



COVERED CALIFORNIA POLICY AND ACTION ITEMS

September 16, 2021 Board Meeting

PROPOSAL TO AUTOMATICALLY MOVE CERTAIN ENROLLEES FROM BRONZE TO SILVER PLANS EMERGENCY REGULATIONS

Katie Ravel, Director, Policy, Eligibility & Research Division

PROPOSED POLICY TO AUTOMATICALLY MOVE CERTAIN ENROLLEES FROM BRONZE TO SILVER PLANS

As presented in June and August, Covered California proposes to automatically move Bronze enrollees into Silver during the upcoming renewal if:

- Their income is at or below 150% FPL.
- They are eligible for a \$0 PMPM Silver plan with the same carrier in the same product. Enrollees in Bronze HDHPs will be moved to a Silver product with the same carrier if the Silver product meets the \$0 PMPM requirement.

This policy will allow eligible members to receive platinum-level coverage with no monthly premium.

REQUESTED ACTION

- ❑ Covered California staff presented drafted regulation language at the August Board meeting to revise the passive renewal hierarchy under 10 CCR § 6498(I) to allow for auto-enrollment of certain bronze QHP enrollees into an enhanced silver 94 QHP with \$0 premium at renewal.
- ❑ No changes have been made to the draft regulation as presented in August.
- ❑ Staff request that the Board formally adopt the regulation.

PUBLIC COMMENT

CALL: (877) 336-4440

PARTICIPANT CODE: 6981308

- ❑ To request to make a comment, press 10; you will hear a tone indicating you are in the queue for comment. Please wait until the operator has introduced you before you make your comments.
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- ❑ The call-in instructions can also be found on page two of the Agenda.

EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM

NOTE: Written comments may be submitted to BoardComments@covered.ca.gov.

PROPOSITION 22: 2022 AVERAGE STATEWIDE BRONZE PREMIUM CALCULATION

Katie Ravel, Director, Policy, Eligibility & Research Division

BACKGROUND: COVERED CALIFORNIA'S REQUIREMENTS UNDER PROPOSITION 22

- Proposition 22 requires network companies (Uber, Lyft, etc.) to provide a healthcare stipend to qualifying app-based drivers, on a quarterly basis, based on certain criteria.
- Proposition 22 requires Covered California to post the average statewide monthly premium for a bronze plan annually for purposes of calculating the healthcare stipend.
- In March 2021, Covered California adopted regulations to codify the calculation for the average statewide monthly bronze premium as follows:
 - The average bronze premium for a 21-year old published by Covered California for the individual mandate penalty, adjusted by the average age of Covered California enrollees.

2022 AVERAGE STATEWIDE MONTHLY PREMIUM FOR A BRONZE PLAN

- On or before September 1 annually, Covered California must publish the average statewide monthly premium for an individual for the following calendar year for a Covered California bronze health insurance plan.
- The average statewide monthly Bronze premium for the 2022 plan year is \$518, up from \$499 for 2021.

UPDATE ON LEGAL CHALLENGE TO PROPOSITION 22

- ❑ On August 20, 2021, the Alameda County Superior Court held that provisions of Proposition 22 unconstitutionally limit the power of the legislature and violate the “single-subject” rule for initiative statutes.
- ❑ The court held that Proposition 22 in its entirety is unenforceable.
- ❑ Network companies are expected to appeal the decision and request a stay to continue Proposition 22 in effect while the litigation is pending.
- ❑ Covered California posted the average statewide monthly bronze premium for 2022 and is continuing to offer proof of enrollment documents to support consumers that are app-based drivers pending changes to Prop 22’s legal disposition.

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UPDATE ON HEALTH CARE AFFORDABILITY RESERVE FUND REPORT

Katie Ravel, Director, Policy, Eligibility & Research Division

HEALTH CARE AFFORDABILITY RESERVE FUND REPORT

- The 2021-2022 State Budget (AB 128) and Health Omnibus trailer bill (AB 133):
 - Redirected \$333.4 million from the General Fund to the Health Care Affordability Reserve Fund to be used for affordability programs operated by Covered California starting in plan year 2023; and
 - Directed Covered California to produce a report developing options for providing cost sharing reduction subsidies.

HEALTH CARE AFFORDABILITY RESERVE FUND REPORT

- In developing the report, Covered California must:
 - **Develop affordability options in consultation with stakeholders and the Legislature.**
 - **Submit options to the Legislature, Governor and the Healthy California for All Commission** for consideration for the 2022-23 budget process;
 - **Include affordability options for all Covered California enrollees:**
 - with income **up to 400 percent** of the federal poverty level (FPL);
 - to **provide zero deductibles with income under 400 percent** of the FPL; and
 - upgrade those with income **between 200 percent and 400 percent** of FPL to gold-tier cost sharing.
 - **Address any operational issues** that might impede implementation of enhanced cost-sharing reductions for the 2023 calendar year.
- Report due by January 1, 2022.

STAKEHOLDER CONSULTATION

- ❑ Covered California will convene a stakeholder working group to develop cost sharing options.
- ❑ First meeting will be held on September 30, 2021.
- ❑ Covered California has invited participants from the AB 1810 affordability working group.
- ❑ Requests to be added to working group can be sent to policy@covered.ca.gov.

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