final decision.

Another notable feature of the new federal tax credits is that they no longer carry upper-income limits for eligibility. Instead, the amount people pay in premiums is limited to a fixed percentage of their income, ranging from zero for low-income consumers to 8.5% for the most affluent.

For the 2020 tax year, the new law overrides a requirement that consumers whose incomes exceeded their original estimate pay back any subsidy amounts to which they are not entitled.

Tom Freker, an insurance agent in Huntington Beach, California, says one of his clients made a big profit on a property sale last year, which raised his income to a level that would have required paying back the $10,000 subsidy he received in 2020.

"But the new American Rescue Plan waived that repayment," Freker says. "That's a big deal."

Los Angeles Times

Editorial: A golden opportunity to narrow California's racial health disparities
Editorial Board

The COVID-19 pandemic brought into sharp relief one of the maladies of the U.S. healthcare system: White patients routinely fare better than nonwhite ones. The industry calls this a disparity in outcomes, and policymakers have been working for years to narrow the gap — only to have the pandemic highlight just how wide it continues to be.

Black, Latino and Asian Americans who contracted the coronavirus were hospitalized at far higher rates than white Americans, and they died at significantly higher rates too, a study of patient records by the Kaiser Family Foundation found. This translated into a reduction in average life expectancies of more than two years for Black Americans and more than three years for Latinos — multiple times worse than for whites, according to estimates published by the National Academy of Sciences in February. In one fell swoop, the disease erased more than a decade of progress made in narrowing the racial gap in life expectancies for Black Americans, while reducing the mortality advantage enjoyed by Latinos by more than 70%.

California now has a rare opportunity to force health insurers to do more to improve the care that low-income people receive through Medi-Cal, the state's version of Medicaid. More than a third of the state's residents are covered by Medi-Cal, and more than 2 of every 3 enrollees are people of color. Put another way, more than 40% of Black and Latino Californians and more than 20% of Asian Americans in the state are served by Medi-Cal; improving their outcomes would go a long way toward narrowing the racial gap in healthcare.

The vast majority of Medi-Cal enrollees are covered by managed care systems (think HMOs) operated by private insurers. This year, the state Department of Health Care Services will start negotiating a new set of contracts with those insurers, the first time it has ever done so on a statewide basis. It can use those contracts to focus attention on the disparity in outcomes and drive insurers, doctors, hospitals and other healthcare providers to confront it.

The Medi-Cal contracts determine how much insurers will be paid annually per enrollee, while also specifying what each of them must offer — for example, mandating that provider networks be large and broad enough to ensure that enrollees can get the treatments they need when they need them, at least in theory. As The Times reported last year, however, the standards aren't always enforced; wait times for specialists can be egregiously long in the L.A. County health system.

That's why it's crucial for the new state contracts to pay attention to outcomes — how patients actually fare — not just to the services offered. And beyond that, the state needs to push insurers to identify and address the forces causing the disparity in outcomes.

That starts by collecting the data needed to track the demographic differences in who gets treatment, when they get it and how it turns out. Like Medicaid programs around the country, Medi-Cal collects a lot of information about the quality of care delivered, and it promotes such things as improved chronic disease management and reduced infections in hospitals. But an extra step is needed: diving deeper into the data to find significant gaps between white and nonwhite patients, then exploring what's causing them.

For example, better data collection might show that a high percentage of the female patients over age 50 have access to mammograms, which is a good thing. But further examination might also reveal a large gap between Black and white enrollees' screenings. Insurers would then have to determine what caused the difference and how to address it.

Granted, there's only so much an insurer can do to improve its customers' health. Factors well beyond the reach of the healthcare system have an enormous influence, especially for the extremely low-income people served by Medi-Cal. Access to healthy food, good housing and reliable transportation, not to mention clean air and water, may all be problematic. Employment can be a key factor too; during the pandemic, many Medi-Cal enrollees held or had family members who held essential jobs that could not be performed remotely, which is why they were more frequently exposed to the coronavirus.

Yet given the right incentives, insurers can expand the scope and reach of their services to help mitigate some of these factors. For example, over the past year the industry has come up with ways to perform an increasing array of healthcare services remotely. Why not push insurers to help enrollees sign up for subsidized broadband services? Or why not demand more collaboration with housing and nutrition programs?

If the state needs a road map for how to use contracts with insurers to attack disparities in outcomes, it should look to Covered California, the state's Obamacare insurance exchange. All 11 insurers selling coverage through the exchange are required to identify disparities in care related to four widespread and serious conditions — diabetes, high blood pressure, asthma and depression — and then come up with ways to narrow the gaps. Thus far, those efforts have included holding outreach events and bringing mobile care units to communities with higher levels of risk, rather than waiting for those enrollees to reach out for help.

When Covered California issued a report on its quality initiatives in December 2019, it included one important caution. Across insurance plans, the report said, "racial and ethnic disparities are generally smaller than the differences in quality." In other words, there's a disparity between insurers too, and the state can't lose sight of that as it tries to close the racial healthcare gap.

The state has a unique opportunity now to give insurers a financial incentive to narrow the disparity in outcomes. That means setting clear goals in the contracts for improving outcomes in specific areas, then holding insurers accountable for doing so. The state and federal governments funnel an enormous amount of money through insurers to pay for Medi-Cal patients' care. It's time to apply that leverage to the disparities that COVID-19 made painfully clear.

California mulls letting adults add parents to health plans
Adam Beam

SACRAMENTO, Calif. (AP) — California could become the only state to let adult children add their parents as dependents to their health insurance plans, a policy proposal aimed at increasing insurance coverage among low-income people living in the country illegally who aren't eligible for government-funded coverage.

Former President Barack Obama's health law let parents keep their adult children on their health plans until at least age 26, a change that helped millions of young people transition to adulthood as jobs were scarce after the Great Recession. That change was so popular that many states have gone further and let adults keep their children on until age 30.

Now, California could do the same for older people who are transitioning into retirement after the pandemic. A proposal in the state Legislature authored by Assemblyman Miguel Santiago passed its first committee hearing on Tuesday. If it becomes law, California would be the only state that allows this, according to the state Department of Insurance.

Supporters, including Insurance Commissioner Ricardo Lara, say it will save families money by, among other things, limiting their expenses to one shared out-of-pocket maximum limit.

"When we were young, our parents were there for us and took care of us," Lara said. "Now we can take care of them when they need it the most."

But business groups say adding lots of older people to their large group insurance plans will just drive up their already skyrocketing premium costs. Employer premiums would increase between $200 million and $800 million per year, depending on how many people sign up. The result, they say, would be higher health care costs for everyone.

"(This bill) will exacerbate the health care affordability issue and strain struggling small employers' budgets at a time when they are finally beginning to recover," said Preston Young, a policy advocate for the California Chamber of Commerce.

The bill would not be an open invitation for parents to ditch their health insurance plans to join their children. To be eligible, parents would have to meet the Internal Revenue Service's definition of a dependent, meaning they rely on their children for at least 50% of their support.

But some Democrats are concerned its increased costs for employers and their employees could ultimately prevent it from passing. Assemblyman Jim Wood, a Democrat from Santa Rosa and chairman of the Assembly Health Committee, voted for the bill on Tuesday but said he was "torn."

"I think the bill is likely to increase health care access and may offer affordable coverage options," he said. "But I feel like there may be more work that needs to be done here to figure out what the cost increase means to employers and ultimately employees."

Supporters have framed the bill as a way to increase health care coverage among the state's uninsured population, which is made up mostly of people who are living in the country illegally and are not eligible for government-funded insurance programs like Medicaid and Medicare. Those people also aren't eligible for federal assistance to purchase private coverage through Covered California, the state's health insurance exchange.

But it's not clear how many parents would join their kids' insurance plans if they had the option. An analysis by the California Health Benefits Review Program estimates between 20,000 and 80,000 parents would do it.

It's hard to predict because, later this year, state lawmakers could expand state Medicaid benefits to include adults 65 and older who are living in the country illegally. If that happened, many families might prefer their parents take that option instead of joining their health insurance plans because it wouldn't cost them anything.

Another risk for employers would be parents who live outside the United States moving to the country to live with their children to get coverage.

"The opportunity to receive care in the US would be very attractive, especially for those with high-risk conditions," the analysis said.

Lara's office dismissed that concern, saying "this is always an argument that is raised whenever we expand health care options." Since 2016, California's Medicaid program has covered children living in the United States illegally. The state has not seen a corresponding increase in immigrants coming to the state.

“The reality is that expanding health care choices helps Californians, pure and simple,” Lara’s office wrote in an email to The Associated Press. “The existing requirement in state law that someone ‘live, work and reside’ in California would apply.”

THE SACRAMENTO BEE

California gig workers are entitled to a new health care subsidy, but many go uninsured
Jeong Park

California drivers for Uber, Lyft, DoorDash and other app-based companies are eligible for a health insurance stipend stemming from the ballot initiative voters approved last fall exempting those companies from a new state labor law.

But only 15% of the drivers polled have applied for the stipend, months after the ballot measure became law, according to a survey released Thursday and commissioned by SEIU 721.

The union was among the labor organizations last fill fighting the ballot initiative known as Proposition 22. SEIU also sued the state in February to overturn the initiative.

The union survey found that the drivers face several obstacles, such as figuring out what insurances qualify for the subsidy, as well as navigating through information from the companies that the workers found lacking or confusing, said Ben Tulchin, a pollster for the survey.

“Those gig companies say we’ll provide health benefits to workers,” Tulchin said. “But the way it was written means it’s very difficult for workers to qualify for it.”

Newsom Recall Watch with Lara Korte
Keep up with Newsom recall news via text, for just $4 a month: Get an inside look at the campaign and what Newsom is doing to fend off challengers.

In a statement, spokesman for a coalition of gig companies and community organizations supporting Prop. 22 said thousands have started getting the health care stipend and more will sign up as app-based work rebounds.

“App-based platforms have all extensively communicated with drivers about the new benefit, how to qualify for the stipend, and how to apply,” said Geoff Vetter, spokesman for the Protect App-Based Drivers & Services Coalition. “The reality is that 80% of drivers work fewer than 20 hours per week and the majority work less than 10 hours per week. Most of these drivers have other jobs that provide benefits like health care."

Workers who spend at least 15 hours a week on average driving and picking up passengers or food qualify for a quarterly stipend of more than $600, about 40% of the average premium for a Covered California Bronze plan. For workers spending at least 25 hours, the stipend doubles.

But there's a catch: Drivers need to get and show a proof of health insurance within a certain time frame prior to applying for the stipend. Also, drivers can't get the stipend if they get health insurance through Medi-Cal, Medicare, or other employers.

The survey found that of the 501 app-based drivers polled through worker groups Mobile Workers Alliance and We Drive Progress, only about a fifth of them were aware of the need to submit a proof of enrollment. Only 17% of those polled said they feel the companies have given them enough information about how to apply for the stipend.

Despite the stipend, nearly a third of those polled said they remain uninsured, according to the survey.

"Something has to change dramatically," Tulchin said.

Jerome Gage, 29 in Los Angeles and a volunteer organizer with Mobile Worker Alliance, was one of the respondents. While he said he was able to get the stipend, it was only for about $600, and only after his proof of insurance was rejected twice for "missing information," he said.

"They didn't make the process easy, and I think it's by design," he said. "It's a pain in the butt."

CAL MATTERS

American Rescue Plan provides billions for a down payment toward racial equity
Kiran Savage Sangwan

After a long, hard year, hope is on the horizon. The arrival of the COVID-19 vaccine allows us to glimpse the welcome possibility of reopening our economy and our schools.

While we celebrate more Californians being vaccinated every day, Black and Latino communities continue to be significantly under-vaccinated and there is little perceptible improvement over time.

Just as we cannot yet declare victory over the pandemic, we cannot let up our fight for equity now. COVID-19 has only affirmed that racism is the most pressing public health crisis of our time.

The pandemic has clearly exposed two California's – the California where those with access to resources have comfortably sheltered in place and quickly queued up for vaccines, and the other California where Black and Brown communities have, at great personal risk, kept our economy running while being denied basic health and economic opportunity.

We cannot have an equitable pandemic recovery if we do not take bold steps to address the underlying inequities.

The federal American Rescue Plan Act, signed by President Joe Biden on March 11, provides California, along with all our county and city governments, with an unprecedented opportunity to make a $42 billion down payment on equity. Every one of these federal dollars – generated by taxpayers, including all Californians – should be allocated by the state government, and every local government, with a racial equity lens.

Here are 5 key proposals that the Legislature and governor should advance, using the American Rescue Plan Act dollars as an initial investment:

Ensuring universal access to health care: With this investment, universal coverage can be a reality in California. We should fully fund Medi-Cal and Covered California in order to provide health insurance to all Californians, regardless of immigration status or ability to pay. We have the ability, the public support, and the growing political will to move beyond slogans to actually making this a reality.

Tackling the looming mental health crisis: The trauma and loss wrought by COVID-19 is likely to leave Californians with an incredible mental health toll, particularly in communities of color. Mental health is a right. We should fund mental health infrastructure sufficient to ensure that every Californian has regular access to dignified, culturally appropriate mental health services.

Building the health care workforce of tomorrow: The health care system of tomorrow will only advance equity if it is community-driven. This means investing in a transformed health care workforce through new educational opportunities for low-income youth of color and Californians facing unemployment to have health care careers. Not only must we diversify our health care workforce, but we must do so by creating economic opportunities for the communities that have been most impacted by the devastating economic impacts of the pandemic.

Bolstering public and community health: Over the last year, communities of color bore the consequences of decades of defunding public health. We must turn the page on this history and protect our communities with a public health infrastructure that is not only able to effectively tackle infectious diseases, but one that builds strong and healthy communities by addressing the social determinants of health and partners with health plans, hospitals, physicians, nurses and other health care providers on focusing on prevention and optimizing community health, not just paying for the costs of preventable diseases.

Confronting racism: California should formally commit to confronting structural racism by declaring racism to be a public health crisis and investing $500 million in a California Racial Justice Innovation Fund. The fund would serve as a catalyst for statewide change, investing in bold ideas, systemic reforms and community needs that explicitly root out racial injustice throughout our state.

While the American Rescue Plan provides one-time relief, California can sustain these investments by implementing a more equitable tax structure that requires the richest Californians to pay their fair share and by divesting from the carceral system.

According to the California Budget and Policy Center, California loses $13.3 billion annually through corporate tax loopholes and wastes more than $20 billion on prisons, jails and policing, according to the Public Policy Institute of California.

Equity means a fundamental shift in power and resources. Let’s show our commitment to a new tomorrow by making this $42 billion down payment today.

The Washington Post
Democracy Dies in Darkness

Biden faces pressure from Pelosi, Sanders over whether to double down on Obamacare or expand Medicare
Jeff Stein

The White House is facing diverging pressure from two powerful allies — House Speaker Nancy Pelosi (D-Calif.) and Senate Budget Committee Chairman Bernie

Sanders (I-Vt.) — over whether to use an upcoming spending package to strengthen the Affordable Care Act or expand Medicare eligibility.

Pelosi's office is pushing the White House to make permanent a temporary expansion of Affordable Care Act subsidies that were included in the $1.9 trillion stimulus legislation last month, according to a senior Democratic aide who spoke on the condition of anonymity to describe internal conversations.

Sanders said in an interview that he is arguing for lowering the age of Medicare eligibility to 55 or 60 and expanding the program for seniors so it covers dental, vision and hearing care.

The contrasting visions for the next phase of President Biden's legislative agenda reflect divisions within the Democratic Party about how Biden should further overhaul health insurance in the United States. Pelosi is looking to double down on the ACA, which has become more popular in recent years as it offers insurance subsidies to people well above the poverty line. Sanders, meanwhile, is looking for an opportunity to make progress on his longtime efforts to make government health insurance universal.

Either approach would offer more health insurance to lower-income Americans. But the choice facing Biden will allow him to decide whether he wants to continue to focus on the ACA, which operates largely through private insurers, or use political capital on a government-run program.

The pressure comes as the White House works to formulate what it is calling the American Families Plan, a sequel to the infrastructure and jobs plan announced last month. The new program, which is likely to be focused on child care, higher education, anti-poverty initiatives and health care, is expected to propose cutting spending on prescription drugs by as much as $450 billion over 10 years.

That money, in turn, could be used for the health insurance expansions. White House officials have not said which direction they will pursue. A White House spokesman declined to comment.

"We cannot continue to deal with millions and millions of seniors — primarily low-income seniors — who cannot afford to go to a dentist, so cannot ingest the food they eat, or the millions of seniors who live in isolation because they can't hear," because they cannot afford hearing aids, Sanders said in an interview. He declined to discuss the push from Pelosi, but he said, "It is fair to say there are differences of opinion as to how we prioritize health-care needs."

The divergent paths charted by Pelosi and Sanders point to one of many underlying tensions within the Democratic Party that the White House is being forced to navigate as it figures out its next major agenda item.

The path to passing either plan remains steep. Congressional lawmakers are just now taking up Biden’s $2 trillion jobs and infrastructure plan, which has faced a barrage of criticism from congressional Republicans and some centrist Democrats. The appetite in Congress for yet another $1 trillion or $2 trillion effort on top of the infrastructure package is unclear, although liberals in the Congressional Progressive Caucus have called for trying to move the two plans in unison.

Congressional Progressive Caucus Chair Rep. Pramila Jayapal (D-Wash.) says the group's policies push the Democratic Party left, despite moderate power brokers. (Blair Guild/The Washington Post)
Still, the early jockeying reflects how Democrats are already looking to the next legislative fight, as well as friction within the party over how best to expand health care.

Democratic leaders have celebrated the durability of the ACA, which has withstood more than a decade of criticism from congressional Republicans and seen its popularity rebound. The White House also has trumpeted figures showing that as many as 500,000 Americans have enrolled in the ACA exchanges during a special enrollment period the Biden administration created.

Asked by a reporter on Thursday about making the ACA expansion permanent, Pelosi cited the Biden administration’s pending families plan and the $500 billion that could be saved for “further expanding access to health care.” She also kept the door open to other forms of health-care expansion, saying the savings “could be used for other purposes,” too.

For Sanders, however, Biden has a unique opportunity to expand on the $1.9 trillion stimulus plan by offering tangible economic benefits to millions of older voters. Sanders helped popularize the single-payer proposal that would enroll every American in Medicare, and lowering the eligibility threshold represents a step in the direction of universal government-provided insurance.

“Some Democrats are all in on solidifying the Affordable Care Act, while progressives want to use their majority to push the health agenda further in the direction of Medicare-for-all,” said Larry Levitt, executive vice president for health policy at the Kaiser Family Foundation, a nonprofit organization.

As a presidential candidate, Biden campaigned on introducing a public option through which Americans could enroll in a government health system, as well as making the ACA subsidies more generous.

But the “unity task force” between Sanders and Biden aides after the 2020 primary produced policy recommendations that included dropping the Medicare enrollment age from 65 to 60. The task force report also said that gaps in dental, vision and hearing services “can lead to severe health consequences for Medicare patients” and stressed that “Democrats are committed to finding financially sustainable policies” to close those gaps.

The expected White House support for the prescription drug effort has helped create an opening for debating how Democrats want to expand health care. As The Washington Post previously reported, the administration is planning to include a measure to force pharmaceutical companies to reduce their prices or pay a steep penalty. Those plans are likely to be similar to the prescription drug bill House Democrats introduced in 2019, although its exact scope remains unclear.

The nonpartisan Congressional Budget Office has estimated that the House Democrats’ bill would save the government about $450 billion over the next decade. It does so by lowering the cost of prescription drugs, which allows the government to spend significantly less on Medicare and other public health programs.

Under House Democrats’ proposal, these savings are redirected to expand Medicare to cover costs for dental, vision and hearing care through Medicare, while also limiting yearly out-of-pocket spending on prescriptions to $2,000, said Alex Lawson, executive director of the advocacy group Social Security Works, which supports the prescription drug reform.

Congressional aides say the savings may be smaller if Democrats, as expected, are forced to pass the measure through the parliamentary procedure known as budget reconciliation.

Conservatives said the United States should use any easily recouped savings to help pay down the existing federal debt. Even passing the measure may be difficult, given warnings from powerful pharmaceutical groups that it would stifle innovation around lifesaving drugs.

“Any low-hanging-fruit budget savings should go to addressing the baseline deficit of $15 trillion,” said Brian Riedl, senior fellow at the Manhattan Institute, a conservative-leaning think tank. “If there’s $500 billion in heath-care savings, shouldn’t we be using that to pay for the programs we already have?”

Others played down the extent of the divisions. The disagreement about the policy direction has not been described by aides as acrimonious, and there may be room for a compromise that incorporates elements of both plans.

“Either one would be a blessing. There’s good arguments for both,” said Harold Pollack, a public health researcher at the University of Chicago, of the bids by Sanders and Pelosi. “I hope Democrats coalesce around whichever is most politically feasible and get it done.”

Biden’s rescue plan included expanded subsidies for very poor Americans and also extended them to those whose income is above 400 percent of the federal poverty level. That cost about $45 billion for two years, according to the Committee for a Responsible Federal Budget, a nonpartisan group.

“There’s been a robust conversation in the health-care [space] about the best uses of the savings,” said Leslie Dach, an Obama administration health official who is now chair of Protect Our Care, which advocates ACA expansion.

Dach said focusing on expanding the ACA delivers “the most health care for the buck,” noting that having insurance throughout one’s life improves long-term health outcomes. “Getting those folks covered really delivers a lot of health care, particularly to communities of color. … There’s a sense the ACA and Medicaid, which get people in the program early, have a lot of benefits.” Dach said there is also agreement on limiting out-of-pocket drug costs for Medicare enrollees.

Still, some advocacy groups are adamant that Biden increase the scope of public health programs, rather than putting more funding into plans that run through private health insurers.

Lawson said it was a “no-brainer” for Biden to demonstrate to seniors, a crucial voting demographic, that he was working on their behalf.

About half of Americans ages 65 to 80 lack dental insurance, according to University of Michigan researchers. As many as 23 million Americans would newly qualify for health insurance if the Medicare enrollment age is lowered to 60, Sanders’s office said in a statement, adding that half of Medicare recipients have not seen a dentist over the past year.

“Before the next election, we need the American people — and particularly seniors, who have suffered so much during this pandemic — to see that this government is working for them,” Lawson said. “People would get hearing aids, get their teeth checked, before the next election. That will show them Biden is on their side. Democrats have to deliver for seniors if they are going to win.”

AXIOS

Most uninsured Americans are already eligible for coverage
Caitlin Owens

Most uninsured Americans are already eligible for Medicaid or subsidized Affordable Care Act coverage.

Why it matters: One path to universal health coverage would involve signing millions of Americans up for insurance that's already available to them, and some states are pursuing that goal.

By the numbers: After Congress temporarily expanded eligibility for ACA subsidies earlier this year, 63% of uninsured Americans are now eligible for free or subsidized plans, per a KFF analysis.

A quarter are eligible for Medicaid or other public plans, and 38% are eligible for ACA tax credits.

But there's wide variation by state, with far fewer people eligible for coverage in states that haven't expanded Medicaid.

Driving the news: Maryland, Colorado and Virginia have passed "easy enrollment" laws, which let residents opt into sharing their tax information with their state's exchange. The exchange can then determine whether they're eligible for free or low-cost coverage.

“The core intuition is that tax filing is really the best possible moment to find the eligible uninsured and enroll them into coverage," said Stan Dorn, director of the National Center for Coverage Innovation at Families USA.

Between the lines: "Easy enrollment" moves a step closer to some advocates' ultimate goal — automatically enrolling people who are eligible for free coverage.

“If you had automatic enrollment for everybody who has free coverage offered to them, then you could cover half of the uninsured," Dorn said, citing a recent KFF analysis.

What we're watching: "Even without auto-enrollment, I think timing open enrollment to tax season could go a very long way toward reducing the number of uninsured," said KFF's Cynthia Cox.

"H&R Block and Turbo Tax systems could be easily programmed to alert uninsured tax filers that they are likely eligible for free or reduced-cost health plans and show them where to go to sign up," she added..

Bloomberg LAW

Fight Over Novel Health Plan Threatens Obamacare Protections
Lydia Wheeler

A case before a federal appeals court that challenges a new type of employee health plan has insurers and state regulators worried about its potential to create an end-run around Obamacare and state insurance regulations.

The U.S. Labor Department is fighting back against a decision from a federal judge in Texas that allowed two companies to offer health plans to individuals who agree to have their internet activity tracked and sold.

If upheld by the U.S. Court of Appeals for the Fifth Circuit, opponents say the ruling could open the door for junk health plans that undermine the Affordable Care Act, evade state insurance regulations, and drive up the cost of premiums by pulling the healthiest people away from the federal marketplace.

Companies would be able to offer consumers plans that are stripped of federal and state insurance protections, said Kris Haltmeyer, vice president of legislative and regulatory policy for the Blue Cross Blue Shield Association. The association filed a rare friend-of-the-court brief supporting the Labor Department in its appeal.

“Importantly, they would also be deprived of state authority to regulate these entities and to ensure they can pay the claims that they promised to,” he said.

Bounds of ERISA
Under the arrangement, individuals who agree to become “limited partners” of Data Marketing Partnership LP and agree to have their internet activity tracked can join an employee-health plan.

The district court ruled these individuals are “working owners” and compelled the Labor Department to deem the insurance plan they’re joining a single-employer health plan under the Employee Retirement Income Security Act (ERISA).

Large employer plans under ERISA are preempted from state regulations, and they aren’t required to offer the same 10 essential health benefits that individual and small group plans have to offer under the ACA, or insure people regardless of a pre-existing condition.

What’s being offered is a company health plan for a startup data company that’s trying to be the next Google or Facebook, said Jonathan Crumly, an attorney with Taylor English Duma LLP who represented the companies in the district court proceedings.

“The structure is 100% legal within the bounds of ERISA,” he said in a interview with Bloomberg Law.

In a statement, Randall Johnson, a representative of L.P. Management Services, said the companies needed to provide a benefit to attract individuals to work in order to grow its user base and reach profitability. L.P. Management Services, which is named in the litigation, is the general partner that’s responsible for the business operations of the partnership between Data Marketing Partnership and the individuals who sign on as limited partners.

“To do this, we turned to a group of health benefit experts to build out group health plans that provide a full menu of coverages that are all subject to ERISA regulation and are fully reinsured,” he said. “Our companies are equal opportunity employers and we do not discriminate in who can be employed or join as a partner nor do we discriminate in who is eligible to participate in the group health plans.”

But the Labor Department says these “limited partners” are not employees under ERISA.

At least one state has already received consumer complaints and taken action against this type of arrangement. The Washington Insurance Commission sent cease-and-desist letters in March to two affiliated companies—Data Partnership Group and American Partnership Group LP—and fined them $25,000 and $50,000, respectively, for violating state insurance laws.

L.P. Management Services is a general partner of the two companies, which operate similarly to Data Marketing Partnership, Crumly said.

With the cease-and-desist letters, Washington “made the fundamental mistake of ignoring the trial court’s decision,” he said. “They don’t have jurisdiction.”

Crumly, who is representing the companies in the Washington matter, said he’s planning to appeal those state orders.

The National Association of Insurance Commissioners (NAIC), which filed a friend-of-the-court brief in support for the Labor Department, argues the companies are trying to exploit the provisions in ERISA that exempt self-insured employee benefit plans from state insurance regulations.

“While this case on its face is about one entity, it’s really about what arrangements can and can’t exist and who can do anything about it,” said Pennsylvania Insurance Commissioner Jessica Altman, who spearheaded NAIC’s brief. “State regulators feel very strongly that we need to have the ability to protect our consumers.”

Under ERISA, only a past or present employee of an employer can participate in a health plan, but in 2004 the U.S. Supreme Court extended the definition of employee to cover small business owners. It held “working owners” can qualify as participants in an ERISA plan if the plan covers at least one other person who satisfies the common law definition of “employee.”

The companies here are “trying to drive a truck through that somewhat narrow decision and say anyone who’s associated with our business and does a limited amount of work like downloading an app and browsing the internet is just like a small business owner and just like an employee under ERISA,” said Nandan Joshi, an attorney with the Public Citizen Litigation Group, the litigation arm of the consumer advocacy group Public Citizen.

Solvency Protection

A core function of state insurance regulations is to ensure insurers have enough money to pay claims they’re obligated to pay on behalf of the policyholders. The reason ERISA plans aren’t regulated by states is because they’re offered by true employers that have every incentive to do right by their employees, said Katie Keith, a health law professor at Georgetown University.

The companies here aren’t true employers, so “the same incentives aren’t there,” she said.

But Crumly argues the companies’ health plans are backed by extremely well-funded layers of reinsurance and that L.P. Management Services detailed that in its November

2018 request for an advisory opinion from the Labor Department stating these arrangements are ERISA-covered health plans.

Reinsurance is an insurance policy for an insurer that transfers some of the financial risk to another insurance company, according to the Insurance Information Institute.

If there's ever a claim made by a health provider under the plan that there isn't sufficient funds in the trust account to pay, the reinsurance pays immediately, he said. "There's no scam here."

If there's concern the court's ruling could open the door to sham plans that leave consumers with medical bills, Crumly said the Labor Department should have responded with an advisory opinion that required the kind of massive consumer protection provisions L.P. Management Services and Data Marketing Partnership voluntarily put in place.

"Why don't they propose regulations that protect against that instead of punishing the good actors that are providing great health coverage for people in the middle of a pandemic?" he asked.

The companies' reply to the Labor Department's opening brief is due April 30.

The case is Data Mktg. P'ship v. United States Dep't of Labor, 5th Cir., No. 20-11179.

Health Affairs

ACA Litigation Round-Up, Part 2: Which 2019 Payment Rule Changes Were Legal? Plus, More From Judge O'Connor On The ACA
Katie Keith

Litigation continues over implementation of the Affordable Care Act (ACA) and ACA-related issues. A prior post provided a status update on many ACA-related lawsuits that are pending before the Supreme Court or that have been put on hold given new agency leadership under the Biden administration. This post takes a deeper dive into several recent ACA-related court decisions and oral arguments, including a district court decision in the "take care" lawsuit that set aside several Trump administration policy changes; a Fifth Circuit Court of Appeals decision regarding the health insurance tax as it applies to Medicaid managed care entities; and a district court decision allowing constitutional and other challenges to the ACA’s preventive services mandate to proceed.

All but the “take care” case involve district court decisions from Judge Reed O’Connor, a federal judge in Texas who is no stranger to ACA litigation. Among his many ACA-related rulings, Judge O’Connor held that the entire ACA was invalid in what is now known as California v. Texas, a global challenge to the ACA pending before the Supreme Court. A third post will summarize a recent decision by the Fifth Circuit to remand to Judge O’Connor litigation over an Obama-era rule implementing Section 1557 of the ACA.

“Take Care” Case

On March 4, 2021, Judge Deborah K. Chasanow of the federal district court for the district of Maryland set aside as arbitrary and capricious or contrary to law several changes made under the Trump administration’s 2019 payment rule. This lawsuit, known as the “Take Care” case, was brought against the Trump administration by five cities and two individuals—led by Columbus, Ohio—who argued that President Trump violated the Constitution’s requirement to “take care that the laws be faithfully executed” by attempting to undermine the ACA through executive action. Judge Chasanow rejected that part of the lawsuit in 2020 but allowed the plaintiffs to continue to argue that major provisions of the 2019 payment rule violated the Administrative Procedure Act (APA).

The 82-page March 4 opinion holds that some, but not all, of the challenged parts of the 2019 payment rule violated the APA. All four of the successfully challenged provisions were vacated and all but one was remanded to the Department of Health and Human Services (HHS) for further action. Judge Chasanow considered remanding without vacating the rule’s provisions but declined to so since the deficiencies of HHS’s explanations made it unlikely that the department could rehabilitate its reasoning on remand.

From here, the Biden administration could appeal the decision, but that seems unlikely. HHS is instead expected to formally revoke or revise these requirements in future rulemaking and comply with the court’s decision in the meantime.

Standing

Consistent with a prior opinion, Judge Chasanow found that the city plaintiffs had standing to sue because the 2019 payment rule “predictably increases” the uninsured rate. A higher uninsured rate increases costs for local health departments, which provide free or low-cost health care services to uninsured residents. The individual plaintiffs also had standing because the 2019 payment rule “predictably increases” the premiums that these individuals must pay. Setting aside the challenged parts of the

2019 rule would decrease costs for the cities and the individuals and would thus remedy these economic injuries. Therefore, both the city and individual plaintiffs have standing to sue.

Successful Challenges

Judge Chasanow set aside four provisions of the 2019 payment rule. These changes related to network adequacy standards, standardized plans, income verification, and medical loss ratios (MLRs). As mentioned, these parts of the rule are now vacated, and most were remanded back to HHS for further action. Vacating these parts of the 2019 payment rule reinstates the relevant rules that were previously in effect. Thus, the court decision reinstated federal network adequacy requirements, the option for insurers to offer standardized plans, prior income verification standards, and quality improvement activities reporting. (HHS could amend these standards in future rulemaking so long as it complies with the APA in doing so.)

First, the 2019 payment rule extended a policy of deferring to states for reviews of plan network adequacy so long as the state had a sufficient process in place. This policy—in which HHS would rely on the states' reviews of network adequacy and not conduct its own separate review in states that use the federal exchange—was initially adopted by the Trump administration in the 2018 market stabilization rule and extended in the 2019 payment rule. Judge Chasanow did not find the 2018 change to be contrary to law since Congress did not explicitly require HHS to conduct its own network adequacy determinations. Nor did HHS subdelegate its authority to establish network adequacy criteria to the states; it merely allowed states to apply the criteria it had already established.

But Judge Chasanow agreed with the plaintiffs that the change under the 2019 payment rule was arbitrary and capricious because HHS failed to adequately respond to commenter concerns, offering responses that were "both vague and conclusory." In response to concerns that patients would be left without access to necessary care, HHS emphasized that accreditation and state-specific network adequacy requirements would help preserve adequate access. These responses were "especially insufficient" because commenters put forth a range of evidence and concerns that accreditation reviews and state network adequacy procedures and standards are inadequate. Yet, HHS made "no attempt to refute, mitigate, or explain away any of these significant concerns." HHS failed to consider or respond meaningfully to these concerns and thus this change was arbitrary and capricious.

Second, the 2019 payment role eliminated the designation and preferential display of standardized plan options through HealthCare.gov. This reversal, Judge Chasanow concluded, was arbitrary and capricious because HHS failed to articulate a rational basis as to why it suddenly believed that standardized plans hamper innovation when it had previously stated that standardized plans neither hinder innovation nor limit choice. HHS's new policy disregarded the factual findings that were the basis of its prior policy. Because HHS failed to explain why it abandoned this prior conclusion (especially in response to concerns raised by commenters), this change was arbitrary and capricious.

Third, the 2019 payment rule applied additional income verification requirements for individuals who attest that their income is above the federal poverty level (FPL) but where government data sources suggest that their income is under that level. Here, HHS failed to support its decision with actual or even anecdotal evidence of its stated reason for the policy change—the need to prevent fraud in states that have not yet expanded their Medicaid program. (People with incomes below the FPL are ineligible for premium tax credits under the ACA, but in nonexpansion states many in this group exceed the Medicaid eligibility income threshold, creating a coverage gap.)

HHS acknowledged its lack of evidence in the preamble, noting that "it does not have firm data" but still insisted that this measure was needed for program integrity purposes. However, in the court's view, HHS failed to provide a reason why this data could not be otherwise obtained and improperly elevated its goal of fraud prevention over the ACA's primary purpose of providing coverage.

Finally, Judge Chasanow set aside the 2019 payment rule's changes to MLR reporting that allowed insurers to allocate a fixed amount of earned premium as quality improvement activities (in lieu of requiring insurers to track and report actual expenditures on quality improvement). Expenses for quality improvement activities are included alongside claims costs in the numerator of the MLR. Higher expenditures on quality improvement activities thus increase MLRs, thereby reducing the potential for (or amount of) rebates for consumers.

The court agreed with the plaintiffs that insurers must report on the amount that they "expend[]" for quality improvement activities, which means the amount actually spent rather than a pre-determined average fixed amount. Congress' intent to require actual accounting is further confirmed by the rest of the MLR statute. This helped show that HHS's interpretation was contrary to Congress' purpose in adopting the MLR requirement in the first place. As such, HHS's interpretation was contrary to law.

Judge Chasanow also concluded that this change was arbitrary and capricious because HHS failed to consider reasonable alternatives and explain why it rejected them. The agency also failed to meaningfully consider commenters' concerns that standardized reporting would disincentivize investments in quality improvement. HHS did not ignore these comments, but it "shrugged" them off without any evidence for its assertions that more insurers would report quality improvement activities under the rule change.

Unsuccessful Challenges
Judge Chasanow upheld other challenged parts of the 2019 payment rule. These changes concerned elimination of direct notice requirements when an individual fails to reconcile advance premium tax credit; oversight of direct enrollment (DE) entities; navigator selection; the SHOP exchanges; and rate review for student health plans.

First, the 2019 payment rule eliminated a prior requirement that state-based exchanges give direct notice to individuals whose eligibility for subsidies is at risk because they failed to reconcile a prior year's advance premium tax credit (meaning that they failed to compare their actual income to their estimated income and to pay back some of the advance credits they received if the former exceeded the latter). The plaintiffs argued that elimination of this direct notice requirement was contrary to law, arbitrary and capricious, and raised due process concerns.

Per Judge Chasanow, the plaintiffs waived part of their argument because it did not appear in the amended complaint. But the argument that the change was contrary to law would have failed on the merits anyway because there is no conflict with the ACA. The statute that governs eligibility for subsidies does not unambiguously foreclose HHS's interpretation regarding notices. Instead, the judge found that the plaintiffs' concern focused on the underlying requirement that individuals reconcile each year's advance premium tax credits (not the change to the specificity of the notification requirements when an individual fails to reconcile). She also rejected the plaintiffs' argument that the change was arbitrary and capricious, noting that HHS acknowledged and responded to concerns raised by commenters and that the agency's decision to remove the direct notice requirements was rational and sufficient to withstand APA review.

Second, the 2019 payment rule reduced federal oversight of DE entities by rolling back the requirement that these entities be audited by a third party approved by HHS. Instead, DE entities could select their own third-party auditors without any initial review or approval by HHS. The plaintiffs had argued that HHS ignored important aspects of the problem and failed to provide an adequate justification for the change. But Judge Chasanow disagreed, concluding that HHS adequately justified its decision to change positions and acknowledged commenter concerns that reduced oversight could harm consumers.

Third, the plaintiffs challenged the 2019 payment rule's changes to the navigator program. HHS eliminated the prior requirements that each exchange have two navigators, that at least one be a community- and consumer-focused nonprofit, and that navigators have a physical presence in their service area. These changes were not contrary to law, Judge Chasanow concluded, because they do not conflict with the statutory requirements for navigators, which continue to apply under the amended rule.

The statute does not foreclose HHS's decision to eliminate its prior requirements. Judge Chasanow also rejected the argument that these changes to the navigator program were arbitrary and capricious because HHS adequately considered and meaningfully responded to concerns raised by commenters.

Fourth, the 2019 payment rule made it optional for the SHOP exchanges to verify employee eligibility, aggregate premiums, and enable online enrollment. This essentially completed the process of winding down the SHOP exchange as an online enrollment tool. Here, the plaintiffs argued that the ACA requires SHOP exchanges to be "designed to assist" in facilitating enrollment in marketplace plans. This, in turn, requires the functionality that HHS made optional in the 2019 payment rule. HHS, in contrast, argued that the "designed to assist" requirement extends only to basic SHOP exchange functionalities; the department maintained that SHOP exchanges without the features rendered optional in the 2019 rule still assist small businesses in facilitating enrollment by maintaining a website, a premium calculator, and a call center. Small employers still get an eligibility determination from the SHOP website even if they then enroll directly with an agent, broker, or insurer.

Judge Chasanow concluded that the "designed to assist" requirement does not unambiguously require HHS to retain the SHOP exchange functions that were made optional in the 2019 payment rule. Congress intended to delegate authority to HHS to establish operational standards for the SHOP exchange and the changes do not conflict with the plain language of the statute. Even if the statute were ambiguous, HHS's interpretation would be a permissible construction, Judge Chasanow ruled. She also rejected the plaintiffs' argument that the changes were arbitrary and capricious: Though it did so "in various scattered paragraphs over several pages," HHS considered commenter concerns about the harms to small business stakeholders and explained its belief that these harms would be minimal.

Fifth, the 2019 payment rule increased the premium-increase threshold for rate review from 10 percent or more to 15 percent or more and exempted student health plans from federal rate review requirements. Judge Chasanow found that HHS adequately justified its reasons for increasing this threshold. She also seemed to believe that the exemption for student health plans is narrow, meaning that student health plans are exempt only from having to automatically submit all proposed rate increases above a certain threshold. But this appears to be incorrect. HHS repeatedly stated in the preamble to the 2019 payment rule that it was "exempt[ing]" student health plans from federal rate review requirements, a point that was reiterated in government briefs. Judge Chasanow concluded that the policy decision was adequately explained and rested on HHS's reexamination of existing facts, rather than new factual findings.

Health Insurance Tax For Medicaid Managed Care Entities

In another challenge that dates back to 2016, Judge O'Connor sided with a coalition of states led by Texas in holding that the states were entitled to recoup the ACA's health insurance tax as it applied to Medicaid managed care entities. The court held that the government owed six states about $479 million for the health insurance tax from 2014 to 2016.

Section 9010 of the ACA imposed an annual health insurance tax on insurers, including Medicaid managed care entities. However, government entities are exempt from Section 9010. The health insurance tax went into effect for 2014 and, while often delayed, was fully repealed by Congress beginning in 2021. The states argued that the health insurance tax was unconstitutional. They additionally took issue with a "certification rule" that HHS promulgated in 2002; this rule requires Medicaid managed care capitation rates to be developed based on generally accepted actuarial principles and practices and certified by actuaries who meet certain qualifications and follow practice standards.

In 2018, Judge O'Connor upheld the constitutionality of the health insurance tax but invalidated parts of the HHS rule. He agreed with many of the states' arguments regarding the certification rule and concluded that parts of the rule violated federal nondelegation doctrine by authorizing private entities—the American Academy of Actuaries and the Actuarial Standards Board—to "effectively rewrite the ACA." The certification rule empowered the Board to establish "a controlling interpretation and definition of a legal condition to receiving Medicaid subsidies." Nondelegation doctrine has rarely been used to strike down agency delegations to private entities (at least since 1936). He also found that specific provisions of the rule were not entitled to deference and that HHS exceeded its statutory authority.

The Department of Justice appealed this ruling, and a three-judge panel on the Fifth Circuit reversed in July 2020. The panel concluded that the health insurance tax and the certification rule are constitutional and lawful and that the states are not entitled to equitable disgorgement. The panel dismissed the states' APA claims for lack of jurisdiction and affirmed Judge O'Connor's ruling that the health insurance tax did not violate the Spending Clause of the Tenth Amendment. On the claim of unlawful delegation, the panel noted that HHS retained final reviewing authority over state managed care contracts while requiring that contracts be certified by an actuary who follows the practice standards established by the Board—in other words, HHS had the ultimate authority to approve a state's contract with Medicaid managed care entities, and certification is only a small part of the approval process. Because HHS retained this authority, it did not unlawfully delegate its authority to approve contracts to a third party, the appellate panel determined.

Request For En Banc Review

Texas filed a request for en banc review—review by all the Fifth Circuit appellate judges—in September 2020, which was opposed by the government. In February 2021, the Fifth Circuit withdrew its prior July 2020 ruling and issued a revised ruling. The outcome remained the same, but the panel included further analysis of the nondelegation doctrine and clarified its reasoning on this point. Citing additional caselaw, the panel noted that agencies can condition federal approval on a determination made by an outside party. When agencies do so reasonably, this is a legitimate request for input and not an improper subdelegation. In these cases, the key question is whether HHS's requirements—that managed care contracts be certified by a qualified actuary and that practice standards be followed—are reasonable conditions for contract approval. A condition is reasonable if there is "a reasonable connection between the outside entity's decision and the federal agency's determination."

Here, the certification rule's conditions for actuarial soundness were reasonable, the Fifth Circuit panel found in its revised opinion. Congress requires capitation rates to be actuarially sound, as defined by HHS, and HHS imposed the certification rule as a condition for actuarial soundness. The panel also found it persuasive that HHS incorporated the Board's actuarial standards into the rule itself. This is "a common and accepted practice by federal agencies" and accepting the states' arguments here would "jeopardize over a thousand regulations promulgated by federal agencies." Further, HHS could achieve the same result by simply adopting the substance of the Board's standards. All told, the panel found the certification rule to impose reasonable conditions rather than subdelegations of authority.

Even if HHS had subdelegated authority to the Academy and the Board, subdelegation is not unlawful, the panel opined. Here, the Fifth Circuit panel generally picked up with its analysis from its prior decision to conclude that HHS retained ultimate authority to approve state contracts with Medicaid managed care entities, and subdelegation of certain actuarial soundness requirements did not divest HHS of its final reviewing authority.

Request For En Banc Review Denied

In the meantime, the request for en banc review remained pending. Then, on April 9, 2021, the Fifth Circuit denied the request by a vote of 5 to 11 judges. The five judges who voted in favor of en banc review, led by Judge James C. Ho, dissented. They took issue with the nondelegation analysis in the panel's decision, echoing the district court that the certification rule is unconstitutional because it subdelegates substantive lawmaking power from an administrative agency (rather than Congress) to a private entity.

From here, the states could appeal to the Supreme Court. If not, the challenge ends here (and Congress ultimately repealed the health insurance tax anyway).

Nondelegation doctrine makes little sense in this case. But the next challenge suggests there is much more to come for this doctrine in the context of the ACA.

Challenge to Preventive Services Mandate Can Proceed
In yet another case before Judge O'Connor, two individuals and two companies filed a new class action lawsuit to challenge the ACA's preventive service mandate. This challenge builds on other challenges to the contraceptive mandate but is broader—it incorporates all preventive services under Section 2713 of the Public Health Service Act.

Section 2713 requires all non-grandfathered private health plans—including individual, small group, and large group health plans—to cover certain preventive services without cost-sharing. These preventive services include evidence-based services that have a rating of "A" or "B" under current U.S. Preventive Services Task Force (USPSTF) recommendations, vaccines recommended by the Advisory Committee on Immunization Practices (ACIP), and recommended services for infants, children, and adolescents as well as women provided for in comprehensive guidelines from the Health Resources and Services Administration (HRSA). Congress, on a bipartisan basis, has built on this requirement over time and leveraged these provisions to rapidly expand access to COVID-19 testing and vaccines in the Families First Coronavirus Response Act and the CARES Act.

The Complaint In Kelley v. Azar
The plaintiffs in this case are repeat players in ACA litigation. John Kelley is joined in this case as a plaintiff by his company, Kelley Orthodontics. Kelly filed an earlier similar class action lawsuit against the contraceptive mandate, along with his wife, in another case before Judge O'Connor, known as DeOtte v. Azar. Braidwood Management, owned by Dr. Steven Hotze, is also a plaintiff in that lawsuit and this one—and has previously brought and lost challenges to other parts of the ACA.

In DeOtte, these plaintiffs successfully challenged the Obama-era rule on the contraceptive mandate at the District Court level and secured a class action that could be joined by other individuals or employers who object to contraceptive coverage for religious reasons. The Trump administration did not defend the mandate, agreeing with the plaintiffs on the substantive legal issues. DeOtte is now on appeal before the Fifth Circuit, and oral argument will be held on April 26. The DeOtte injunction notwithstanding, the plaintiffs here argue that few insurance companies exclude coverage for contraception. But this lawsuit goes far beyond contraceptives alone.

In Kelley, the plaintiffs argue that the preventive services mandate itself is unlawful. They argue that Section 2713 violates the Appointments Clause because members of the USPSTF, ACIP, and HRSA have not been nominated by the President or confirmed by the Senate but can "unilaterally determine" the preventive care that must be covered by insurers and plans. Section 2713 also violates the nondelegation doctrine, they argue, because the provision unconstitutionally delegates legislative power to these entities without providing an "intelligible principle" to guide discretion. They make similar constitutional claims under the Vesting Clause, the statement at the beginning of Article 1 of the Constitution that "the executive power shall be vested in a President of the United States." In addition, the plaintiffs argue that contraceptives do not qualify as preventive care and assert that the contraceptive mandate violates equal protection (because coverage is required for women but not men).

In light of these claims, the plaintiffs ask the court to declare that Section 2713 is unconstitutional and unenforceable and that any and all preventive service mandates required under Section 2713 are no longer required to be covered. They also repeatedly suggest that constitutional concerns could be avoided if Section 2713 is interpreted to refer only to the recommendations in place from the USPSTF, ACIP, and HRSA on the date of enactment of the ACA (but not additional recommendations adopted since March 23, 2010). Among other requests for relief, they ask for a permanent injunction against federal enforcement of any of the coverage mandates issued after March 23, 2010.

The plaintiffs further argue that some of the recommendations—to cover contraceptives and pre-exposure prophylaxis (PrEP) to prevent HIV—also violate the Religious Freedom Restoration Act (RFRA). PrEP, for instance, "encourage[s] homosexual behavior and intravenous drug use." Some of the plaintiffs do not want to pay for coverage with testing for STDs, hepatitis, or HIV. The preventive services mandate, they argue, makes it impossible to purchase health insurance that excludes this unwanted coverage and gives them standing to sue.

The initial complaint was filed in March 2020 and amended in July 2020 to add additional individual plaintiffs. Some of the new plaintiffs do not have religious or moral objections to contraceptive coverage but simply do not need contraceptive coverage (because of a prior hysterectomy or age). The amended complaint also eliminated prior claims that the federal government violated the APA. As in DeOtte, the plaintiffs sue as representatives of classes—one for individuals and one for businesses—composed of parties who want to purchase coverage for themselves or their employees that excludes or limits coverage some or all preventive care required under Section 2713.

The Government's Response
The federal government filed a motion to dismiss in response to the amended complaint. The government argues that the plaintiffs lack standing and cannot "seek a second bite at the apple" in challenging the contraceptive mandate because they are

parties to, or at least in privity with, those in, DeOtte. Further, according to the government, many of the plaintiffs' claims are time-barred, fail to state a claim, are only conclusory allegations, and do not allege a violation of RFRA. The government also argues that Section 2713 does not violate nondelegation doctrine. The fundamental flaw of the complaint, the government writes, is the "basic misunderstanding that the ACA's preventive care requirements are established through the discretion of rogue executive branch officials, when in fact the requirements reflect Congress's judgment that insurance must cover standard contemporary preventive medical services, subject to well-recognized sorts of exceptions."

The plaintiffs responded in September 2020, and the government replied in October 2020. The plaintiffs then filed a notice of supplemental authority to alert the court of a decision in Leal v. Azar, yet another challenge over the contraceptive mandate pending before a federal district court in Texas, although this time before Judge Matthew J. Kacsmaryk. In that case, Judge Kacsmaryk allowed similar challenges to proceed—such as claims under the Appointments Clause—but he rejected the plaintiffs' nondelegation challenge and agreed that members of the DeOtte class could not challenge the mandate again.

A Preliminary Ruling Allows The Lawsuit To Proceed

On February 25, Judge O'Connor ruled on the motion to dismiss, allowing some but not all of the claims to advance. He first concluded that the "religious-objector" plaintiffs have standing to sue. However, he agreed with the government that these plaintiffs are barred from challenging the contraceptive mandate in light of his own decision in DeOtte; that decision prohibited the government from enforcing the contraceptive mandate against the religious plaintiffs, meaning they cannot claim any injury stemming from the contraceptive mandate. They can, however, challenge other parts of the preventive services mandate.

The "free-market" plaintiffs also have standing, Judge O'Connor reasoned, because it is impossible for them to purchase health insurance free of contraceptives and other services they do not want or need. The plaintiffs thus face an economic injury in the form of higher premiums for health insurance that covers services they do not wish to purchase. The plaintiffs can challenge all preventive services, not just the contraceptive mandate and the PrEP mandate.

Judge O'Connor rejected the government's argument that the plaintiffs are time-barred from bringing constitutional and statutory interpretation claims. Federal law bars constitutional challenges against the United States six years or more after the right of action first accrues; a separate provision provides a four-year statute of limitations for civil actions arising under federal statute. The government argued that the plaintiffs' claims were time-barred because of these statutes of limitation. Judge O'Connor disagreed. He reasoned that the challenged action here—application of the preventive services mandate—is ongoing, so the cause of action continues to accrue and cannot be insulated by a statute of limitations.

Judge O'Connor rejected the plaintiffs' argument that Section 2713 should be read to apply only to USPSTF, ACIP, and HRSA recommendations in effect on March 23, 2010. The statute must be read to include preventive services that have or will have a rating or recommendation; this is bolstered by other parts of the statute. For instance, Congress included a minimum interval time period between when the expert body made the recommendation and when that service had to be covered by insurers and plans. Further, some of the recommendations referred to by the statute did not exist at the time the ACA was passed. The plaintiffs thus failed to state a claim for this argument, which Judge O'Connor dismissed.

Judge O'Connor did, however, allow the claims under the Appointments and Vesting Clauses to proceed. The Appointments Clause claim turns on whether the members of the USPSTF, ACIP, and HRSA are officers of the federal government or not. If the authority granted to them under Section 2713 makes them officers of the federal government, then that grant of authority is unconstitutional since the members were not appointed by the President and confirmed by the Senate. Under the Vesting Clause, the question is whether the USPSTF has a grant of legislative or executive authority and, if executive authority, whether its recommendations are truly advisory or not.

Judge O'Connor also ruled that the nondelegation doctrine claim could proceed. The plaintiffs assert that Section 2713 does not include a sufficient "intelligible principle" to guide the use of discretion by the USPSTF, ACIP, and HRSA. They, and Judge O'Connor, note similar concerns raised by the Supreme Court on this point in Little Sisters of the Poor v. Pennsylvania. The government argues that discretion is in fact limited to recommending "evidence-based" and "evidence-informed" preventive health services. Judge O'Connor notes that the government "may yet prove to be correct at a later stage in this case" but will allow the claim to proceed for now.

The plaintiffs' RFRA claims can also proceed. These claims are limited to the religious-objector plaintiffs and presumably to non-contraceptive mandate claims.

In terms of next steps, Judge O'Connor ordered the parties to meet regarding discovery, a briefing schedule, the need for a trial, and any other matters. After considering recommendations from the parties, he issued a scheduling order that will require discovery to be completed by October 2021 with briefing continuing through early 2022.

Health Affairs

ACA Litigation Round-Up, Part 3: Section 1557, The ACA's Primary Nondiscrimination Provision
Katie Keith

This post summarizes the latest in litigation over an Obama-era rule implementing Section 1557. There are at least two pending challenges to the Obama-era interpretation of this provision.

Litigation continues over implementation of the Affordable Care Act (ACA) and ACA-related issues. A prior post provided a status update on many ACA-related lawsuits that are pending before the Supreme Court or that have been put on hold given new agency leadership under the Biden administration. A second post took a deeper dive into recent ACA-related court decisions related to the "take care" lawsuit, the health insurance tax on Medicaid managed care entities, and the preventive services mandate.

This post summarizes the latest in litigation over an Obama-era rule implementing Section 1557, the ACA's primary nondiscrimination provision. There are at least two pending challenges to the Obama-era interpretation: Franciscan Alliance (before the Fifth Circuit Court of Appeals) and Religious Sisters of Mercy (which will likely be appealed to the Eighth Circuit Court of Appeals).

Franciscan Alliance was filed in 2016 by a group of private religious entities and states led by Texas. The Fifth Circuit heard oral argument on March 3, 2021 on the question of whether religious plaintiffs are entitled to permanent injunctive relief from certain interpretations of Section 1557. On April 15, the Fifth Circuit remanded the lawsuit back to the district court. This outcome was not surprising: it was suggested repeatedly at oral argument. In remanding the litigation back to Judge Reed O'Connor, the panel cited changed circumstances since the district court ruled. New developments include the Supreme Court's decision in Bostock v. Clayton County, litigation over the Trump-era rule to implement Section 1557, and assumptions about how the Biden administration will address Section 1557.

Brief Background
Section 1557 prohibits health programs or facilities that receive federal funds from discriminating based on race, color, national origin, age, disability, or sex. Section 1557 incorporates existing federal civil rights laws, including protections on the basis of sex

under Title IX of the Education Amendments of 1972, and applies them to federally funded health programs. In a rule finalized in 2016, the Obama administration interpreted “on the basis of sex” to include discrimination based on gender identity and termination of pregnancy. That part of the rule was quickly challenged by the Franciscan Alliance (a Catholic hospital system), a Catholic medical group, a Christian medical association, and five states (later joined by three additional states). Judge O’Connor issued a nationwide injunction to stop the Department of Health and Human Services (HHS) from enforcing those parts of the 2016 rule.

After multiple delays including remand to the agency, the plaintiffs succeeded in vacating parts of the 2016 rule to implement Section 1557. Then, in June 2020, the Trump administration issued a new rule that eliminated the 2016 rule’s definition of “on the basis of sex,” including the protections based on gender identity, sex stereotyping, and termination of pregnancy. The 2020 rule did not adopt a new explicit definition of this phrase, but the preamble suggested that HHS would interpret “sex” solely as “biological sex” (defined to mean a person’s genetic sex at birth). Some of these changes were, in turn, set aside by other district courts as arbitrary and capricious and contrary to law for failing to account for the Supreme Court’s decision in Bostock.

Turning back to Franciscan Alliance, the plaintiffs had seemingly won: the objectionable parts of the 2016 rule were vacated by the district court. However, the religious plaintiffs pressed forward to ask that HHS be permanently enjoined from enforcing any interpretation that stems from the challenged provisions, though vacated. Judge O’Connor declined to do so, concluding that an injunction was unnecessary since the challenged parts of the rules had been vacated. The religious plaintiffs, led by Franciscan Alliance, then appealed this decision to the Fifth Circuit.

(The Department of Justice argued that the appeal was moot and that Judge O’Connor did not abuse his discretion in declining to issue a permanent injunction against parts of a rule he had already vacated. This is notable because the Department, under the Trump administration, previously sided with the plaintiffs in the litigation and did not defend the 2016 rule in court.)

Anticipating Bostock, the litigation was stayed and resumed following the Supreme Court’s decision. Briefing was completed in December 2020, and the plaintiffs filed several notices of supplemental authority since then. This includes the decision in Religious Sisters of Mercy and an executive order from President Biden directing federal agencies, including HHS, to implement Bostock. The plaintiffs argued that the executive order signals how HHS will interpret Section 1557 in the future and that this poses an enforcement threat. The Department of Justice and the ACLU (which intervened in the lawsuit) argued that a permanent injunction is improper, that the plaintiffs never challenged Section 1557 itself, and that vacatur of the 2016 rule was sufficient to redress the plaintiffs' harms under the Administrative Procedure Act (APA) and the Religious Freedom Restoration Act (RFRA).

Oral Argument

Oral argument in Franciscan Alliance was held on March 3 before Judges Jennifer Walker Elrod, Kurt D. Engelhardt, and Don R. Willett. (Fun fact: Judges Elrod and Engelhardt made up the majority in the Fifth Circuit's decision in California v. Texas and would have remanded that decision back to Judge O'Connor.) All three members of the panel asked questions, and Judge Elrod was especially vocal from the bench.

As noted above, the appeal itself was on rather narrow grounds: whether the district court erred in declining to issue a permanent injunction against HHS. This appeal was not over whether Judge O'Connor's decision to vacate the 2016 rule was proper or not; rather, it was over whether he should have gone further and issued a permanent injunction alongside the vacatur. Given this question, the judges were especially interested in the parties' views of the status of the regulations and whether the dispute is over the 2016 rule, the 2020 rule (and the lawsuits over that rule), or the Section 1557 statute itself.

Franciscan Alliance said it was concerned about both rules and the statute. The 2016 rule is a concern because it prohibits discrimination based on sex stereotyping which could extend to transgender people. (This part of the 2016 rule was eliminated in the 2020 rule but remains in effect following litigation over the 2020 rule.) However, the plaintiffs did not challenge this part of the 2016 rule, and Judge O'Connor did not preliminarily enjoin or vacate that part of the definition of "on the basis of sex" in his rulings. (The plaintiffs' initial complaint and amended complaint each mention this provision only once in a summary of the 2016 rule whereas the claims focus on the lack of a religious exemption and the inclusion of gender identity and termination of pregnancy in the definition of "on the basis of sex.")

Even so, the panel seemed concerned that the sex stereotyping protections might be used against the plaintiffs and asked for assurances that the government did not intend to enforce that provision against these plaintiffs. The Department of Justice responded that the plaintiffs have not shown any risk of enforcement against them. And the ACLU argued that the plaintiffs are protected by a declaratory judgement that the 2016 rule violates RFRA. In the ACLU's view, the plaintiffs are protected from enforcement action under the entire 2016 rule—including the sex stereotyping provision—by this declaratory judgment.

Setting aside the sex stereotyping provision, the plaintiffs remain concerned about any future HHS action to implement or enforce Section 1557 in a way that is consistent with the 2016 rule. They argued that subsequent events—presumably the Bostock decision and the election—have shown that vacatur of the 2016 rule is not enough to protect them from the threat of enforcement of Section 1557. In essence, the plaintiffs take issue with the Section 1557 statute and whether it protects transgender people and people with a history of abortion.

These concerns notwithstanding, the plaintiffs never challenged Section 1557 itself. Rather, their complaint focused solely on the 2016 rule to implement Section 1557. The Department of Justice emphasized that the plaintiffs prevailed in district court: Judge O'Connor vacated all the provisions that they challenged, and HHS rescinded and replaced those challenged provisions with a new rule. The attorney representing the department went on to read various passages from the plaintiffs' complaint and briefs, all pointing to the Section 1557 rule rather than the statute. Given the nature of the challenge below, the plaintiffs cannot use this appeal, she argued, to challenge different agency actions or the statute when those provisions were never raised in district court.

The ACLU raised similar points, noting that the plaintiffs' entire theory below was that the Section 1557 statute did not protect transgender people and thus the 2016 rule was invalid. Arguing or assuming Section 1557 does, in fact, protect transgender people—and thus should not apply to the plaintiffs—would conflict with the plaintiffs' underlying theory under the APA.

Franciscan Alliance countered by pointing to a proposed order submitted to the district court that referred to enjoining the enforcement of Section 1557 itself. The panel pushed back, asking why this was not reflected in the complaint or the briefing and was instead buried in a draft order. Franciscan Alliance responded that its RFRA claims were focused on whether the government can apply the Section 1557 interpretation against the plaintiffs. The plaintiffs also pointed to recent contraceptive mandate cases as examples where district courts enjoined the government under both a statute and regulations in the face of a RFRA violation. But, when pressed, Franciscan Alliance acknowledged that none of these RFRA cases also involved claims under the APA, as this one does. ACLU separately suggested that the broad injunctions in the contraceptive mandate cases were likely to be overturned on appeal.

The Department of Justice and ACLU emphasized the fact that the plaintiffs could go back to Judge O'Connor to seek additional relief if there is future agency action that threatens imminent harm. But, instead, the plaintiffs wanted the Fifth Circuit to impose a broad permanent injunction against future agency action. Doing so, they argued, would enjoin future regulations that have not yet been promulgated and thus result in an advisory opinion from the court. When asked about this, Franciscan Alliance argued that Judge O'Connor was focused more on providing additional relief from the 2016 rule (rather than a future rule). Franciscan Alliance also pointed to the Religious Sisters of

Mercy decision and insisted that the plaintiffs are not trying to strike down future regulations on Section 1557 or stop HHS from adopting new regulations.

One potential outcome, suggested multiple times by Judge Elrod, was remand back to Judge O'Connor to reassess the case in light of the new developments cited by the plaintiffs. Even after oral argument, Franciscan Alliance notified the Fifth Circuit of a Department of Justice memo regarding the application of Bostock to Title IX. The plaintiffs believe that this new memo supports their argument that their appeal remains live and is not moot.

The Decision

On April 15, the Fifth Circuit issued a short, unpublished decision remanding the case back to Judge O'Connor. The Fifth Circuit accurately noted that the religious plaintiffs challenged the 2016 rule under both the APA and RFRA, and this should have been an easy decision to affirm Judge O'Connor's discretion in not granting a permanent injunction.

However, the Fifth Circuit opted instead for remand. They reasoned that "the legal landscape has shifted significantly" since the plaintiffs' initial challenge, citing Bostock, the 2020 rule, litigation over the 2020 rule, President Biden's executive order on Bostock implementation, and the Department of Justice memo on Title IX. Consistent with oral argument, the panel seemed especially concerned that the two district court decisions setting aside parts of the 2020 rule—thereby restoring the 2016 rule's ban on discrimination based on sex stereotyping—could harm the plaintiffs. The decision notes that this provision, alongside the provision on gender identity and termination of pregnancy, is "at the center of this case."

It is also "unclear," the panel writes, whether the religious plaintiffs are "pressing the same claim before us as they did in the district court." They emphasized that the parties themselves could not agree on what relief was granted by the district court. Even though the parties referred to the outcome in different ways, the Fifth Circuit still could have ruled and simply affirmed the district court's decision on this narrow appeal.

From here, the lawsuit is remanded back to Judge O'Connor's courtroom for further proceedings. On remand, Judge O'Connor is asked to consider whether the plaintiffs did (or did not) ask for relief against Section 1557 itself (rather than just the 2016 rule). The panel is not taking a position on the merits but will rehear any future appeal of Franciscan Alliance.

In response to the remand, Judge O'Connor ordered the parties to file a joint status report on April 22 on how they would like to proceed. The parties all ask to submit supplemental briefs but could not agree on the issues that those briefs should address or a proposed briefing schedule. The religious plaintiffs want to submit briefs on the full scope of issues (whether they are entitled to a permanent injunction against an interpretation under the 2016 rule and the Section 1557 statute or whether the case is moot and they never requested this relief). They propose a briefing schedule that would allow them to submit two briefs while the federal government and ACLU would submit one brief. The federal government and the ACLU ask to provide a second reply brief so that briefing is equitable among the parties. The state plaintiffs, led by Texas, will not be filing briefs. Their claims were final from the district court and they have nothing at issue in the appeal or on remand. From here, Judge O'Connor will set a supplemental briefing schedule.

The More Biden Expands ACA, the Harder It Will Be for the Right to Cut It
Sasha Abramsky

ast year, on the campaign trail, President Joe Biden released a $750 billion, 10-year plan designed to massively expand the reach of the Affordable Care Act (ACA). It would create a public option, allow undocumented immigrants to buy into that public option, lower the age at which Americans become eligible for Medicare, take Medicaid expansion into the 12 Republican heartland states that chose not to expand it themselves, and permit Americans to buy prescription drugs from overseas at a cheaper cost.

Since assuming office, such sweeping health care ambitions have taken a back-burner to getting COVID relief passed, to developing a large-scale infrastructure plan, and to initiating a reset on environmental policy. But that doesn’t mean there is less urgency to lock into place big-picture health insurance changes. After all, the Biden administration inherited a barn-on-fire situation from the previous president, and we are still in the middle of a pandemic.

There are, in 2021, more than 2 million low-income American adults who live in states that didn’t expand Medicaid, and who can’t access private insurance on the exchanges because their income is deemed too low to qualify for tax credits. Of these 2 million, more than a third live in Texas. All told, by the middle of 2020, at the height of the pandemic, about 30 million non-elderly Americans remained without insurance. That’s down from 48 million in 2010, but it’s up from 28 million at the end of Barack Obama’s presidency. The increased numbers of uninsured in the years from 2017 to now are the clear result of former President Donald Trump's effort to eviscerate his predecessor's central legislative accomplishment and make it ever-harder for Americans to enroll in the subsidized insurance plans.

From 2017 through to January 20, 2021, health care advocates had to play defense pretty much all the time. From day one of his administration, Trump, with the full backing of most of the GOP, had the ACA, known more popularly as Obamacare, in his sights. In his first months in office, the Senate came within one vote of rolling back the legislation that had created the ACA. It was that one vote, cast by an ailing Sen. John McCain against dismantling the ACA, that fueled Trump's loathing for, and mockery of, the dying Arizonan.

After Republicans failed in Congress to repeal the ACA, Trump sought to kill it by a thousand cuts: to make it harder for patients to enroll on health care exchanges, to limit Medicaid expansion, to cut funding for outreach campaigns to educate people on how to enroll. Finally, having failed to destroy the program this way, Trump's administration decided to side with Texas and other GOP states in their Hail-Mary lawsuit attempting to have the entire thing declared unconstitutional.

That case was heard by the Supreme Court last year, and a decision on it should come down in the next few months. Given the extraordinarily conservative composition of today's Supreme Court, it's at least possible — though perhaps not likely, given previous rulings on the issue — that they'll end up taking a judicial axe to the entire project.

Which is why it's all the more vital that, in the interim, state and federal officials work to expand the ACA as rapidly as possible. After all, the more people are covered, and the more the ACA is seen to be an indispensable, life-saving pillar of the country's health care delivery edifice, the harder it will be to pull the rug out from under it. Given that neither party seems likely to push for a more rational, more equitable universal health care system anytime soon, ironing out the kinks in the ACA and expanding its reach seem to represent the best short-term path toward near-universal coverage.

An ACA expansion would inevitably still fall short of a truly universal, single-payer system, and it would do little to address systemic problems such as over-billing and the profiteering of middle-men institutions, which go hand in hand with for-profit insurance systems as a primary delivery system for medical services. But it would, nevertheless, bring additional millions of uninsured Americans under health care umbrellas.

Earlier this year, the Biden administration extended the special enrollment period for the ACA insurance exchange through August 15 of this year, arguing that, because of the extraordinary circumstances of the pandemic, it was imperative to make it as easy as possible for Americans to find affordable health insurance coverage. California and other states with their own exchanges also followed suit in keeping enrollment open.

The result of this has been encouraging: In the first weeks of the special enrollment period, well over 200,000 people signed up for coverage, eclipsing, by orders of magnitude, the numbers from the first weeks of earlier special enrollments. Hundreds of thousands more have begun the application process to get insurance via these exchanges; and additional tens of thousands have been declared eligible for Medicaid and the Children's Health Insurance Program.

Moreover, the latest COVID relief package in Congress freed up billions of dollars to increase subsidies to lower-income people buying coverage on the state exchanges. In many cases, premiums for people around the country will be cut in half. And in some states, funds will be used to essentially eliminate premiums for poorer residents. In California's case, for example, this means an additional $3 billion for subsidies. As a result, come May, some low-income Californians will be paying only $1 per month for their health insurance. Hoping to get more Californians to take up insurance through the exchange, the state will spend $20 million on an outreach and advertising campaign promoting the new lower rates.

For a state that has already managed to cut its uninsured population from about 17 percent down to roughly 7 percent, all of this is a huge deal. Combine it with the ongoing efforts to expand Medi-Cal to cover all low-income undocumented adults, and one sees a road-map being drawn in California that would, over the coming years, get the state as close to having universal coverage as possible given the nature of the current U.S. health insurance system.

Where California goes on health care coverage, the nation might one day follow – especially with California's former Attorney General Xavier Becerra now in charge of the Department of Health and Human Services, and pushing an emphasis on health equity and public health readiness. Already, California has self-funded Medicaid expansion to include young undocumented adults up to the age of 26. Quite possibly, later this year the state may expand the expansion to include a much larger proportion of the undocumented population. This jibes well with the proposals then-candidate Biden put out on the campaign trail. Hopefully, once California paves the way, Biden and the Democratically controlled Congress will follow through on their health care commitments at a federal level too.

Los Angeles Times

Column: Biden's American Families Plan would make the social safety net a reality
Michael Hiltzik

The scope of President Biden's American Families Plan, which will be formally unveiled in a nationally televised speech to Congress on Wednesday evening, has been described in terms of unalloyed awe.

It's called "sweeping," "sprawling" and, more mildly, merely "ambitious." Democrats call it "big" and "bold," Republicans label it "radical" (and they don't mean that as a compliment).

Placing it in historical terms, the plan is all that and more. It's the first concrete recognition by a president in more than a generation that social programs shouldn't be classified as spending, but as investing.

The Biden White House says so explicitly, referring in a fact sheet distributed in advance of the speech to a 2016 paper by Jorge Luis Garcia and James J. Heckman of the University of Chicago, along with colleagues at USC, which estimated that every dollar spent on an early childhood education program returned $7.30 in gains.

It's worthwhile to consider how novel a concept expanding the social safety net is for the vast majority of Americans. Some 70% of the population was born after 1965. That's the year that Lyndon Johnson's Great Society, consisting of Medicare and Medicaid, was enacted in the last major expansion of the safety net.

Since then, conservative critiques of social spending have taken center stage in American politics. In part that was because such spending was seen as an instrument to expand Democratic Party support and therefore opposing it became a partisan imperative.

Most Americans, then, have been guided to view social spending as takeaways from the haves and giveaways to the have-nots, without longer-term benefits for all.

"Conservatives invariably attend to policy initiatives designed to cripple Democratic power," Jerry Taylor, a libertarian who is a founder and president of the centrist Niskanen Center, wrote last year in a piece instructing Democrats how to wield political power like the GOP.

“Right-to-work statutes, public-employee contracts, campaign finance regulation, the promotion of conservative judges: all are top priorities for a right that understands the long-term political advantages that accrue from hobbling muscular Democratic constituencies and the future scope of liberal lawmaking,” Taylor wrote. “Democrats, on the other hand, rarely spend political capital on these matters.”

Biden’s proposal turns that history on its head. “Popular programs have often boosted both popular support and participation, strengthening democracy and creating a public constituency in favor of future action,” Yale political scientist Jacob Hacker, who referred us to Taylor’s article, observed this week.

Hacker pointed to Social Security, the postwar G.I. Bill (which paid for college educations for returning veterans) and Medicare and Medicaid as programs that created or expanded constituencies for social investment.

Hacker identified a key flaw in previous Democratic social spending as its relative invisibility to the beneficiaries.

“Polls done before the 2010 midterm — in which Democrats lost the House and lost their filibuster-proof majority in the Senate — showed that few Americans were even aware that their taxes had been reduced by Obama and his Democratic allies,” he wrote.

By the same token, the benefits of the Affordable Care Act, beneficial as it has been to 20 million Americans who gained health coverage through its provisions, vanished into its complexities.

Biden’s proposal is designed to make sure that Americans are fully alive to its benefits. “Sprawling” as it is, the plan can’t easily be summarized, though its individual features are relatively easy to comprehend.
Among its major provisions are preschool for all 3- and 4-year-olds and two years of free community college; support for low- and middle-income families to limit their child-care costs to no more than 7% of their income; and expanded tax credits for lower-income families, especially those with children.

The plan calls for 12 weeks a year of paid parental, family and sick leave, covering at least two-thirds of average weekly paychecks and as much as 80% for low-income workers, and expands government support for free meal programs for all students in schools in high-poverty areas.

On the revenue side, Biden proposes a host of radical — yes, radical — changes in the treatment of wealth and income of the affluent.

Referring to a recent study finding that tax evasion was rife among the 1%, Biden says he would expand reporting on financial accounts and invest $80 billion to increase the Internal Revenue Service's enforcement capabilities, an infusion the White House says would yield $700 billion in otherwise dodged taxes over 10 years.

The plan would restore the tax rate on the top federal income tax bracket to 39.6%, its level before the 2017 tax cut enacted by a Republican Congress and President Trump lowered the rate to 37%.

Biden would eliminate the notorious "step-up basis" in capital gains. This provision allows wealthy families to permanently avoid capital gains taxes on assets by revaluing them to their price at the time of their owner's death, rather than the price at which they were acquired.

Make no mistake: This plan is a direct challenge to the political structure that has prevailed in the U.S. for more than half a century, during which wealth inequality has grown apace.

The trend has been deeply corrosive to the social and political structure of the country: The more the middle and working classes feel they're working ever harder just to keep in place or even fall behind economically, the less they see social programs as broadly beneficial, rather than raids on their own meager resources to be handed over to the less deserving.

The concept of "rugged individualism" as preached by Herbert Hoover was always largely a scam designed to protect the rich and their concentrated wealth.

As Adolf Berle, a member of Franklin Roosevelt's brain trust, put it before FDR's election, "When nearly 70% of American industry is concentrated in the hands of 600 corporations ... the individual man or woman has, in cold statistics, less than no chance at all.... What Mr. Hoover means by individualism is letting economic units do about what they please."

Hoover's conception returned as a driving principle of American politics in the last few decades of the 20th century. Biden's family plan may start the process of laying it to rest once again, and rebuilding America for the 21st.

Biden's First 100 Days: The ACA And The American Families Plan
Katie Keith

President Biden marks his first 100 days in office this week. Unsurprisingly, health care issues—especially the pandemic—have dominated his term thus far. During his first 100 days, President Biden signed the American Rescue Plan Act (ARPA) into law, issued executive orders, nominated cabinet secretaries and federal judges, and coordinated a national response to the pandemic. His administration has also responded to pending litigation, taken steps to implement ARPA, revoked state waivers, and issued new guidance and regulations. (Several news sources quantitatively compare Biden's first 100 days to his predecessors and are worth reading.)

This post summarizes the first 100 days with an emphasis on the Affordable Care Act (ACA). These activities have been discussed in detail in prior posts, and many of the Biden administration's actions have been consistent with predictions about what would happen to the ACA under a Biden administration and Democratic Congress. This post also discusses the White House's highly anticipated American Families Plan proposal which was released on April 28 and could signal what comes next in Congress.

Working With Congress
On March 11, President Biden signed the American Rescue Plan Act of 2021 into law. The $1.9 trillion legislative package included many significant pandemic relief policies, including historic expansions of the ACA. The law's enhanced premium tax credits, while temporary, significantly improve the affordability of marketplace coverage.

As discussed in more detail here, ARPA extends ACA premium tax credits to middle-income people who did not previously qualify (for 2021 and 2022); increases ACA premium tax credits for lower-income people who already qualify (for 2021 and 2022); offers maximal subsidies to those who receive unemployment benefits (for 2021); and prevents individuals from having to repay excess ACA subsidies at tax time (for 2020). ARPA also subsidizes COBRA continuation coverage for laid-off workers (from April 1 to September 30, 2021) and includes new incentives for states that have not yet expanded their Medicaid programs (for two years).

Following enactment, the Biden administration moved swiftly to implement many of ARPA's provisions. Two of the three enhanced premium tax credits became available through HealthCare.gov on April 1—less than one month after ARPA was signed into law. The unemployment-linked enhanced subsidies are expected to be implemented later this summer. (Timelines for implementation vary in the 15 states (including DC) with their own state-based marketplaces.) Separately, the Department of Labor and the Internal Revenue Service issued guidance to implement ARPA's subsidies for COBRA continuation coverage and provide relief from premium tax credit reconciliation for 2020, respectively. These are only some of the ARPA changes that each agency has had to implement quickly.

American Families Plan

On April 28, the White House issued a 15-page fact sheet to outline its priorities for the American Families Plan. This $1.8 trillion proposal is designed to build on ARPA, follows a separate legislative package known as the American Jobs Plan (issued in late March), and signals the White House's priorities for the next broad legislative package. As with prior packages, the American Families Plan is broad and would fund new programs or initiatives for childcare, universal pre-school, higher education, paid family and medical leave, school meals, and unemployment insurance. Many of these policies promote health: early childcare and education, for instance, is linked to positive short- and long-term health outcomes. The White House emphasizes these impacts throughout its proposal.

The White House would pay for these and other policy changes by reversing the tax cuts made in the Tax Cuts and Jobs Act of 2017 (which set the ACA's individual mandate penalty to $0) and increasing taxes on the highest-income Americans. The proposal identifies new sources of revenue, such as increasing the tax rate for those with incomes in the top one percent to 39.6 percent (i.e., the same level as before the 2017 changes).

The only specific health care or coverage-related policy in the White House blueprint is to make the ARPA's premium tax credit enhancements permanent. The White House specifically references the two-year premium tax credit enhancements in ARPA, meaning the American Families Plan would continue to provide subsidies for middle-income people (those whose income exceeds 400 percent of the federal poverty level) and make subsidies more generous for lower-income people (those whose income is between 100 and 400 percent of the federal poverty level). The White House estimates that this is a $200 billion investment over ten years that will result in premium savings for 9 million people and extend coverage to 4 million uninsured people. The fact sheet also notes increased investments in maternal health and veterans' health but provides no specifics.

The extension of ARPA subsidies is unsurprising. President Biden has long championed the ACA and the ARPA subsidies, as noted above, are temporary and were rolled out seamlessly. The White House is also likely thinking of potential political ramifications down the road. If ARPA's subsidies are not extended, millions of Americans would learn of premium hikes for 2023 (as their subsidies were phased out) during the open enrollment period that begins in November 2022. This is at the same time as the 2022 midterm elections. To avoid this political outcome and higher costs for millions of Americans, the ARPA subsidy enhancements would need to be extended, either this year or next.

The rest of the White House proposal gives little indication of other policies that might be under consideration. So far, commentary has focused on what is not in the American Families Plan as Democratic members of Congress advocate for their own priorities—from allowing Medicare to negotiate drug prices to reducing the eligibility age for Medicare to enhancing Medicare benefits.

The White House gives a nod to these other proposals, many of which were championed by candidate Biden or recommended by the Biden-Sanders Unity Task Force. And in his address to a joint session of Congress, President Biden specifically called for lowering deductibles and using Medicare to negotiate lower prices for prescription drug. But the American Families Plan proposal notes only that President Biden "has a plan" to let Medicare negotiate drug prices, reduce individual market deductibles, create a public option and an option for people to enroll in Medicare at age 60, and close the Medicaid coverage gap. This is the only instance where that phrase appears in the fact sheet.

Conventional wisdom—echoed by President Biden in his address to Congress on April 28—is that the savings from allowing Medicare to negotiate drug prices could help pay for enhanced ACA subsidies and other coverage priorities. Indeed, in 2020, House Democrats passed the Patient Protection and Affordable Care Enhancement Act, which included ACA enhancements alongside parts of the Elijah E. Cummings Lower Drug Costs Now Act with the goal of using savings from the prescription drug negotiation provisions to help pay for the bill's coverage expansions. President Biden noted in his speech that "the money we save" by allowing Medicare to negotiate lower prices for prescription drugs "can go to strengthen the Affordable Care Act—[and] expand Medicare coverage and benefits—without costing taxpayers one additional penny." From here, we wait to see how Congress will proceed.

Executive Branch Efforts

President Biden has taken many COVID-19-related presidential actions and issued several health-focused executive orders. Most directly relevant to the ACA and Medicaid, President Biden issued an executive order on January 28 that directed the Department of Health and Human Services (HHS) to expand access to ACA coverage and bolster the Medicaid program.

In general, the executive order directed federal agencies to take action consistent with the Biden administration's policy to "protect and strengthen Medicaid and the ACA and to make high-quality healthcare accessible and affordable for every American." It rescinded prior executive orders from President Trump and urged each agency to consider suspending, revising, or rescinding any action that is related to or arose from these prior orders. It also broadly directed federal agencies to reexamine policies that undermine protections for people with preexisting conditions or marketplace coverage, waivers that reduce coverage, and policies that make it more difficult to enroll in or reduce the affordability of Medicaid or ACA coverage. The agencies have taken some action pursuant to the executive order, such as revisiting Medicaid work requirements waivers, but much work remains.

President Biden also directed HHS to consider establishing a broad special enrollment period for HealthCare.gov. The agency promptly did so, initially providing a three-month special enrollment period before extending it to six months, from February 15 to August 15. As of the end of March, enrollment had already risen by more than 528,000 people in the states that use HealthCare.gov. (In his address to a joint session of Congress, President Biden noted that an additional 800,000 Americans had enrolled during the special enrollment period, so we should expect updated data soon.) HHS separately committed to spending $50 million on outreach and education, which was recently doubled to $100 million to increase awareness of enhanced ARPA subsidies. HHS also provided an additional $2.3 million in funding for current navigator grantees and announced that it will invest $80 million in navigator funding for 2022, which represents the largest-ever investment in navigators.

Beyond these operational changes, the Biden administration has largely focused on issuing guidance (rather than new rules). In addition to guidance to implement ARPA, federal agencies have issued new guidance on COVID-19 testing and vaccines, relief for employers and employees in group health plans, health plan filing deadlines for 2022, pass-through funding amounts for states with Section 1332 waivers, user fee data, priorities for compliance review, mental health parity, the cost-sharing reduction reconciliation process, and the risk adjustment program. Most of these guidance documents are issued annually but some are specific to the COVID-19 pandemic or recent legislation.

We have not yet seen new rulemaking related to the ACA, although that could change soon as the Biden administration finalizes the remaining parts of the 2022 notice of benefit and payment parameters rule. The Trump administration proposed and then partially finalized the 2022 payment rule; the Biden administration must now finalize (or not) the remaining provisions of that rule. Where there has been other rulemaking, it has largely been in response to litigation (discussed more below) such as a proposed rule on the Title X program, a final rule rescinding the Trump-era public charge rule, and a delay in the effective date of the “sunset” rule. HHS has also issued several proposed Medicare rules, which are promulgated on an annual basis.

There are several reasons for potential delays in rulemaking, including prioritizing the pandemic response and ARPA implementation, a delayed transition process, and a continued dearth of political appointees at various agencies (many of whom do not require Senate confirmation). But it is worth noting that the Trump administration moved more quickly on rulemaking: HHS had already proposed and finalized the market stabilization rule, albeit with only a 20-day comment period, by mid-April 2017.

Responding To ACA-Related Litigation

As has been documented extensively on Health Affairs Blog, litigation has been one of the few constants during the ACA’s 11-year existence. There remain constitutional challenges as well as litigation over rules and regulations to implement the law. Some of these challenges date back to the Obama administration, while many challenges to the Trump-era rules are pending before courts across the country. An overview of these lawsuits is available in a three-part series found here, here, and here.

Judicial proceedings have been a priority for the Biden administration. In early February, the Department of Justice notified the Supreme Court that it had formally changed its position in California v. Texas, a global challenge to the ACA where a decision could be issued any day. As discussed here, this change was long expected given President Biden’s campaign and long-standing commitment to the ACA, the unusual position taken by the Trump administration in this lawsuit, and the weakness of the previous administration’s legal arguments. The change in position is unlikely to substantively impact the Court’s decision, but the Biden administration clearly felt it was important to make its position known.

Separately, the Department of Justice settled pending Supreme Court litigation over the public charge rule. It attempted to do the same with litigation over a rule related to the Title X program, although dismissal has not yet been granted as states have asked to intervene in the lawsuit. The Biden administration also began the process of revoking approved waivers for Medicaid work requirements for several states, including Arkansas and New Hampshire, where lawsuits over the validity of Trump-era approvals are pending before the Supreme Court. The Court agreed to put that litigation on hold, at least temporarily. The delay could be to provide time for the revocation process (begun on March 17) to proceed or to give more time for the Justices to write opinions (or dissents) on the Biden administration’s request to vacate and remand the lower courts’ decisions.

Beyond the Supreme Court, the Biden administration has asked for permission to put ACA-related litigation on hold, citing the need to consult with new agency leadership and assess the government's position on the underlying rules and litigation. As a result of these and similar requests, litigation has been put on hold in challenges over the association health plan rule, the double billing rule, the provider conscience rule, an immigration proclamation, the "sunset" rule, and some (but not all) cases related to Section 1557 and the contraceptive mandate.

But these delays are temporary. The Biden administration will eventually have to decide whether and how to resolve these lawsuits, whether to continue defending underlying Trump-era rules, or whether to ask the court to remand the rules back to various agencies to make changes using notice-and-comment rulemaking procedures.

Forbes

Biden's Special Obamacare Sign-Up Already A Boon To Health Insurers
Bruce Japsen

Health insurance companies may have one of their best years selling individual coverge under the Affordable Care Act thanks to a special open enrollment period implemented by the Biden administration.

The idea behind the special enrollment period is to help those Americans who have lost their jobs along with their health insurance coverage during the Covid-19 pandemic. The special enrollment period, which began February 15, was originally supposed to end May 15, but the Biden administration extended it to Aug. 15.

Just six weeks into the special enrollment period, the Biden administration said in early April that more than 500,000 have signed up for coverage via the healthcare.gov website, also known as the federal healthcare exchange or marketplace as insurers like to call it. Health insurers expect even more Americans to sign up to the ACA's individual coverage, also known as Obamacare.

A window into the enrollment increase for health insurers could be seen last week when Centene reported the addition of tens of thousands of new members to its Obamacare plans this year aided by the Biden administration's decision to open and extend to August 15 a special enrollment period for such coverage.

"We think marketplace will continue to be a growth engine," Michael Neidorff, the chief executive officer of Centene, the nation's largest provider of individual Obamacare coverage told analysts last week on a call to discuss the company's first quarter earnings. "Based on data released by (the Centers for Medicare & Medicaid Services), Centene is a clear leader in new enrollment on the federal exchange. And since the beginning of the year, we have enrolled over 320,000 new members in our marketplace product."

Centene, which had 1.9 million Obamacare enrollees as of March 31, was one of the first major Obamacare providers to report its first quarter earnings. Molina Healthcare also reported first quarter earnings last week and chief executive Joseph Zubretsky told analysts the health insurer's "marketplace membership grew by 302,000 in the quarter to 620,000, exceeding our initial forecast of at least 500,000 members."

Still to report are Cigna and Oscar Health, which are major players in the Obamacare business, and release their earnings later this month.

But health insurers are expected to continue to benefit from an influx of new members thanks to new regulations and support to the companies and Americans looking for coverage from the Biden administration. That contrasts with the Trump administration, which unsuccessfully tried to get Congress to repeal the Affordable Care Act while Trump's appointees curtailed the Obamacare sign-up periods.

"In our marketplace business, we are pleased to be operating in a supportive environment," Neidorff told analysts last week. "The administration continues to invest in the product. And just last week, announced an additional $80 million for navigators to boost enrollment."

KHN KAISER HEALTH NEWS

A Primary Care Physician for Every American, Science Panel Urges
Noam N. Levey

The federal government must aggressively bolster primary care and connect more Americans with a dedicated source of care, the National Academies of Sciences, Engineering and Medicine warn in a major report that sounds the alarm about an endangered foundation of the U.S. health system.

The urgently worded report, which comes as internists, family doctors and pediatricians nationwide struggle with the economic fallout of the coronavirus pandemic, calls for a broad recognition that primary care is a "common good" akin to public education.

The authors recommend that all Americans select a primary care provider or be assigned one, a landmark step that could reorient how care is delivered in the nation's fragmented medical system.

And the report calls on major government health plans such as Medicare and Medicaid to shift money to primary care and away from the medical specialties that have long commanded the biggest fees in the U.S. system.

"High-quality primary care is the foundation of a robust health care system, and perhaps more importantly, it is the essential element for improving the health of the U.S. population," the report concludes. "Yet, in large part because of chronic underinvestment, primary care in the United States is slowly dying."

The report, which is advisory, does not guarantee federal action. But reports from the national academies have helped support major health initiatives over the years, such as curbing tobacco use among children and protecting patients from medical errors.

Strengthening primary care has long been seen as a critical public health need. And research dating back more than half a century shows that robust primary care systems save money, improve people's health and even save lives.

"We know that better access to primary care leads to more timely identification of problems, better management of chronic disease and better coordination of care," said Melinda Abrams, executive vice president of the Commonwealth Fund, a New York-based foundation that studies health systems around the world.

Recognizing the value of this kind of care, many nations — from wealthy democracies like the United Kingdom and the Netherlands to middle-income countries such as Costa Rica and Thailand — have deliberately constructed health systems around primary care.

And many have reaped significant rewards. Europeans with chronic illnesses such as diabetes, high blood pressure, cancer and depression reported significantly better health if they lived in a country with a robust primary care system, a group of researchers found.

For decades, experts here have called for this country to make a similar commitment.

But only about 5% of U.S. health care spending goes to primary care, versus an average of 14% in other wealthy nations, according to data collected by the Organization for Economic Co-operation and Development.

Other research shows that primary spending has declined in many U.S. states in recent years.

The situation grew even more dire as the pandemic forced thousands of primary care physicians — who didn't receive the government largesse showered on major medical systems — to lay off staff members or even close their doors.

Reversing this slide will require new investment, the authors of the new report conclude. But, they argue, that should yield big dividends.

“If we increase the supply of primary care, more people and more communities will be healthier, and no other part of health care can make this claim,” said Dr. Robert Phillips, a family physician who co-chaired the committee that produced the report. Phillips also directs the Center for Professionalism and Value in Health Care at the American Board of Family Medicine.

The report urges new initiatives to build more health centers, especially in underserved areas that are frequently home to minority communities, and to expand primary care teams, including nurse practitioners, pharmacists and mental health specialists.

And it advocates new efforts to shift away from paying physicians for every patient visit, a system that critics have long argued doesn't incentivize doctors to keep patients healthy.

Potentially most controversial, however, is the report's recommendation that Medicare and Medicaid, as well as commercial insurers and employers that provide their workers with health benefits, ask their members to declare a primary care provider. Anyone who does not, the report notes, should be assigned a provider.

“Successfully implementing high-quality primary care means everyone should have access to the ‘sustained relationships’ primary care offers,” the report notes.

This idea of formally linking patients with a primary care office — often called empanelment — isn't new. Kaiser Permanente, consistently among the nation's best-performing health systems, has long made primary care central. (KHN is not affiliated with Kaiser Permanente.)

But the model, which was at the heart of managed-care health plans, suffered in the backlash against HMOs in the 1990s, when some health plans forced primary care providers to act as “gatekeepers” to keep patients away from costlier specialty care.

More recently, however, a growing number of experts and primary care advocates have shown that linking patients with a primary care provider need not limit access to care.

Indeed, a new generation of medical systems that rely on primary care to look after elderly Americans on Medicare with chronic medical conditions has demonstrated great success in keeping patients healthier and costs down. These “advanced primary care” systems include ChenMed, Iora Health and Oak Street Health.

“If you don’t have empanelment, you don’t really have continuity of care,” said Dr. Tom Bodenheimer, an internist who founded the Center for Excellence in Primary Care at the University of California-San Francisco and has called for stronger primary care systems for decades.

Bodenheimer added: “We know that continuity of care is linked to everything good: better preventive care, higher patient satisfaction, better chronic care and lower costs. It is really fundamental.”

THE ACA TIMES

Biden Seeks To Make PTC Eligibility Expansion Permanent
Robert Sheen

The Biden administration is once again finding ways to bolster the Affordable Care Act. This time the advancement comes in the form of ACA subsidies and the costs of healthcare obtained through state and federal health exchanges.

In the newly released $1.8 trillion American Families Plan proposal, the administration seeks to make the expansion around Premium Tax Credit (PTC) eligibility permanent. Specifically, the plan would allow Americans with income up to 150% of the Federal Poverty Level (FPL) to obtain silver quality health plans for $0 monthly premiums, as well as pay significantly reduced deductible costs, indefinitely.

In addition, the American Families Plan would also expand ACA subsidized coverage to Americans who earn 400% and above the FPL and caps the amount they would have to contribute on a monthly basis to 8.5% of their household income.

Both of these changes to PTCs and healthcare coverage were signed into law via the American Rescue Plan but are only slated to run through December 2022.

Regarding the request to make the expansion around ACA subsidized healthcare eligibility permanent, senior White House administration said in a briefing, “These credits are providing premium relief that is lowering health insurance costs by an average of $50 per person per month for nine million people, and will enable four million uninsured people to gain coverage.”

The American Families Plan proposal does not include the expansion of Medicare and is what some are calling a missed opportunity. The criticisms come from Biden’s previous promise to “lower the eligibility age from 65 to 60.” The plan proposal does however include language regarding Medicare being able to negotiate prices, “creating a public option … and closing the Medicaid coverage gap to help millions of Americans gain health insurance.” It remains to be seen how the administration will handle healthcare plans moving forward and whether a single-payer option and Medicare expansion will take effect.

Also outlined in the proposal and of significant importance for employers is the request for increased IRS authority. Specifically, the proposal is seeking to give the IRS authority to regulate paid tax preparers. According to the official American Families Plan Fact Sheet, “Tax returns prepared by certain types of preparers have high error rates. These preparers charge taxpayers large fees while exposing them to costly audits. As preparers play a crucial role in tax administration, and will be key to helping many taxpayers claim the newly-expanded credits, IRS oversight of tax preparers is needed. The President is calling on Congress to pass bipartisan legislation that will give the IRS that authority.”

This authority would largely help the IRS allocate resources accordingly and allow the agency to focus on one of Biden’s top priorities; enforcement.

Politico writes that the American Families Plan package “would be paid for by increasing the top tax rate, hiking the capital gains tax and dramatically stepping up IRS enforcement of tax evasion.” This information aligns with Biden’s recent FY22 discretionary request of almost $1 billion in additional funding for IRS enforcement efforts.

For employers, that means we can expect a significantly strengthened and revitalized IRS moving forward. Among its enforcement priorities are the Employer Shared Responsibility Provisions (ESRP), also known as the Employer Mandate.

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 Letter 226J to employers identified as having failed to comply with the ACA's Employer Mandate for the 2018 tax year. And with 2020 being the final year for Good-Faith Relief for filing and furnishing under Sections 6056 and 6056, ACA penalty assessments abound.

With IRS enforcement escalating, the pool of Americans eligible for PTCs a guaranteed increase for the remainder of 2021, 2022, and possibly beyond, employers should revisit their ACA compliance process to get a leg up. Download the 2021 ACA 101 Toolkit to learn about the penalty assessments for the 2021 tax year and important dates you won't want to miss for 2021 ACA reporting, to be filed in the 2022 tax year.

If your organization needs assistance identifying ACA penalty exposure this year, contact us to have an ACA Penalty Risk Assessment performed at no cost to you.

AXIOS

Enrollment surge may help Democrats' push for ACA changes
Marisa Fernandez

Democrats' big investments in the Affordable Care Act appear to be paying off.

Driving the news: Almost 1 million Americans have signed up for ACA coverage since February, roughly half of them in April alone, the Centers for Medicare & Medicaid Services said yesterday.

Why it matters: The strong enrollment numbers could help Democrats make the case that some of their changes to the ACA should become permanent.

"The success of the ACA enrollment period has significance for the people who get newly covered or see their premiums or deductibles go down. It also has political significance for the Biden Administration, looking to build support for a permanent increase in premium subsidies," KFF executive vice president Larry Levitt tweeted.
What's happening: In its early days, the Biden administration created a special enrollment period that allows people to sign up for ACA coverage until the end of April.

And a temporary expansion of the ACA's premium subsidies, passed as part of coronavirus relief legislation, kicked in April 1.

By the numbers: The bigger subsidies have saved Americans a lot of money, according to CMS.

People who enrolled after April 1 are paying, on average, 25% less in premiums than people who signed up in February or March. Deductibles were about 90% lower for people who signed up after the bigger subsidies took effect.

About 2 million people have seen their premiums fall after going back through the system to recalculate their costs after April 1, CMS said. The average savings for that group was 40%.

What's next: The premium bump lasts for two years, but the Biden administration is looking to make it permanent.

What they're saying: "It’s not just large numbers, it’s increasingly large numbers and ... it’s also validating what we always knew: That affordability was a primary barrier to people uninsured and other people who require care," Democratic health strategist Chris Jennings tells Axios.

The New York Times

Nearly one million people signed up for Obamacare coverage this spring.
Margot Sanger-Katz and Sarah Kliff

Nearly one million Americans have signed up for Affordable Care Act coverage during the first 10 weeks of a special open enrollment period the Biden administration began in February.

A total of 940,000 people enrolled in Obamacare coverage between Feb. 15 and April 30, new data released Thursday by Health and Human Services shows. Of those new enrollees, nearly half bought coverage last month, after Congress added billions in subsidies included in the most recent stimulus package.

With that additional funding, the average monthly premium that Healthcare.gov consumers paid fell to $86 for those signing up in April, down from $117 in February and March (before the new subsidies).

The surge in sign-ups reflects a growing demand for health insurance. Many Americans have lost job-based coverage during the pandemic, and others who were uninsured before found themselves newly interested in coverage. The numbers undercount the overall new insurance sign-ups; they reflect enrollment only in the 36 states with marketplaces that the federal government manages.

The increase most likely reflects increased publicity about the opportunity, the availability of more financial help with premiums, and health fears related to the pandemic. The Trump administration made deep cuts in advertising and marketing for Healthcare.gov. The Biden administration reversed many of those changes, committing to spending $100 million to advertise this new enrollment period.

The new subsidies make a substantial difference in the affordability of insurance for many Americans. About four million who are currently uninsured can qualify for plans that will cost them no premium, according to an analysis by the Kaiser Family Foundation (the government subsidy would cover the entire monthly cost).

Another group, higher up the income scale, qualifies for financial assistance for the first time. Some families will be eligible for discounts of more than $10,000 a year. Under the stimulus bill, these new subsidies will last until the end of 2022. But the president has said he will seek to extend them as part of his American Families Plan legislation.

Around two million Americans who were already enrolled in Obamacare coverage have returned to the marketplace to take advantage of new subsidies, according to the department. That number represents a fraction of those eligible for new discounts. Biden administration officials opted against an automatic update of subsidies, and have instead been trying to encourage consumers to come back and request them individually.

Everyone eligible for a new discount will get it eventually, but those who sign up now will receive monthly discounts on their insurance, while those who do not will get the money as a refund when they file their taxes next year.

Sign-ups for health plans in most states will remain open until Aug. 15 this year.

The Washington Post
Democracy Dies in Darkness

Biden administration revives anti-bias protections in health care for transgender people
Amy Goldstein

The Biden administration said Monday it will provide protections against discrimination in health care based on gender identity and sexual orientation, reversing a policy of its predecessor's that had been a priority for social conservatives and had infuriated civil liberties advocates.

The reversal is a victory for transgender people and undoes what had been a significant setback in the movement for LGBTQ rights.

The shift pertains to health-care providers and other organizations that receive funding from the Department of Health and Human Services. Civil rights groups had said the Trump administration policy would allow health-care workers and institutions, as well as insurers, to deny services to transgender individuals.

The reversal is the latest step Biden officials are taking to reorient the federal government's posture on health care, the environment and other policy areas away from the conservative cast of the Trump era, replacing it with a more liberal stance.

Senior HHS officials said in a statement Monday that a Supreme Court ruling last year — and lower-court decisions since then — gave them grounds to extend an earlier definition, adopted by the Obama administration, in an anti-discrimination section of the Affordable Care Act. That section outlaws bias "on the basis of race, color, national origin, sex, age or disability."

Since the ACA was created in 2010, an ideological debate has raged over what forbidding discrimination based "on sex" means. Obama administration officials had interpreted it to include protections for people who are transgender. Because of court challenges and injunctions, that interpretation never went into effect.

The idea of broadening anti-discrimination safeguards to cover LGBTQ rights was vigorously opposed by religious liberties advocates and other social conservatives who were a crucial bloc in President Donald Trump's political base.

The Equality Act is a positive step forward for the LGBTQ community. But it came with swift backlash from conservative lawmakers. (Monica Rodman, Sarah Hashemi/The Washington Post)
In 2019, Trump officials in HHS's Office for Civil Rights proposed a rewrite of the definition in a way that omitted protections based on gender in federally funded programs run by the department. The altered federal rule became final last June.

HHS said at the time that those anti-discrimination provisions apply only to "male or female as determined by biology." It described the change as part of efforts to remove "costly and unnecessary regulatory burdens" that it said were costing American taxpayers $2.9 billion over five years.

Joe Biden, then the front-runner for the Democratic presidential nomination, called the Trump health officials' action unconscionable and despicable. That day, he issued a statement noting that the rule came "during Pride Month, on the fourth anniversary of the deadly terrorist attack at the Pulse Nightclub that claimed 49 lives, many of them members of the LGBTQ+ community."

Three days later, in a case unrelated to HHS's actions, the Supreme Court ruled that a landmark 1960s federal civil rights law protects gay and transgender workers, a watershed decision for -LGBTQ rights.

Still, in the final two weeks of Trump's presidency, HHS and other agencies issued final rules, saying that anti-discrimination laws applying to employees and job applicants did not cover gender and sexual orientation.

On Jan. 20, the day President Biden took office, he issued a broad executive action saying that gay and transgender people deserve protection against discrimination in many realms of American life, including health care. The order said federal agencies should review their rules and policies that forbid sex discrimination to ensure the definitions include sexual orientation and gender identity.

Monday's action by HHS applies to Title IX of the civil rights law, the portion the Trump administration addressed in its rule 11 months ago, not the workplace-related provisions involved in the high court's ruling or the end-of-administration rule. The Biden administration move goes further than the never-enforced Obama rule, from 2016, by including sexual orientation as well as gender identity.

In general, it precludes discrimination by any health program or activity that receives HHS financial assistance, such as subsidies, grants or certain insurance contracts. Health plans sold through insurance marketplaces created under the ACA, for instance, are subject to the protections.

A senior HHS official, speaking on the condition of anonymity about the change because the official was not authorized to speak publicly, said the current administration does not need to rework the Trump-era rules. The official said two federal circuit courts have extended the Supreme Court's workplace-related ruling to apply its anti-discrimination holding to Title IX.

And in March, the official said, the Justice Department issued an opinion that also extended the Supreme Court's decision to Title IX.

With litigation still underway on the question of what "on the basis of sex" means, the official said HHS's Office for Civil Rights would obey any injunctions now in effect in limited circumstances, plus future court decisions. Still, the official said, the department's move Monday marks the first time that the broader anti-discrimination interpretation will largely be able to be enforced.

HHS Secretary Xavier Becerra said in the department's statement, "The Supreme Court has made clear that people have a right not to be discriminated against on the basis of sex and receive equal treatment under the law, no matter their gender identity or sexual orientation."

Rachel Levine, HHS's assistant secretary for health and the highest-ranking openly transgender official in U.S. government history, said, "No one should be discriminated against when seeking medical services because of who they are."

Congressional Democrats, liberal organizations and a coalition of 15 groups representing patients with serious or chronic diseases issued statements praising the switch. Calling the move an "essential and potentially life-saving action," House Speaker Nancy Pelosi (D-Calif.) said, "During this time of pandemic and always, it is vital that the most vulnerable have access to care."

Chase Strangio, deputy director for transgender justice with the LGBTQ and HIV project of the American Civil Liberties Union, said the Biden administration's action "affirms what transgender people have long said: Gender-affirming care is lifesaving care. . . . With health care for transgender youth under attack by state legislatures, this move to protect LGBTQ people from discrimination in health care is critical."

And Omar Gonzalez-Pagan, senior attorney and health-care strategist for Lambda Legal, a group advocating on behalf of LGBTQ individuals and people with HIV, said the Biden administration "provided some needed clarity after the Trump administration did everything it could to undermine and muck up the law to target and hurt our communities, in particular transgender patients."

Voices on the right denounced the change.

Tony Perkins, president of the antiabortion Family Research Council, said in a statement that the organization “will continue working to keep Obamacare from being used as a vehicle to advance transgender or abortion politics.” Perkins added, “Sex is not subjective; it is an objective biological reality. Now the Biden administration wants to punish medical professionals for recognizing this fact.”

Emily Kao, director of the DeVos Center for Religion and Civil Society at the Heritage Foundation, a conservative think tank, issued a statement that said, “The Biden administration’s actions are unlawful overreach, not health-care protections.” Kao said the move “needlessly and dangerously politicizes medicine and threatens the conscience rights of medical providers.”

Biden: 1M sign up for health care during special enrollment
AP

WASHINGTON (AP) — President Joe Biden said Tuesday that 1 million Americans had signed up for health insurance under “Obamacare” during a special enrollment period for those needing coverage during the coronavirus pandemic.

Biden reopened the HealthCare.gov insurance markets in February for a special six-month sign-up opportunity that will go through Aug. 15. His coronavirus relief package also boosted taxpayer subsidies, making the coverage a much better deal for new and current customers.

“Health care is a right, not a privilege — and ensuring that every single American has access to the quality, affordable health care they need is a national imperative,” he said in a statement.

Biden has promised to build on President Barack Obama’s Affordable Health Care Act to push the U.S. toward coverage for all. He said the law known as “Obamacare” has been “a lifeline for millions of Americans” since it became law more than a decade ago.

Biden said the U.S. had made “enormous progress” in expanding access to health insurance through this special enrollment period.

However, the 1 million figure announced Tuesday by the White House also includes people who would have otherwise qualified for a sign-up opportunity, even without Biden's special enrollment period.

A life change such as losing workplace coverage or getting married is considered a "qualifying life event" that allows people to sign up any time during the year. Last year about 390,000 people signed up because of life changes from Feb. 15-Apr. 30, the government said, and in 2019 it was more than 260,000.

So the net number of new customers who could not have enrolled this year but for Biden's action is likely lower than 1 million.

The number of uninsured Americans has risen because of job losses due to the economic hit of the coronavirus, but last year President Donald Trump's administration resisted calls to authorize a special enrollment period for people uninsured in the pandemic.

Failure to repeal and replace the Affordable Care Act as Trump, a Republican, repeatedly vowed to do, was one of the former president's most bitter disappointments. His administration continued trying to find ways to limit the program or unravel it.

A Supreme Court decision on Trump's final legal challenge to the Affordable Care Act is expected this year.

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[i] Table only shows those estimated to be eligible for subsidies based on maximum required contribution percentage of household income using available administrative data (on income, age and benchmark premiums) from California's marketplace. Uninsured and off-exchange populations are modeled based on Covered California membership, weighted to represent their respective population demographics along age, federal poverty level and region. Not shown are the estimated 1.4 million consumers who may receive higher subsidies because they are receiving unemployment insurance income. California off-exchange and uninsured totals exclude the share of individuals who are estimated to have affordable offer of employer-sponsored coverage, making them ineligible for marketplace subsidies.

[ii] The sample consumers are hypothetical case examples. For media interested in contacting Californians directly benefiting from the American Rescue Plan, please contact Covered California.