



COVERED CALIFORNIA POLICY AND ACTION ITEMS

April 14, 2022 Board Meeting

NAVIGATOR GRANT PROGRAM FISCAL YEAR 2022-23 CONTRACT AMENDMENT PROPOSAL

Robert Kingston, Deputy Director
Outreach and Sales Division

NAVIGATOR PROGRAM FISCAL YEAR 2022 - 2023

Action Item Before the Board

Covered California seeks board approval to extend the current Navigator Program contract for one additional year. The current contract is set to expire June 30, 2022.

Background

- ❑ The Navigator Program awards outreach and enrollment grants to community-based organizations qualified to reach California's diverse and hardest-to-serve communities.
- ❑ The Board approved a total Navigator Grant Program funding of \$19.5 million across a three-year grant cycle which ends June 30, 2022. The contract permits two one-year extensions beyond the approved three-year term.
- ❑ The annual funding level for the Navigator Program is \$6.5 million. Covered California distributes funding to 40 Navigator organizations.
- ❑ Pandemic challenges including grantee staffing concerns have made it unlikely a new grant application cycle will return a broad and qualified applicant pool. Lower than expected application responses would result in a reduction of the program's effectiveness and geographical footprint, reducing the number Navigators available to assist consumers.
- ❑ Covered California's Navigator grantees were consulted and favor continuation of the existing contract.

NAVIGATOR PROGRAM CONTRACT AMENDMENT

Request Board Approval for Covered California to Amend the Navigator Program Contract

1. Authorize a one-year extension of the existing Navigator Program contract to end June 30, 2023
2. Maintain the annual funding of \$6.5 million for Fiscal Year 2022 – 2023
3. Extend the current Navigator grantee agreements to June 30, 2023
4. Continue current minimum enrollment requirements and outreach activity goal expectations for the 2022-23 fiscal year

BACKGROUND ITEMS

FISCAL YEAR 2022-2023 NAVIGATOR ENROLLMENT GOALS

NEXT STEPS & TIMELINE

- Request the Board to approve the contract amendment proposal for the FY 2022-23 Navigator Grant Program.

Date	Action
February 17, 2022	Program presented the Fiscal Year 2022-23 grant contract amendment to the Covered California Board at closed for discussion, and at the open session for the public announcement and comments.
April 14, 2022	Program presents the Fiscal Year 2022-23 grant contract amendment to the Covered California Board at closed session for adoption, and at the open session for Board action and public comments.
May-June 2022	Once approved, program prepares FY 22-23 contract amendment packages to entities for execution.
June 15-30, 2022	Program finalizes individual grantee evaluation and payment reconciliation for FY 21-22 grant period funding and sends out FY 22-23 contract amendment to entities for execution.
June 30, 2022	End of FY 21-22 grant contract period.
July 1, 2022	Start of grant cycle FY 2022-23 contract period.

NAVIGATOR PROGRAM YEARLY FUNDING LEVELS

- ❑ Annual program funding level has been steady at \$6.5 million
- ❑ 40 lead partner organizations and 61 active subcontractors for a total of 101 participating entities
- ❑ More than 500 locations within a 15-minute drive time for 89% of all Californians
- ❑ Program reach includes Latino, Asian, African American and other communities

Grant Year	Program Funding	# of Entities	Funding Range	Actual Enrollment
2022-23	\$6,500,000	40	\$50,000-\$500,000	TBD
2021-22	\$6,500,000	40	\$50,000-\$500,000	TBD
2020-21	\$6,500,000	41	\$50,000-\$500,000	49,267*
2019-20	\$6,500,000	42	\$50,000-\$500,000	52,409*
2018-19	\$6,475,000	42	\$50,000-\$500,000	44,684
2017-18	\$6,425,000	43	\$50,000-\$500,000	40,355
2016-17	\$7,100,000	46	\$50,000-\$500,000	35,858
2015-16	\$10,550,000	69	\$50,000-\$500,000	40,096
2014-15	\$10,886,569	65	\$25,000-\$500,000	77,457

* These numbers represent "effectuated enrollments" which is different from the previous grant year's enrollment count of plan selections.

PUBLIC COMMENT

CALL: (877) 336-4440

PARTICIPANT CODE: 6981308

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

REORGANIZATION OF AUDIT AND FINANCE COMMITTEE AND THE ESTABLISHMENT OF TWO INDEPENDENT COMMITTEES

AUDIT COMMITTEE

Ginny Veneracion-Alunan, CPA, Chief Audit Executive and Deputy Director
Program Integrity Division

FINANCE COMMITTEE

Jim Watkins, CPA, Chief Financial Officer
Financial Management Division

ROADMAP

Objective: to reorganize into two independent committees dedicated for audits and finance responsibilities

- ❑ Current Structure and History
- ❑ Committee Reorganization
- ❑ Purpose of Audit Committee
- ❑ Requested Action

Ginny Veneracion-Alunan

- ❑ Purpose of Finance Committee
- ❑ Requested Action

Jim Watkins

AUDIT AND FINANCE COMMITTEE – CURRENT STRUCTURE

❑ Purpose

To assist the Board in fulfilling its oversight over audit and financial responsibilities.

❑ Composition

The current appointed members of the Committee are Dr. Sandra Hernandez and Jerry Fleming. Each Committee member shall serve on the Committee until replacement by a majority vote of the Board.

❑ Meetings

It meets at least twice annually or more frequently as necessary.

HISTORY

❑ Audit and Finance Committee originally created in 2015.

❑ Board Resolution No. 2018-30 adopted the current Audit and Finance Committee Charter in June of 2018

As outlined in the Charter, the purpose is to fulfill “*oversight responsibilities for the accounting and financial reporting process; the system of internal controls; the audit process; enterprise risk management activities; compliance with the conflict of interest code; compliance with Covered California’s Annual Whistleblower Notification process; fraud, waste, and abuse policies; and all applicable laws and regulations.*”

ESTABLISHMENT OF A DEDICATED COVERED CALIFORNIA AUDIT COMMITTEE

❑ Purpose

The purpose of the Audit Committee is to provide a structured, systematic oversight of the organization's governance, risk (and controls), and compliance practices. The committee assists the Covered California Board (Board) and management by providing advice and guidance on the adequacy of the organization's system of internal controls, the internal audit process (executed by the Office of Audit Services), and Covered California's process for monitoring compliance with laws and regulations. In creating an independent Audit Committee, the Committee can focus on audit issues and fully discuss audit matters separate from financial affairs.

❑ Meetings

In accordance with the International Standards for the Professional Practice of Internal Auditing, the Committee shall meet quarterly or more frequently as the Committee deems necessary.

❑ Composition

The Audit Committee will consist of two Board members. The Board will appoint committee members who shall serve on the committee until replacement by the Board.

ESTABLISHMENT OF A DEDICATED COVERED CALIFORNIA AUDIT COMMITTEE - CONTINUED

❑ Audit Committee Charter

The Office of Audit Services has prepared a revised Audit Committee Charter for Board approval.

- Mandate - Government Code and Professional Audit Standards; plays a significant role in setting the tone of an organization.
- Authority - In discharging its responsibility, the Audit Committee will have unrestricted access to members of management, employees, and relevant information considered necessary with duties. The Audit Committee has authority to approve audits, operational reviews, or investigations into any matters. The Committee Charter will be reviewed annually.
- Significant responsibilities under the purview of the Audit Committee include the following: 1) Ensure Covered California establishes and maintains effective governance, risk (and controls) and compliance practices, 2) Review and approve the Internal Audit Charter and risk-based Audit Plan annually, 3) Review the results of external and internal audit reports, including management's corrective action plans, and 4) Regularly report to the Board about committee activities and provide an open avenue of communication between the Office of Audit Services and the Board members.

ROLES AND RESPONSIBILITIES

Audit Committee

Review the Audit Committee Charter annually and recommend any proposed changes to the Board.

Review and approve the Internal Audit Charter at least annually.

Review and approve the annual risk-based audit plan and assess the Office of Audit Services' performance relative to its plan.

Advise the Board about increases and decreases to the requested audit resources to achieve the internal audit plan.

Consider the effectiveness of Covered California's governance, risk (and controls), and compliance strategy..

Understand the scope of internal and external auditors' review of internal control and obtain report on significant findings and recommendations.

Review the results of internal audit reports and reviews, including any difficulties encountered.

Review the status of corrective actions taken to address audit findings.

Ensure that the Office of Audit Services follows the Institute of Internal Auditors' International Professional Practices Framework and other auditing standards as appropriate.

Receive confirmation from the Chief Audit Executive of the independence of the internal audit organization and its activities.

Review and provide advice on the governance process established and maintained within Covered California and the procedures in place to ensure that they are operating as intended.

Obtain reasonable assurance with respect to the organization's governance process.

Regularly report to the Board about committee activities, issues, and related recommendations. Provide an open avenue of communication between the Office of Audit Services and the Board members.

ESTABLISHMENT OF A COVERED CALIFORNIA AUDIT COMMITTEE

REQUESTED ACTION

Recommend to:

- ❑ Approve and implement resolution #2022-13 to establish the Audit Committee.
- ❑ Approve the Audit Committee Charter.
- ❑ Appoint (or Reappoint) Audit Committee members

ESTABLISHMENT OF A DEDICATED COVERED CALIFORNIA FINANCE COMMITTEE

❑ Purpose

The Finance Committee shall assist the Covered California Board in fulfilling its fiduciary responsibilities to oversee the financial activities and the financial condition of Covered California. Additionally, the Finance Committee shall provide oversight of financial and enterprise risks and/or exposures, and the steps management has taken to mitigate such exposures.

❑ Meetings

The Finance Committee will be a standing advisory committee that meets quarterly, or more frequently as determined by the Committee. The Committee may invite members of management or others to attend the meeting and provide pertinent information.

❑ Composition

The Finance Committee will consist of two Board members that are independent of the organization and possess sufficient knowledge of finance and accounting.

❑ Finance Committee Charter

The Financial Management Division has prepared a Finance Committee Charter for Board approval. The Charter outlines the Finance Committee's roles and responsibilities for the oversight of financial activities and the financial condition, as well as the oversight of financial and enterprise risks and/or exposures, and the steps management has taken to mitigate such exposures.

ROLES AND RESPONSIBILITIES

Finance Committee

Review and make recommendations to the Board with respect to long-range financial planning.

Review and make recommendations to the Board regarding Covered California's budget.

Periodically review operating cash flows, the enterprise fund's liquidity position, and performance against budget and projections.

Assess Covered California's annual revenue and expenditure levels for interperiod equity.

Make recommendations to the Board on approved operating expenditures and capital expenditures consistent with policy.

Monitor actual spending against approved budgets and capital plans.

Review financial aspects of major proposed transactions.

Review annual financial statements prepared in conformity with GAAP and the independent audit.

Recommend and monitor any corrective actions taken to bring Covered California into compliance with financial goals.

Review long-term infrastructure needs of Covered California, including operating systems and facilities.

Review financial and enterprise risks and/or exposures of Covered California, and the steps management has taken to mitigate such exposures.

ESTABLISHMENT OF A COVERED CALIFORNIA FINANCE COMMITTEE

REQUESTED ACTION

Recommend to:

- ❑ Approve and implement resolution #2022-14 to establish the Finance Committee.
- ❑ Approve the Finance Committee Charter.
- ❑ Appoint (or Reappoint) Finance Committee members.

PUBLIC COMMENT

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2023 PATIENT-CENTERED STANDARD BENEFIT DESIGNS

Jan Falzarano, Deputy Director
Plan Management Division

AV CALCULATOR AND NOTICE OF BENEFIT AND PAYMENT PARAMETERS

- ❑ The Notice of Benefit and Payment Parameters (NBPP) final rule has not yet been released
- ❑ The final Actuarial Value Calculator (AVC) has not yet been released
- ❑ The 2023 plan designs will be finalized after the Board meeting due to the timeline in final NBPP and AVC

BENEFIT DESIGN SINCE FEBRUARY BOARD MEETING

- ❑ Proposed 2023 Standard Benefit Plan Designs (SBPDs) were presented for discussion at the February Board Meeting
- ❑ Additional benefit modeling was performed on Silver 73 to ensure a 2% variance between the Silver 70 and Silver 73 plans
 - Changes since February in red:
 - Silver 73:
 - reduced drug deductible from \$85 to **\$30**
- ❑ Dental plan benefit designs – added two new codes to the 2023 Copay Schedule, D5227 and D5228

2023 PROPOSED PLAN DESIGN SIDE-BY-SIDE VIEW

INDIVIDUAL & FAMILY PLAN

Benefit	Individual-only Platinum Coinsurance		Individual-only Platinum Copay		Individual-only Gold Coinsurance		Individual-only Gold Copay		Individual-only Silver		Silver 73		Silver 87		Silver 94		Bronze		Bronze HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible																				
Medical Deductible										\$4,750	\$4,750	\$800	\$75	\$6,300	\$7,000					
Drug Deductible										\$85	\$30	\$25	\$0	\$500						
Coinsurance (Member)		10%		10%		20%		20%		20%	20%	15%	10%	40%	40%					0%
MOOP		\$4,500		\$4,500		\$8,550		\$8,550		\$8,750		\$7,250		\$3,000		\$900		\$8,200		\$7,000
ED Facility Fee		\$150		\$150		\$350		\$350		\$400		\$400		\$150		\$50	X	40%	X	0%
Inpatient Facility Fee		10%		\$250		30%		\$350	X	30%	X	30%	X	25%	X	10%	X	40%	X	0%
Inpatient Physician Fee		10%		---		30%		---		30%		30%		25%		10%	X	40%	X	0%
Primary Care Visit		\$15		\$15		\$35		\$35		\$45		\$45		\$15		\$5	X	\$65	X	0%
Specialist Visit		\$30		\$30		\$65		\$65		\$85		\$85		\$25		\$8	X	\$95	X	0%
MH/SU Outpatient Services		\$15		\$15		\$35		\$35		\$45		\$45		\$15		\$5	X	\$65	X	0%
Imaging (CT/PET Scans, MRIs)		10%		\$75		25%		\$75		\$325		\$325		\$100		\$50	X	40%	X	0%
Speech Therapy		\$15		\$15		\$35		\$35		\$45		\$45		\$15		\$5		\$65	X	0%
Occupational and Physical Therapy		\$15		\$15		\$35		\$35		\$45		\$45		\$15		\$5		\$65	X	0%
Laboratory Services		\$15		\$15		\$40		\$40		\$50		\$50		\$20		\$8		\$40	X	0%
X-rays and Diagnostic Imaging		\$30		\$30		\$75		\$75		\$95		\$90		\$40		\$8	X	40%	X	0%
Skilled Nursing Facility		10%		\$150		30%		\$150	X	30%	X	30%	X	25%	X	10%	X	40%	X	0%
Outpatient Facility Fee		10%		\$100		20%		\$150		20%		20%		15%		10%	X	40%	X	0%
Outpatient Physician Fee		10%		\$25		20%		\$40		20%		20%		15%		10%	X	40%	X	0%
Tier 1 (Generics)		\$5		\$5		\$15		\$15	X	\$16	X	\$16	X	\$5		\$3	X	\$18	X	0%
Tier 2 (Preferred Brand)		\$15		\$15		\$60		\$60	X	\$60	X	\$55	X	\$25		\$10	X	40%	X	0%
Tier 3 (Nonpreferred Brand)		\$25		\$25		\$85		\$85	X	\$90	X	\$85	X	\$45		\$15	X	40%	X	0%
Tier 4 (Specialty)		10%		10%		20%		20%	X	20%	X	20%	X	15%		10%	X	40%	X	0%
Tier 4 Maximum Coinsurance		\$250		\$250		\$250		\$250		\$250		\$250		\$150		\$150		\$500*		
Maximum Days for charging IP copay				5				5												
Begin PCP deductible after # of copays																				3 visits
Actuarial Value																				
2023 AV (Draft 2023 AVC)		91.76		89.75		81.92		80.11		71.57†		73.86†		87.86†		94.88		64.54†		64.17
2022 AV (Final 2022 AVC)		91.59		89.25		81.90		78.01		71.07†		73.42†		87.75†		94.66		64.78†		64.60
Enrollment as of June 2021			61,090				151,430			227,540		124,900		328,850		205,510		352,860		108,220
Percent of Total enrollment			4%				10%			15%		8%		21%		13%		23%		7%
Enrollment as of June 2022		17,373		43,717		84,815		66,615												
Percent of Total enrollment		28%		72%		56%		44%												

KEY:	X	Subject to deductible
	+	Drug cost applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2022
		Decreased member cost from 2022
		Does not meet AV
	Within 3% of upper de minimis	
	Securely within AV	

2023 BENEFIT PLAN DESIGNS SIDE-BY-SIDE VIEW FOR COVERED CALIFORNIA FOR SMALL BUSINESS

Benefit	CCSB-only Platinum Coinsurance		CCSB-only Platinum Copay		CCSB-only Gold Coinsurance		CCSB-only Gold Copay		CCSB-only Silver Coinsurance		CCSB-only Silver Copay		CCSB-only Silver HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible														\$2,700
Medical Deductible						\$350		\$250		\$2,500		\$2,500		
Drug Deductible						\$0		\$0		\$300		\$300		
Coinsurance (Member)		10%		10%		20%		20%		35%		35%		25%
MOOP		\$4,500		\$4,500		\$7,800		\$7,800		\$8,600		\$8,750		\$7,200
ED Facility Fee		\$200		\$150	X	20%	X	\$250	X	35%	X	30%	X	25%
Inpatient Facility Fee		10%		\$250	X	20%	X	\$600	X	35%	X	40%	X	25%
Inpatient Physician Fee		10%		---	X	20%		--	X	35%		40%	X	25%
Primary Care Visit		\$15		\$20		\$25		\$35		\$55		\$55	X	25%
Specialist Visit		\$30		\$30		\$50		\$55		\$90		\$90	X	25%
MHSU Outpatient Services		\$15		\$20		\$25		\$35		\$55		\$55	X	25%
Imaging (CT/PET Scans, MRIs)		10%		\$100		20%	X	\$250	X	35%	X	\$300	X	25%
Speech Therapy		\$15		\$25		\$25		\$35		\$55		\$55	X	25%
Occupational and Physical Therapy		\$15		\$20		\$25		\$35		\$55		\$55	X	25%
Laboratory Services		\$15		\$20		\$25		\$35		\$55		\$55	X	25%
X-rays and Diagnostic Imaging		\$30		\$30		\$65		\$55		\$90		\$90	X	25%
Skilled Nursing Facility		10%		\$150	X	20%	X	\$300	X	35%	X	40%	X	25%
Outpatient Facility Fee		10%		\$100		20%	X	\$300	X	35%	X	35%	X	25%
Outpatient Physician Fee		10%		\$25		20%		\$35		35%		30%	X	25%
Tier 1 (Generics)		\$10		\$5		\$15		\$15		\$20		\$19	X	25%
Tier 2 (Preferred Brand)		\$25		\$20		\$50		\$40	X	\$75	X	\$85	X	25%
Tier 3 (Nonpreferred Brand)		\$40		\$30		\$80		\$70	X	\$105	X	\$110	X	25%
Tier 4 (Specialty)		10%		10%		20%		20%	X	30%	X	30%	X	25%
Tier 4 Maximum Coinsurance		\$250		\$250		\$250		\$250		\$250		\$250		\$250*
Maximum Days for charging IP copay				5				5						
Begin PCP deductible after # of copays														
Actuarial Value														
2023 AV (Draft 2023 AVC)		90.71		88.80		78.91		80.49		71.89†		71.54†		71.71
2022 AV (Final 2022 AVC)		90.47		88.29		78.02†		79.43		71.43†		70.84†		71.75
Enrollment as of January 2021			15,964				29,679			20,825				1,724
Percent of Total enrollment			23%				44%			31%				3%

KEY:	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2022
		Decreased member cost from 2022
		Does not meet AV
	Within 5¢ of upper 5¢ minimum	
	Securely within AV	

2023 DENTAL BENEFIT PLAN DESIGNS

Addition of CDT Codes:

- ❑ D5227 - The original benchmark included maxillary partial denture (D5225). The inclusion of this new code supports the intent of the original benchmark.
- ❑ D5228 - The original benchmark included mandibular partial denture (D5226). The inclusion of this new code supports the intent of the original benchmark.

			Pediatric Dental EHB	*Adult Dental
			Up to Age 19	19 and Older
Procedure Category	CDT Code	Updated CDT-23 Nomenclature	In-Network Member Cost Share	In-Network Member Cost Share
Prosthodontics, removable	D5227	Immediate maxillary partial denture - flexible base (including any clasps, rests and teeth)	Not Covered	\$375
	D5228	Immediate mandibular partial denture - flexible base (including any clasps, rests and teeth)	Not Covered	\$375

FINAL PLAN DESIGNS

- ❑ The plan designs presented to the Board for action in April will still be draft versions until the final NBPP and AVC are released
- ❑ AV Certification will be completed once the final NBPP and AVC are available
- ❑ Recommendation: Approve Proposed 2023 Patient Centered-Benefit Designs

PUBLIC COMMENT

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PARTICIPANT CODE: 6981308

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2023 AFFORDABILITY CONTINGENCY PLANNING

Katie Ravel, Director
Policy, Eligibility, and Research Division

2023 AFFORDABILITY PLANNING SCENARIOS

1. American Rescue Plan (APR) premium subsidies expire
2. ARP premium subsidies are extended **with** federal Affordability Fund for enhanced cost-sharing support
3. ARP premium subsidies are extended **without** federal Affordability Fund for enhanced cost-sharing support

1. AMERICAN RESCUE PLAN PREMIUM SUBSIDIES EXPIRE

SCENARIO 1: ARP PREMIUM SUBSIDIES EXPIRE

- ❑ Carriers have been instructed to prepare their 2023 rate bids assuming current law (no ARP premium subsidies) but also to provide a factor by which rates would change if ARP premium subsidies are extended.
- ❑ Covered California assumes the state would reimplement the California Premium Subsidy program in some form or fashion in this scenario.
 - 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.
- ❑ Key operational contingency planning activities include reviewing and retesting state premium subsidy infrastructure to be ready to reactivate it in October 2022.

PROJECTED FEDERAL FUNDING LOSS IF ARP PREMIUM SUBSIDIES EXPIRE – BASED ON 2022 ENROLLMENT

FPL Group	Annual ACA-ARP Difference (2022)	Count of Current Enrollees
Under 150% FPL	\$118 M	278,000
150-200% FPL	\$330 M	450,000
200-250% FPL	\$284 M	274,000
250-300% FPL	\$239 M	236,000
300-400% FPL	\$206 M	256,000
400-600% FPL	\$457 M	132,000
All Enrollees	\$1,740 M	1,767,000

THE AMERICAN RESCUE PLAN: PROVIDING MORE HELP TO MILLIONS AND MORE THAN COVERING CALIFORNIA'S TEMPORARY STATE SUBSIDIES

The ARP “required contribution curve” significantly reduced the share of income that consumers must pay towards their premiums, fully replacing the current ACA and California Premium Subsidy policy design for plan years 2021 and 2022.



Required contribution curves are for the 2021 plan year.

2. AMERICAN RESCUE PLAN PREMIUM SUBSIDIES EXTENDED *WITH* FEDERAL FUNDING FOR COST SHARING SUPPORT

SCENARIO 2: ARP PREMIUM SUBSIDIES EXTENDED WITH FEDERAL AFFORDABILITY FUNDING

- ❑ Key operational contingency planning activities include: (1) developing system functionality for enhanced cost-sharing reduction benefits to be ready in October 2022; (2) developing alternate benefit designs for enhanced cost-sharing subsidies; and (3) developing PMPM payment rates.
- ❑ Covered California has been working with the CalHEERS project to begin design work and understand what is technologically feasible to implement for the 2023 benefit year.
- ❑ The functionality will be built with several configurability aspects including program configuration by benefit year and carrier related transactions and communications.

SCENARIO 2: ARP SUBSIDIES ARE EXTENDED WITH FEDERAL FUNDING FOR COST-SHARING

✓ = benefit or eligibility enhancement
 ■ = richer CSR support

Option	Summary	Description	Up to 150% FPL		150-200% FPL		200-250% FPL		250-300% FPL		300-400% FPL		400-600% FPL		Annual Cost by Tier Switching Scenarios 1, 2, and 3 (millions)		
			CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	Current
	<i>Current CSR Eligibility</i>		<i>CSR Eligible</i>						<i>CSR Ineligible</i>								
	<i>AV of ACA Silver Products</i>		94		87		73		70		70		70				
1	AV 95/90/85/80 with no deductibles	New eligibility for CSR up to 600% FPL. New products (min AV 80) under 600% FPL. No deductibles at any income below 600% FPL.	95	■	95	■	90	■	90	■	85	■	80	■	\$475	\$542	\$626
			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓				
2	AV 95/90/85 with no deductibles	New eligibility for CSR up to 400% FPL. New products (min AV 85) under 400% FPL. No deductibles at any income below 400% FPL.	95	■	95	■	90	■	90	■	85	■	70	■	\$463	\$526	\$604
			✓		✓	✓	✓	✓	✓	✓	✓	✓					
3	ACA CSR plan upgrade with no deductibles and Gold AV for 300-400% FPL	New eligibility for CSR up to 400% FPL. New CSR products (min AV 80) up to 400% FPL.	94	■	94	■	87	■	87	■	80	■	70	■	\$386	\$433	\$489
			✓		✓	✓	✓	✓	✓	✓	✓	✓					

Adapted from Table 5 in the Milliman AB 133 Health Care Affordability companion report.

https://hbex.coveredca.com/stakeholders/AB_133_Health_Care_Affordability_Working_Group/Bringing-Care-Within-Reach-Milliman-Companion-Report-1-06-22.pdf

STATE COST-SHARING LEGISLATION INTRODUCED

- ❑ *[AB 1878](#) (Wood) and [SB 944](#) (Pan), sponsored by Health Access, would require Covered California to offer enhanced cost sharing plans to consumers in all FPL ranges. These bills are nearly identical (except for slight differences in intent language). They are intended to allow Covered California to implement the affordability assistance modeled in the AB 133 Report and to maximize federal financial assistance while providing affordability assistance in addition to that federal financial assistance.*
- ❑ *These bills would require Covered California to offer the cost sharing assistance based on FPL with the actuarial values (AV) outlined below:*
 - *For consumers with household income below 200% FPL, AV of at least 94 percent.*
 - *For consumers with household income between 200 and 300% FPL, AV of at least 90 percent, scaled to income.*
 - *For consumers with household income between 301 and 400% FPL, AV of at least 85 percent, scaled to income.*
 - *For consumers with household income above 400% FPL, actuarial assistance may have an actuarial value of as much as 80 percent, depending on available funding.*
- ❑ *Both bills would require Covered California to adopt standard benefit designs consistent with these provisions.*
- ❑ *The bills waive the Legislature's 30-day rule, so they can be heard in committee at any time.*

3. AMERICAN RESCUE PLAN PREMIUM SUBSIDIES EXTENDED *WITHOUT* FEDERAL FUNDING FOR COST SHARING SUPPORT

SCENARIO 3: ARP PREMIUM SUBSIDIES EXTENDED WITHOUT FEDERAL AFFORDABILITY FUNDING

- ❑ Similar to scenario 2: Key operational contingency planning activities include: (1) developing system functionality for enhanced cost-sharing reduction benefits to be ready in October 2022; (2) developing alternate benefit designs for enhanced cost-sharing subsidies; and (3) developing PMPM payment rates.

SCENARIO 3: ARP SUBSIDIES ARE EXTENDED WITHOUT FEDERAL FUNDING FOR COST-SHARING

✓ = benefit or eligibility enhancement
 ■ = richer CSR support

Option	Summary	Description	Up to 150% FPL		150-200% FPL		200-250% FPL		250-300% FPL		300-400% FPL		400-600% FPL		Annual Cost by Tier Switching Scenarios 1, 2, and 3 (millions)		
			CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	CSR Upgrade	No Deductible	Current
	Current CSR Eligibility		CSR Eligible						CSR Ineligible								
	AV of ACA Silver Products		94		87		73		70		70		70				
4	ACA CSR plan upgrade with no deductibles and Gold AV for 250-400% FPL	New eligibility for CSR up to 400% FPL. New CSR products (min AV 80) up to 400% FPL.	94	■	94	■	87	■	80	■	80	■	70		\$362	\$403	\$452
			✓		✓	✓	✓	✓	✓	✓	✓	✓					
5	ACA CSR plan upgrade for 150-250% FPL	Richer CSR below 250% FPL, moving Silver 87 to Silver 94 and Silver 73 to Silver 87.	94		94	■	87	■	70		70		70		\$278	\$299	\$322
					✓		✓										
6	ACA CSR plans with no deductibles and Gold AV for 200-400% FPL	New CSR product (AV 80) for 200-400% FPL. No deductibles at any income below 400% FPL.	94	■	87	■	80	■	80	■	80	■	70		\$128	\$154	\$189
			✓		✓	✓	✓	✓	✓	✓	✓	✓					
7	ACA CSR Plans with no deductibles	Existing CSR products across the income spectrum. No deductibles at any income below 400% FPL.	94	■	87	■	73	■	73	■	73	■	70		\$37	\$45	\$55
			✓		✓	✓	✓	✓	✓	✓	✓	✓					

TIMING AND OPERATIONAL CONSIDERATIONS FOR IMPLEMENTING ENHANCED COST-SHARING REDUCTION OPTIONS

2023 PLAN YEAR PREPARATION CALENDAR

Milestone	Estimated Timeframe
April Board Meeting <ul style="list-style-type: none"> Action: 2023 ACA Benefit Designs 	April 14, 2022
Final CalHEERS Design Needed for State-Administered CSR Program <ul style="list-style-type: none"> Finalize business rules with configurable table to assigned enhanced cost-sharing plans 	May 2022
May Board Meeting <ul style="list-style-type: none"> Potential discussion: 2023 Enhanced Benefit Designs Potential discussion: Enhanced CSR payment methodology and rates 	May 19, 2022
June Board Meeting: <ul style="list-style-type: none"> Potential action: 2023 Enhanced Benefit Designs Potential action: Enhanced CSR payment methodology and rates 	June 16, 2022
Carrier Integration Testing for the 2023 Plan Year <ul style="list-style-type: none"> Load required contribution tables Load 2023 proposed rates Load 2023 proposed enhanced cost-sharing plans 	July – August 2022
CalHEERS Release for the 2023 Plan Year	September 2022
Start of renewals for 2023 plan year <ul style="list-style-type: none"> Covered California begins renewal process on/around October 1st though start date is flexible 	October 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.