



# Comments to the Board

## Table of Contents

August 18, 2022 Board Meeting

### **FOR PUBLIC DISTRIBUTION**

#### **Correspondence with Elected/Government Officials**

- None

#### **Correspondence with Stakeholders**

- [Affordability Subsidies for Covered California Enrollees – August 17, 2022](#)



August 17, 2022

Covered California Board of Directors  
 Executive Director Jessica Altman  
 1601 Exposition Blvd.  
 Sacramento, CA 95815

Re: Affordability Subsidies for Covered California Enrollees

Dear Secretary Ghaly, Dr. Hernandez, Mr. Barrios, Ms. Kendell, and Mr. Fleming:

Our organizations strongly support the action taken by the Covered California Board of Directors at its June 2022 meeting to provide additional cost sharing subsidies to Covered California enrollees if the federal government extends the federal premium subsidies originally provided through the American Rescue Plan.

The recently passed and soon to be enacted federal Inflation Reduction Act will extend the additional premium subsidies for three years, providing millions of Californians with lower subsidies. Most of your enrollees will now pay premiums of less than \$10 per month—and many will have zero premiums thanks to the combination of state and federal actions.

Because of the foresight of Governor Newsom, the California Legislature and Covered California's Board and staff, the 2022-2023 state budget not only provides \$304 million in affordability help but makes clear that when the enhanced federal premium subsidies are extended, the state subsidy funding will be used to lower cost sharing, including:

- Zero deductibles for every consumer who selects a silver plan, eliminating deductibles of as much as \$4,750 for many enrollees and \$75 for the lowest income who have federal cost sharing reductions.
- Lower copays for many services for the standard silver plan:
  - \$30 for a primary care visit instead of \$45
  - \$10 for generic drugs instead of \$16
  - \$40 for preferred brand name drugs instead of \$55

California pioneered state-level premium subsidies that laid the groundwork for enhanced federal premium subsidies.

You now have the opportunity to offer zero deductibles to every consumer earning under 600% of the federal poverty level in a silver plan and to lower copays for more than half of your enrollees. We strongly encourage you to take action to re-affirm the action taken in the June 2022 board meeting “to approve and adopt the 2023 Program Design.”

Sincerely,

AIDS Project Los Angeles Health  
American Federation of State, County and Municipal Employees California  
Asian Americans Advancing Justice Southern California  
California Black Health Network  
CaliforniaHealth+ Advocates  
California LGBTQ Health and Human Services Network  
California Immigrant Policy Center  
California Physicians Alliance  
Children Now  
Children’s Defense Fund – California  
Clínica Monseñor Oscar A. Romero  
Community Clinic Association of Los Angeles County  
Community Health Councils  
Community Health Initiative of Orange County  
California Pan-Ethnic Health Network  
California Rural Legal Assistance Foundation, INC.  
Desert AIDS Project  
Friends Committee on Legislation of California  
Health Access California  
Justice in Aging  
Latino Coalition for a Healthy California  
Leukemia and Lymphoma Society  
Livermore Indivisible  
Los Angeles Trust for Children’s Health  
Maternal and Child Health Access  
National Association of Social Workers, California Chapter  
National Health Law Program  
National Multiple Sclerosis Society – MS California Action Network  
NextGen California  
OFA East Bay Central  
Planned Parenthood Affiliates of California  
Public Law Center  
Service Employees International United California State Council  
Small Business Majority  
United Ways of California  
Western Center on Law and Poverty, INC.  
Young Invincibles

CC: Governor Gavin Newsom  
Assembly Speaker Anthony Rendon  
Senate President Pro Tempore Toni Atkins  
Dr. Jim Wood, Assembly Health Chair  
Dr. Richard Pan, Senate Health Chair  
Richard Figueroa, Deputy Cabinet Secretary