



COVERED CALIFORNIA POLICY AND ACTION ITEMS

April 8, 2021 Board Meeting

CALIFORNIA IMPLEMENTATION OF THE AMERICAN RESCUE PLAN

UPDATE ON POPULATIONS ELIGIBLE AND WHO BENEFITS

WHO CAN BENEFIT FROM THE AMERICAN RESCUE PLAN'S NEW HEALTH SUBSIDIES: THE NATIONAL AND CALIFORNIA PICTURE

Landscape of the 2.5 Million Californians Eligible for New Assistance*

			California	
ACTION NEEDED BY CONSUMER	Currently Uninsured	Uninsured Marketplace Eligible, below 400% FPL	675,000	27%
		Uninsured Marketplace Eligible, above 400% FPL	135,000	5%
		<i>SUBTOTAL: Currently Uninsured - Action Needed to Benefit</i>	810,000	33%
	Currently Insured	Off-Exchange Enrollees, below 400% FPL	90,000	4%
		Off-Exchange Enrollees, above 400% FPL	180,000	7%
		<i>SUBTOTAL: Currently Enrolled - Action Needed to Benefit</i>	270,000	11%
NO ACTION NEEDED BY CONSUMER	Currently Insured	Marketplace Enrollees, below 400% FPL - No Action Needed to Benefit	1,270,000	51%
		Marketplace Enrollees, above 400% FPL - Newly Eligible for ARP	140,000	6%
		<i>SUBTOTAL: Currently Enrolled - No Action Needed to Benefit</i>	1,410,000	57%
TOTAL		Total Eligible to Benefit from Subsidies	2,490,000	100%
ACTION NEEDED	Currently Uninsured	Uninsured Medicaid Eligible	1.0M	
TOTAL		Total Eligible to Benefit from Affordable Coverage	3.4M	

Average New Monthly Financial Help For Current Marketplace Enrollees, below 400% FPL	\$ 74
Average Monthly Financial Help for Newly Enrolling Individuals, below 400% FPL	\$ 527
Average Monthly Financial Help Per Newly Eligible Enrollee, above 400% FPL	\$ 309

* 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 demographics including age, FPL, 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.

AMERICAN RESCUE PLAN LOWERS PREMIUMS AS A SHARE OF INCOME

2021 Coverage Year: Percent of Household Income Paid for Benchmark Silver Premium				
Income Range		Required Contribution as Share of Income		
Income As Percent of Federal Poverty Level (FPL)	Income for Single Household	Affordable Care Act	California State Subsidy Program	American Rescue Plan
Under 138%*	\$0 to \$17,609	2.07%	0.0%	0.0%
138% – 150%**	\$17,609 to \$19,140	3.10% – 4.14%	N/A	0.0%
150% – 200%	\$19,140 to \$25,520	4.14% – 6.52%	N/A	0.0% – 2.0%
200% – 250%	\$25,520 to \$31,900	6.52% – 8.33%	6.24% – 7.80%	2.0% – 4.0%
250% – 300%	\$31,900 to \$38,280	8.33% – 9.83%	7.80% – 8.90%	4.0% – 6.0%
300% – 400%	\$38,280 to \$51,040	9.83%	8.90% – 9.68%	6.0% – 8.5%
Over 400%	\$51,040 and up	Not eligible for subsidies	9.68% – 18.0%***	8.5%

NOTES:
 *Individuals with income at or below 138% of the federal poverty level are generally eligible for Medi-Cal, California’s Medicaid program. In certain limited circumstances, however, they are eligible for the federal premium tax credit and the California state subsidy program.
 ** Under the American Rescue Plan, Covered California enrollees receiving Unemployment Insurance (UI) in 2021 are treated as though their income is no more than 138.1% of the federal poverty level for the purposes of the federal premium tax credit meaning their required contribution for a benchmark plan will be 0%.
 *** Eligibility for the California state subsidy program ends at 600% of the federal poverty level.

SAVINGS TO CALIFORNIANS UNDER THE AMERICAN RESCUE PLAN

Uninsured Californians earning between \$19,000 and \$32,000 per year – comprising one-third of the eligible uninsured – can enroll in a benchmark silver plan (with reduced cost sharing) for an average cost of \$45 per month, and virtually all can get a Bronze plan for \$1 per month per member.

Off-exchange consumers over 400% FPL, who enroll with Covered California in May, will receive on average of \$570 per month in federal financial assistance, for a potential savings of more than \$11,000 if enrolled for 20 months from May 2021 through December 2022.

Current Covered California consumers who will receive subsidies, will pay an estimated \$119 less per month per household on average, which translates to \$1,428 per year.

	Income Ranges for Single Person Household	Share of Enrollment	Monthly Premiums		Savings Due to American Rescue Plan (for those who receive credits only)		
			Gross Premium	Consumer's Premium After American Rescue Plan Assistance	Monthly Savings compared to ACA	Monthly Savings compared to Gross Premium	Savings from 20 months of ARP subsidies (compared to gross)
Under 150% FPL	Under \$19,140	18%	\$734	\$55	\$59	\$679	\$13,588
150% - 250% FPL	\$19,140 - \$31,900	47%	\$766	\$61	\$93	\$704	\$14,088
250% - 400% FPL	\$31,900 - \$51,040	27%	\$964	\$228	\$144	\$736	\$14,720
Over 400% FPL	More than \$51,040	8%	\$1,100	\$507	\$593	\$593	\$11,860
Total		100%	\$820	\$118	\$119	\$702	



Note: Uninsured and off-exchange populations are modeled based on Covered California membership, weighted to demographics including age, FPL, and region. Source: Covered California administrative data of effectuated enrollees' current plan selections, and only reflect those who are estimated to receive subsidies greater than \$0. Premiums are at the household level.

THE AMERICAN RESCUE PLAN PROVIDES BIG SAVINGS TO CONSUMERS WHO HAVE RECEIVED UNEMPLOYMENT INSURANCE

- For 2021, households who received Unemployment Insurance Income receive richest benefits irrespective of income
- Benefits to about 10 percent of consumers mean \$1/month for ALL Income levels for “Better than Platinum” Silver
- Increased subsidies will be applied automatically – likely in August – lowering premiums prospectively and resulting in large potential Tax Credit paid to these consumers on tax reconciliation.

	Income Ranges for Single Person Household	Count of Individual Enrollees	Share of Enrollment	Gross Premium (second-lowest cost silver)	Current ACA Net Premium	American Rescue Plan Net Premium	Current ACA Tax Credit	American Rescue Plan 2021 Tax Credit	Monthly Savings	Annual Savings
Under 100% FPL	\$0 - \$17,609	7,300	6%	\$585	\$24	\$1	\$562	\$585	\$23	\$271
138% - 150% FPL	\$17,609 - \$19,140	12,800	10%	\$655	\$68	\$1	\$587	\$655	\$67	\$802
150% - 200% FPL	\$19,140 - \$25,520	61,100	47%	\$691	\$118	\$1	\$573	\$691	\$117	\$1,402
200% - 250% FPL	\$25,520 - \$31,900	20,500	16%	\$929	\$240	\$1	\$688	\$929	\$239	\$2,872
250% - 300% FPL	\$31,900 - \$38,280	13,300	10%	\$1,044	\$348	\$1	\$696	\$1,044	\$347	\$4,160
300% - 400% FPL	\$38,280 - \$51,040	9,800	7%	\$1,139	\$480	\$1	\$659	\$1,139	\$479	\$5,749
Over 400% FPL	More than \$51,040	6,400	5%	\$1,366	\$1,366	\$1	\$0	\$1,366	\$1,365	\$16,378
Total		131,200	100%	\$784	\$193	\$1	\$591	\$784	\$192	\$2,305



*All APTC and net premium values are at the household level and reflect enrollees with current income information, who are estimated to receive stimulus subsidies >\$0 UI data from 1% sample of current enrollees with UI reported

ENGAGING OUR ENROLLERS

Terri Convey, Director of Outreach and Sales

ENGAGEMENT AND OUTREACH TO THE ENROLLER COMMUNITY

- ❑ February and March 2021 – Six roundtable discussions with enrollers; ongoing one on one discussions with enrollers; presentations to stakeholder groups; email and text communication to enrollers; informational toolkits and resources provided to enrollers; etc.
- ❑ March 23, 2021 – Live event with enrollers and stakeholders
- ❑ March 25, 2021 – Top Agencies Roundtable Discussion
- ❑ April 20, 2021 – Virtual conference for enrollers and stakeholders to discuss California's Implementation of the American Rescue Plan



VIRTUAL CONFERENCE

2021

CALIFORNIA'S IMPLEMENTATION OF THE AMERICAN RESCUE PLAN

APRIL 20, 2021

9:00 AM TO 12:10 PM PST

Learn about the savings to Californians under the American Rescue Plan & Covered California's core strategies to maximize enrollment and help as many consumers as possible!

Register Now!
Featuring Special Guest Speakers from Covered California, Department of Managed Health Care, Department of Health Care Services, Health Plan Representatives.

SUPPORTING NAVIGATORS

- ❑ Covered California is amending the existing Navigator grants for current fiscal year (FY 2020-21), increasing total grant funds by \$650,000, and increasing the total 3-year grant program funds from \$19.5 MM to \$20.15 MM, with the approval of the FY 20-21 budget amendment:
 - Increase to individual Navigator grant funding by 10% each contract agreement
 - Grantee payments to range from \$5,000 to \$50,000 depending on existing funding level.
- ❑ The additional 10% funding will be tied to microtargeting efforts to occur during the months of April, May, and June 2021.
 - Microtargeting is to include marketing and media channel expenditures to target underserved and underrepresented communities (includes but not limited to language, ethnicity, geographic, economic populations).
 - Messaging to focus on the American Rescue Plan (ARP), and the ARP impacts to health insurance enrollment and access.
- ❑ Expenditures are to be reported out by the Navigator entities to Covered California no later than July 15, 2021.
- ❑ Covered California will reserve the right to recover unspent funds from the 10% increase.

POLICY AND TECHNOLOGY FLEXIBILITY TO SUPPORT ENROLLMENT OF SUBSIDY- ELIGIBLE INDIVIDUALS

Katie Ravel, Director, Policy, Eligibility & Research Division

POLICY AND TECHNOLOGY FLEXIBILITY TO SUPPORT ENROLLMENT OF SUBSIDY-ELIGIBLE INDIVIDUALS

- ❑ Covered California proposes to offer temporarily flexibility to health plans and certified enrollers to accelerate the enrollment of eligible individuals into subsidized coverage.
- ❑ This temporary flexibility will allow a carrier-specific shopping experience to assist Californians currently enrolled off-exchange to maximize their new premium subsidy benefit under the American Rescue Plan.
- ❑ Covered California is proposing to offer this flexibility through the 2022 plan year.

POLICY FLEXIBILITY TO SUPPORT ENROLLMENT OF SUBSIDY-ELIGIBLE INDIVIDUALS

Covered California proposes to provide the following flexibility through the 2022 plan year:

- ❑ **Policy flexibility** to allow carriers to engage plan-based enrollers and/or certified insurance agents to support their enrollment efforts. These enrollers will have the flexibility to limit the carrier options they present to a consumer when the consumer is enrolled in coverage outside of the exchange to only those Qualified Health Plans (QHP) offered by the consumer's current carrier.

TECHNOLOGY FLEXIBILITY TO SUPPORT ENROLLMENT OF SUBSIDY-ELIGIBLE INDIVIDUALS

Covered California proposes to provide the following flexibility through the 2022 plan year:

- ❑ **Covered California microsities** that will enable a carrier-specific enrollment experience through Covered California. Microsites are intended to facilitate the transfer of coverage from a non-exchange product into subsidized coverage, however, uninsured individuals will not be barred from using the microsities. Covered California will include language in plan shopping pages to inform prospective enrollees that other QHP Issuers are available. Plan-based enrollers and certified insurance agents may use the microsities or traditional enrollment channels (i.e., Covered California's broker portal).

MICROSITE DESIGN FEATURES

- ❑ **User flow:** consumer will access a microsite via a link on the carrier's website that will take the consumer to the carrier's co-branded Covered California microsite.
- ❑ **Eligibility and enrollment:** will occur in Covered California's online application.
- ❑ **Plan choice:** the microsite will include clear notice to consumers on shopping pages informing them that other carriers are available, offering identical benefit designs that may be less expensive. The notice will provide mechanism for consumers to link to the full Covered California site and have access other carriers if they chose to.
- ❑ **Carrier co-branding:** co-branding will appear during the eligibility and enrollment experience for the consumer's initial plan selection. Consumers who return to their accounts to report changes or renew their coverage after initial enrollment will see all available carriers.

RELATED REQUIREMENTS: HEALTH PLANS WILL BE REQUIRED TO ESTABLISH CONSUMER-FIRST COVERAGE TRANSITION POLICIES

Health plans will be expected to identify, reach out to, and help their off-exchange eligible enrollees get subsidies through Covered California and to ensure that those transitioning do so in a consumer-centered way, including:

- ❑ Transferring amounts accrued to deductibles – regardless of plan type within the same carrier;
- ❑ To the extent possible, maintaining primary care relationships with the consumers; and
- ❑ Assuring continuity of care and addressing potential network changes.

REPORTING ON AND EVALUATION OF THE IMPACT OF MICROSITES ON CONSUMER OUTCOMES

- ❑ Covered California's goal is to maximize the benefits Californians receive from the health insurance provisions of the American Rescue Plan. Covered California will use administrative and survey data to evaluate the impact of the temporary microsite program on consumer outcomes.
- ❑ Covered California will be able to track enrollments through microsites to compare consumer eligibility, financial and enrollment outcomes and member survey responses to other Covered California enrollees.
- ❑ Covered California will be able to study consumer behavior at initial plan selection and renewal.

REQUESTED ACTION AND PROPOSED IMPLEMENTATION MILESTONES

- ❑ Staff request that the Board approve staff recommendation for temporary policy and technology flexibility to support enrollment of subsidy-eligible individuals to maximize the benefit of the American Rescue Plan to California consumers
- ❑ If approved, implementation activities will occur as follows:

MILESTONE	DATE
Potential Board action	April
Microsite launch	June
Program evaluation and report	Fall 2022
End of temporary program	December 2022

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.
- ❑ If watching via the live webcast, please mute your computer to eliminate audio feedback while calling in. Note, there is a delay in the webcast.
- ❑ The call-in instructions can also be found on page two of the Agenda.

EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM

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

ENROLLMENT ASSISTANCE PERMANENT REGULATION PACKAGE

Angela Gilliam, Outreach and Sales Division

CERTIFIED ENROLLMENT COUNSELORS ENROLLMENT ASSISTANCE PROGRAM

- ❑ Staff requests the Board's approval to commence the permanent rulemaking process for the Certified Enrollment Counselors (CECs) Enrollment Assistance regulations.
- ❑ The CEC Enrollment Assistance regulations establish the process for individuals to become CECs and provide enrollment assistance to consumers.
- ❑ While most CEC Enrollment Assistance regulations are permanent, some are still under the emergency status. These regulations relate to background check payments, voter registration, assistance with appeals, limitations on tax assistance, and gift giving.

CERTIFIED ENROLLMENT COUNSELORS ENROLLMENT ASSISTANCE PROGRAM

- ❑ These emergency regulations were adopted on December 12, 2016. They must be made permanent before December 12, 2021.
- ❑ The rulemaking package does not make any major changes to the emergency regulations that the Board previously approved.
- ❑ Some changes address minor grammatical issues and update citations to state and federal regulations.

CERTIFIED ENROLLMENT COUNSELORS ENROLLMENT ASSISTANCE PROGRAM

- ❑ Staff requests discussion and public comment on the permanent regulation package.
- ❑ Comments should be sent to:
CommunityPartnerCertSupport@covered.ca.gov
- ❑ Staff will return to the Board at the completion of the public comment period to request final Board approval to file the permanent regulation package with the Office of Administrative Law.

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CHANGES TO ELIGIBILITY AND ENROLLMENT REGULATIONS FOR INDIVIDUAL MARKET

Bahara Hosseini, Office of Legal Affairs

BACKGROUND

- ❑ Covered California was granted emergency rulemaking authority by the Legislature through January 1, 2022.
- ❑ These regulations are the result of ongoing collaboration and consultation with the California Department of Social Services, California Department of Health Care Services, California Department of Managed Health Care, California Department of Insurance, FTB, consumer advocates, Qualified Health Plan (QHP) issuers, and other stakeholders.

OVERVIEW OF THE MAIN PROPOSED CHANGES

- ❑ Revised the definition of “Premium payment Due Date” to distinguish between the initial premium (binder) payment and the subsequent premium payments for clarity purposes and to comply with Gov. Code, Section 100503.4, subdivision (c).
- ❑ Revised the Advanced Premium Tax Credit (APTC) eligibility requirements and the income verification process to remove the 400% FPL cliff to comply with the American Rescue Plan Act.
- ❑ Revised the frequency of the periodic data matching to “at least twice during the benefit year” for Medicare eligibility or enrollment, and the data matching process for the enrollees who request a termination or are deceased to comply with the federal regulations in 45 CFR § 155.330(d) and (e).

OVERVIEW OF THE MAIN PROPOSED CHANGES CONT.

- ❑ Revised the passive renewal hierarchy for Qualified Dental Plans that are no longer available.
- ❑ Revised the state of emergency Special Enrollment Period (SEP) triggering event and added an exception for a national public health emergency or a pandemic for clarity purposes.
- ❑ Replaced the SEP regular coverage effective dates (“15-day rule”) with the first of the month following plan selection effective date.
- ❑ Revised the implementation effective date for reported changes to replace the “15-day rule” with the “first of the month following plan selection or report a change” to align with the revised SEP regular coverage effective dates and prevent consumers’ confusion.

NEXT STEPS

- ❑ Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- ❑ Staff will request the Board to formally adopt the regulation package in May so it can be filed with the Office of Administrative Law.
- ❑ Any additional proposed changes to the proposed emergency regulations for eligibility and enrollment in the individual market will be communicated to stakeholders for review and commenting prior to Action.

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