COVERED CALIFORNIA

EXECUTIVE DIRECTOR'S REPORT

Jessica Altman, Executive Director | August 18, 2022 Board Meeting

ANNOUNCEMENT OF CLOSED SESSION

COVERED CALIFORNIA BOARD 2022 MEETING DATES

All meetings will be held at Covered CA Headquarters, 1601 Exposition Boulevard, Sacramento. Unless otherwise notified, meetings will begin at 10:00 am and are held the third Thursday of the month.

2022 Meeting Dates

January 20
January 28 – Closed session only
February 7 – Closed session only
February 17
April 14

May 3 – 10th Anniversary Event
May 19
June 16
July 21 – No meeting
August 18

September 15
October 20 *
November 17
December 15 *

**Possibly no meeting*

SENATE RULES COMMITTEE APPOINTS A NEW MEMBER TO COVERED CALIFORNIA'S GOVERNOR BOARD

Kate Kendell

- Chief of Staff at the California Endowment since June 2021
- Former Chief Legal Officer at the Southern Poverty Law Center
- Led the National Center for Lesbian Rights from 1996-2018
- Graduated from the University of Utah College of Law

EXECUTIVE DIRECTOR'S UPDATE

EXECUTIVE DIRECTOR'S UPDATE

- Key developments will contribute to the success of Covered California's 10th Open Enrollment Period:

  - The Inflation Reduction Act extends the enhanced subsidies through 2025, delivering continued affordability

  - QHP negotiations will result in more choice and moderate cost growth relative to national trends

  - New estimates show how the anticipated final rule fixing the family glitch will improve affordability and choice for working families

INFLATION REDUCTION ACT SUBSIDY IMPACTS

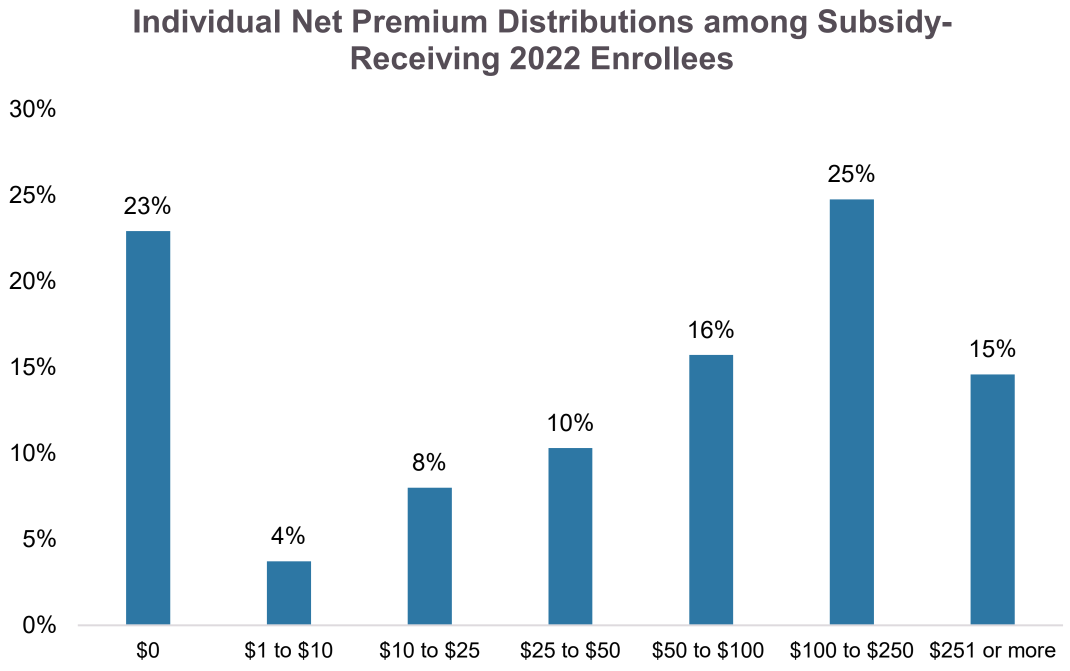
EXTENDING ENHANCED SUBSIDIES THROUGH THE INFLATION REDUCTION ACT OF 2022

- Passed this month by the U.S. Senate and House of Representatives, and signed into law by President Biden on August 16th, the Inflation Reduction Act of 2022 enacts sweeping provisions to address inflation by reducing consumer energy and health care costs and reducing the federal deficit.
- The new law contains major reforms in the Medicare program, including allowing Medicare to negotiate prescription drug costs for the first time; and, capping drug costs for seniors at $2000 per year and insulin costs at $35 per month.
- Most notably, the Inflation Reduction Act extends the American Rescue Plan’s enhanced premium subsidies for an additional three years, through 2025, investing $64 billion to reduce consumers’ monthly premium costs to keep coverage within financial reach of millions of Americans.

NET PREMIUMS FOR 2022 MEMBERS WITH AMERICAN RESCUE PLAN SUBSIDIES

With enhanced subsidies available through the American Rescue Plan, nearly a quarter of subsidized enrollees have a $0 monthly net premium in 2022.

Nearly half of enrollees pay $50 or less per month.

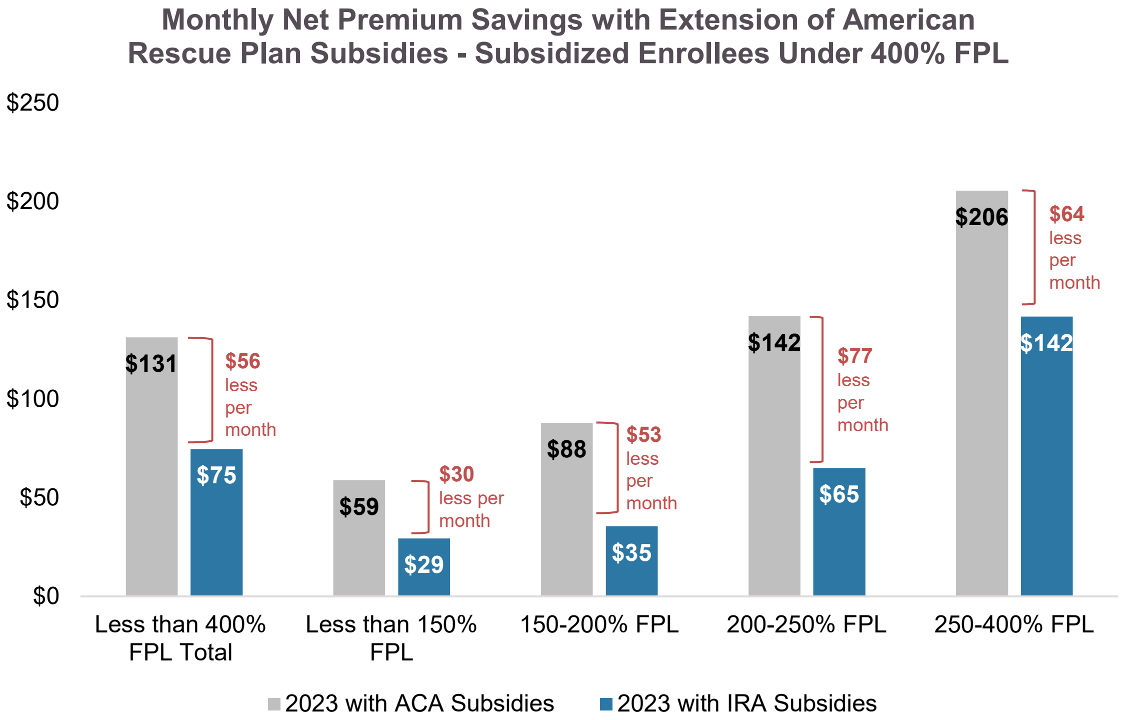


Source: Snapshot of May 2022 Covered California enrollment, among individuals receiving monthly APTC. Premiums reflect net of subsidy cost per member per month.

INCREASED AFFORDABILITY CONTINUES WITH PASSAGE OF INFLATION REDUCTION ACT

The Inflation Reduction Act extends the enhanced subsidy levels of the American Rescue Plan through 2025.

Consumers with incomes less than 400% FPL will pay, on average, $56 less per month in 2023 – compared to with ACA subsidies.



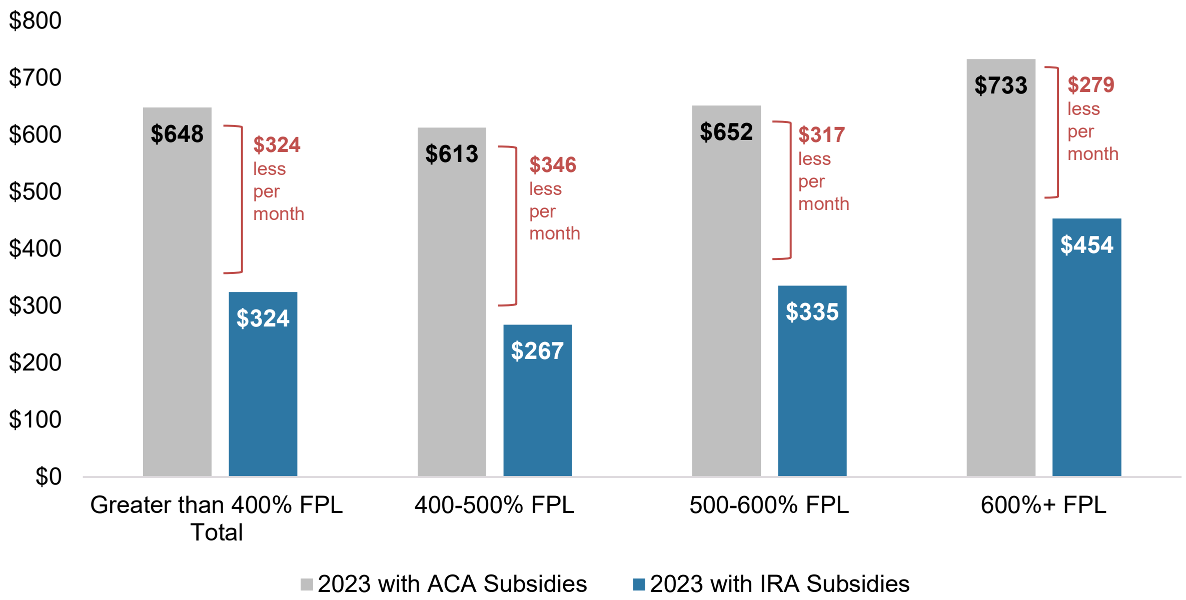
Source: Snapshot of May 2022 Covered California enrollment, among individuals receiving monthly APTC. Premiums reflect net of subsidy cost per member per month, using preliminary 2023 rates.

INCREASED AFFORDABILITY CONTINUES WITH PASSAGE OF INFLATION REDUCTION ACT

Without the subsidy extension, middle income consumers would have no longer received any federal financial assistance.

Now, middle income consumers who are eligible for financial help will save an average of $324 on their monthly premiums.

Monthly Net Premium Savings with Extension of American Rescue Plan Subsidies - Subsidized Enrollees Over 400% FPL

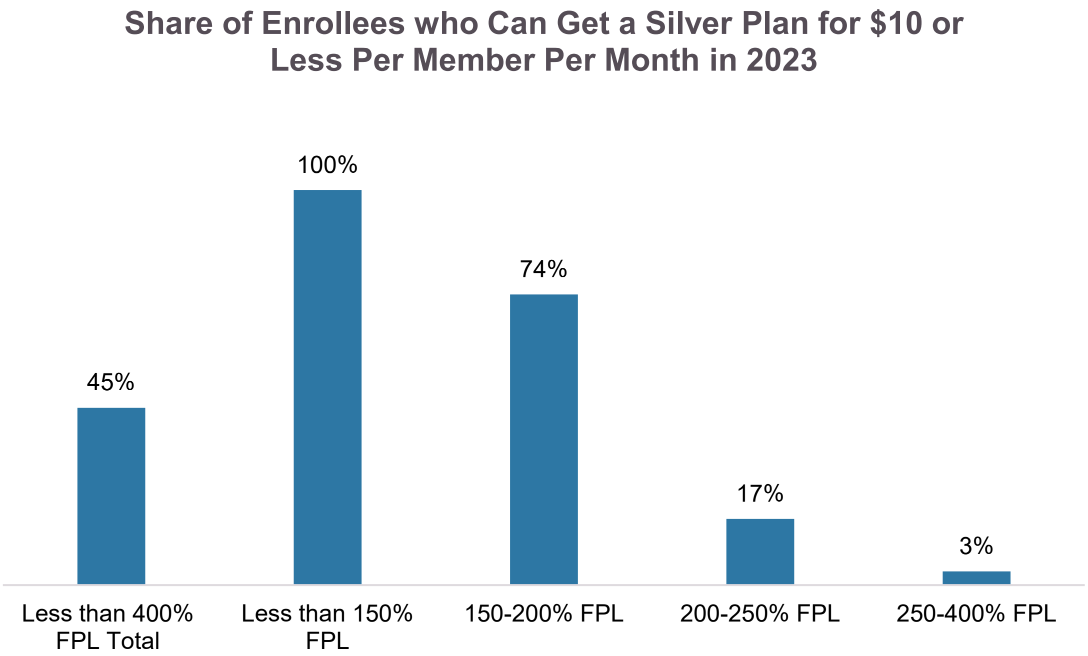


Source: Snapshot of May 2022 Covered California enrollment, among individuals receiving monthly APTC. Premiums reflect net of subsidy cost per member per month, using preliminary 2023 rates. Individuals who can purchase a benchmark silver plan at cost below the maximum percentage of income set by program rules are not included in these estimates.

MANY ENROLLEES CAN PAY $10 OR LESS PER MONTH FOR A SILVER PLAN

Nearly half of current enrollees with incomes under 400% FPL can enroll in a Silver plan for $10 or less per month in 2023.

This includes all enrollees with incomes under 150% FPL – who are eligible for $0 Silver plans – and three-quarters of enrollees with incomes between 150% and 200% FPL.



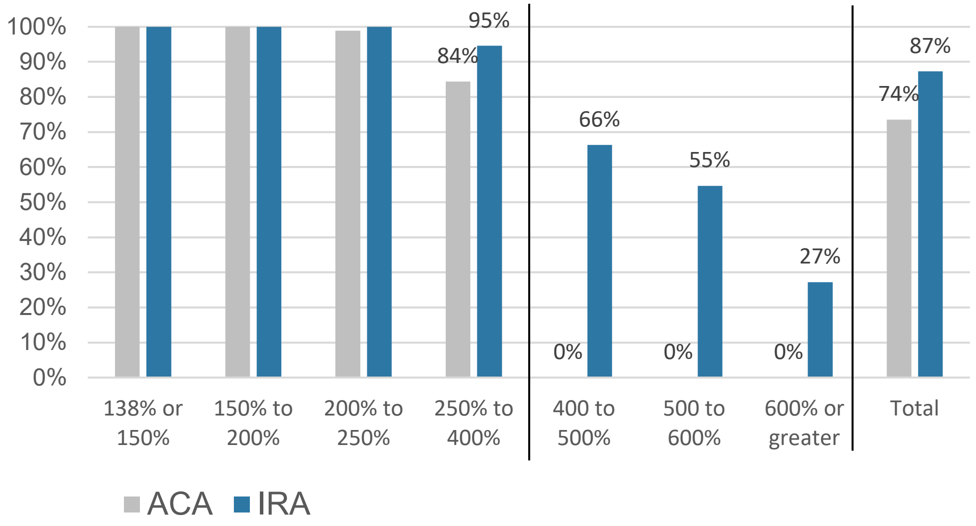
Source: Snapshot of May 2022 Covered California enrollment, among individuals receiving monthly APTC. Premiums reflect net of subsidy cost per member per month, using preliminary 2023 rates. Individuals who can purchase a benchmark silver plan at cost below the maximum percentage of income set by program rules are not included in these estimates.

IRA EXPANDS ACCESS TO SUBSIDIES FOR UNINSURED CALIFORNIANS

Based on latest data on the uninsured from the Franchise Tax Board:

- Nearly nine in ten of the uninsured who have incomes in the marketplace range – which in December 2021 numbered half a million Californians – are likely eligible for financial help to cap the percentage of their income they would spend on a silver plan.
- As income rises, especially above 400% FPL, more consumers have access to a benchmark plan that costs less than the maximum contribution of household income required under the IRA. As a result, eligibility for financial help falls.

Percentage of Uninsured Eligible for Financial Help, by Income as Percentage of Federal Poverty Level (FPL)



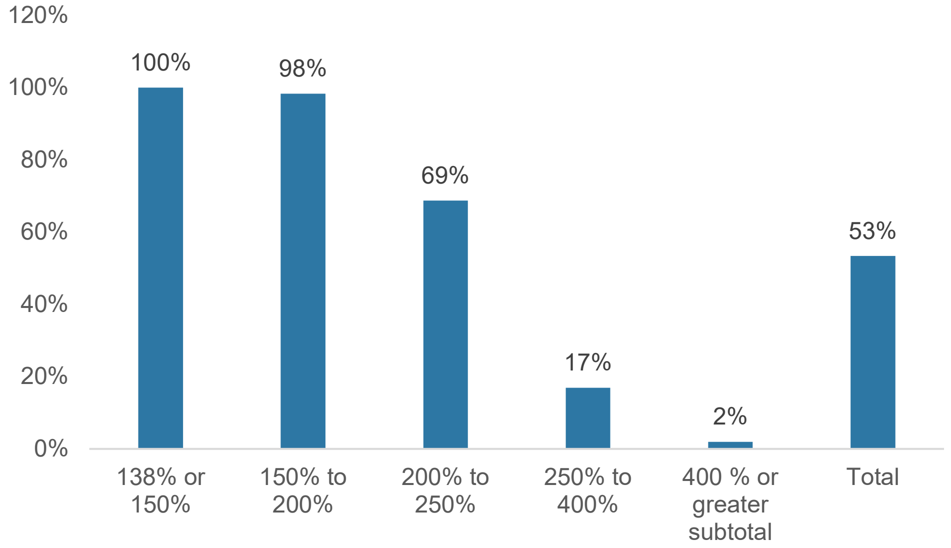
Source: Covered California analysis of likely marketplace eligible tax filers who reported no insurance to Franchise Tax Board (FTB) for December 2021. Note, does not exclude consumers who may have another offer of coverage, as that data is not available from FTB.

MANY UNINSURED CONSUMERS COULD NOW GET COVERAGE FOR LESS THAN $10 PER MONTH

We estimate that over 260,000 uninsured Californians – half of those eligible for financial help – could get covered with a Covered California plan for under $10 per month.

Of these, over 240,000 could get a Bronze plan for free.

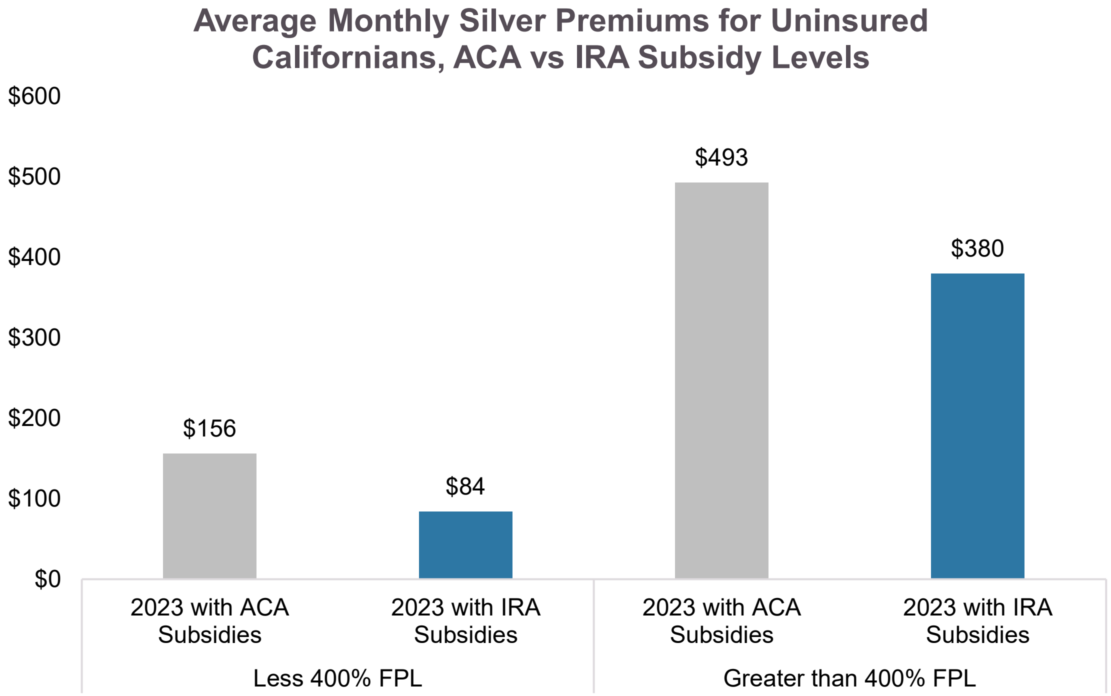
Percentage of Uninsured Who Can Purchase Bronze Plan for $10 or Less, by Income as Percentage of Federal Poverty Level (FPL)
(among those eligible for financial help)



Source: Covered California analysis of likely marketplace eligible tax filers who reported no insurance to Franchise Tax Board (FTB) for December 2021.

IRA SUBSIDIES INCREASE AFFORDABILITY OPTIONS FOR THOSE WHO ARE UNINSURED

Uninsured individuals with incomes less than 400% FPL can, on average, purchase a Silver plan for $84 a month in 2023, which is $70/month less than they would have to pay in the absence of IRA subsidies.



Source: Covered California analysis of likely marketplace eligible tax filers who reported no insurance to Franchise Tax Board (FTB) for December 2021. Includes all uninsured regardless of whether eligible for financial help.

COVERED CALIFORNIA

2023 HEALTH PLAN CERTIFICATION AND RATES

PREMIUM RATE CHANGE FOR 2023

- Preliminary rate increase of **6 percent** for 2023, due to the return of normal medical trends that existed prior to the COVID pandemic. Approval of the Inflation Reduction Act will reduce that amount by approximately 0.5 percentage points. Nationally, the average increase is approximately 10 percent, based on early reporting by 13 states and the District of Columbia.
- When averaged over the past four years, which includes record-low rate changes in 2020 and 2021, Covered CA's average rate change is just **2.3 percent**.

NEW ENTRANTS AND WITHDRAWALS FOR 2023

- **Aetna CVS Health** will join Covered CA and begin offering coverage in El Dorado, Fresno, Kings, Madera, Placer, Sacramento and Yolo counties.
- **Anthem Blue Cross** will return to San Diego County and join Blue Shield of California as the second carrier to offer statewide coverage.
- **Blue Shield of California** will expand its Trio HMO plan into portions of Monterey County.
- **Health Net** will be ending its EPO plan product. Nearly 600 consumers spread throughout Contra Costa, Marin, Merced, Napa, San Francisco, San Joaquin, San Mateo, Santa Cruz, Solano, Sonoma, Stanislaus and Tulare counties will be given the opportunity to choose a new plan or be moved to the EPO plan with the lowest-cost in the same metal tier.
- As a result, with 13 carriers providing coverage across the state in 2023, all Californians will have the choice of two or more issuers, and 93 percent will be able to choose from three or more. Additionally, 81 percent will have four or more choices.

FIXING THE FAMILY GLITCH

Miranda Dietz

CalSIM Project Director

CalSIM

California Simulation of Insurance Markets

California Family Glitch Estimates

18 August 2022

UCLA CENTER FOR HEALTH POLICY RESEARCH

UC BERKELEY LABOR CENTER

Many Californians struggle to afford job-based coverage, especially family coverage

- Total premiums for CA job-based coverage in 2020 averaged
  - $7,173 for single coverage
  - $21,137 for family coverage
- CA workers in 2020 contributed on average
  - 17.3% of premium for single coverage
  - 26.2% of premium for family coverage
- CA worker contributions in 2020 were
  - Single coverage: $1,000 median; $2,500 90th percentile
  - Family coverage: $4,500 median; $12,000 90th percentile

This is "unaffordable" (more than 9.61% of income) for any household earning less than $125,000

Source: MEPS IC 2020

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Original ACA regulations excluded from subsidies spouses and children offered unaffordable job-based family coverage

Unaffordable self offer → subsidies

- Workers offered coverage where the cost *for themselves only* is more than 9.61% of income could enroll in subsidized Marketplace coverage, along with family members

Affordable self offer but

Unaffordable family offer → NO subsidies

- Under 2013 ACA regulations, if coverage for the worker themself is affordable but coverage for family members is not, family members are still excluded from getting subsidies

The spouse and kids are caught in the "family glitch"

Proposed regulations extend subsidies to spouses and children offered unaffordable family coverage

- Treasury Department proposed rule would determine affordability of coverage offered to family members of an employee using the ***family premium*** starting in the 2023 plan year
  - ➢ In other words, family members offered coverage that costs more than 9.61% of household income would be eligible for Marketplace subsidies, even if coverage for the employee-only costs less than 9.61% of income (in 2022).

This fixes the family glitch for the spouse and kids

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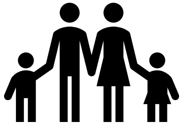
How does it help? A California family that would save under the family glitch fix

Just above the 266% FPL cut off for Medi-Cal for kids



275% FPL
$76,700 / yr
$6,390 / month

Job-based coverage monthly contributions

- Single: $200 (3.1% of income)
- Family: $1,000 (15.6% of income)

ESI without fix

- Monthly premium spending $1,000 (15.6% of income)

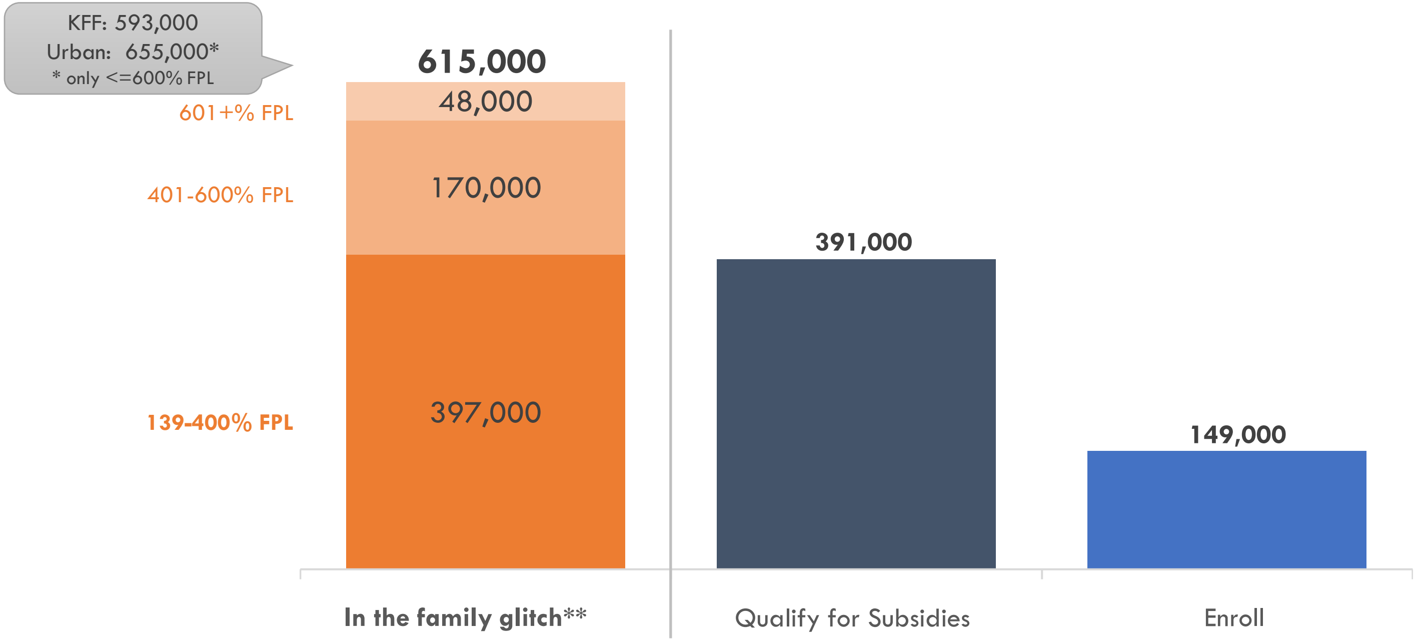
ESI + CovCA with fix

- Single job-based coverage: $200 (3.1% of income)
- Covered CA benchmark plan: $320 (5% of income with subsidy)
- Total: $520 (8.1% of income)

Needing to pay two different premiums is “premium stacking”

$480 per month in premium savings (7.5% of income)

Only a fraction of those who fall in the family glitch and are eligible for subsidies take up subsidized coverage



** Adults 139+% FPL, or children 267+%; not otherwise eligible for Medi-Cal or other public insurance; not undocumented; have an unaffordable family offer of ESI through a parent or spouse and do not have their own affordable self-only ESI option

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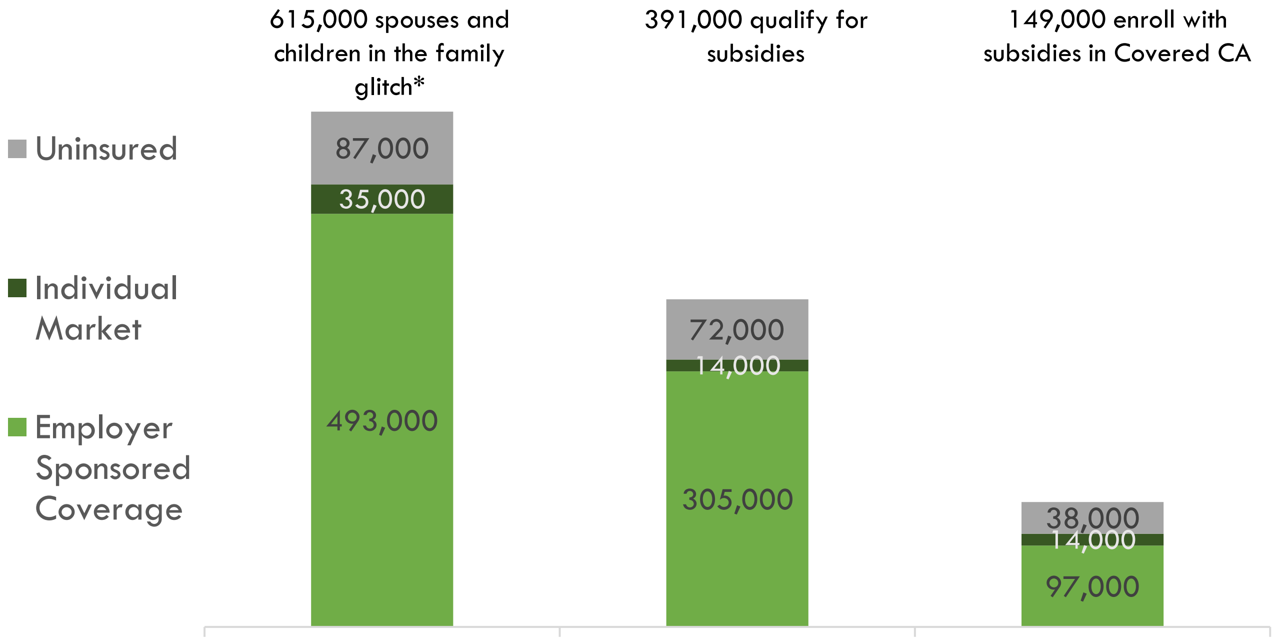
Source: CalSIM version 3.3 2023, using enhanced ARP / IRA subsidies but not including additional state affordability help

Urban estimate (May 2021).
KFF estimate (April 2021).

Most people in the family glitch are currently in job-based coverage



* Adults 139+% FPL, or children 267+%; not otherwise eligible for Medi-Cal or other public insurance; not undocumented; have an unaffordable family offer of ESI through a parent or spouse and do not have their own affordable self-only ESI option

Source: CalSIM version 3.3 2023, using enhanced ARP / IRA subsidies but not including additional state affordability help

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Why those in the family glitch may not switch to Covered California

Modeled explicitly	❑ **Subsidies:** Not everyone in the family glitch would get a positive dollar value subsidy if they enrolled in Covered CA ❑ **Premium stacking:** 11% of those in the family glitch eligible for subsidies pay less for job-based family premium than for the combination of job-based single premium plus net premium for subsidized coverage for family members ❑ **Tax advantage of employer coverage:** Premiums for employer-based coverage are paid using pre-tax income ❑ **Out-of-pocket costs:** Some families will have lower out-of-pocket costs in job-based coverage, or may want only one maximum OOP to meet ❑ **One plan:** Some families may value enrolling all household members in the same plan more than the potential savings from switching
Modeled implicitly	❑ **Preference:** Preference for job-based coverage, because of perceived network breadth differences or other sense of "quality" ❑ **Lack of awareness:** people may not know what subsidies they're eligible for

Premium stacking, taxable income, and AV: a complex decision

300% FPL
$55,000 / yr
$4,580 / month

Job-based coverage monthly contributions

- Single: $200 (4.4% of income)
- Self + spouse: $500 (10.9% of income)

ESI without fix

- Self + spouse job-based coverage: $500 (10.9% of income)

ESI + CovCA with fix

- Single job-based coverage: $200 (4.4% of income)
- Covered CA benchmark plan: $275 (6% of income with subsidy)
- Total: $475 (10.4% of income)

➢ The $300 saved on ESI premiums is now *taxable* income
➢ How does Actuarial Value compare in ESI versus CovCA?

How much would people save on premiums with a family glitch fix?

97,000 switch from job-based coverage to CovCA.

For these households, on average:

- Share of family income spent on premiums:
  17.06% to 7.26%
- Annual premiums reduced by:
  $5,547 per family ($1,900 per person)
- Additional taxes paid:
  $1,178 per family ($422 per person)
- Total annual savings:
  $4,369 per family ($1,478 per person)

Source: CalSIM version 3.3 2023, using enhanced ARP / IRA subsidies but not including additional state affordability help. Savings compare job-based coverage for the family with benchmark silver plan plus job-based coverage for the worker.

CalSIM

California Simulation of Insurance Markets

Questions?

Miranda Dietz miranda.dietz@berkeley.edu

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¡Muchas Felicidades!

OPEN ENROLLMENT COMMERCIAL AWARDS

- The Spanish commercial “Corazon” wins two awards!
- Silver Telly Award Winner for Branded Content
- Bronze Telly Award for Regional TV

COVERED CALIFORNIA DATA AND RESEARCH

A Profile of Uninsured Californians Eligible for Marketplace Coverage

August 2022

EXECUTIVE SUMMARY

- Using FTB administrative data, we see that between December 2020 and December 2021, the number of individuals who were uninsured but marketplace-eligible decreased by over 60,000, from 624,100 down to 563,900.
- Of the uninsured in December 2021, seven out of ten did not appear in the December 2020 uninsured group, which suggests high turnover in the marketplace-eligible uninsured population.
- Compared to individuals who ended 2020 uninsured, individuals who ended 2021 uninsured were higher income, more likely to be subsidy-eligible (because of the ARP) and healthier as measured by adverse health events.
- Baseline take-up is low for this group. Emails, letters, and calls are making a small difference, with the largest enrollment increases among penalty payers.
- We are fielding a new survey to improve understanding of uninsured demographics and need for coverage.

PROFILE OF THE UNINSURED BASED ON FRANCHISE TAX BOARD (FTB) ADMINISTRATIVE DATA

INTER-AGENCY COLLABORATION TO BETTER SERVE CALIFORNIA'S UNINSURED

- Through a data sharing partnership with the Franchise Tax Board (FTB), Covered California has access to two years of tax filing data among those who submitted the 3853 tax form, which was newly created for the state's mandate penalty.
- All data on the form are self-reported (e.g., income, number of months with health insurance coverage, penalty paid etc.).
- We examine the demographic characteristics and marketplace coverage options for uninsured tax filers who reported being uninsured at the end of 2020 or 2021 and were eligible for Covered California based on their filed income.

(Note that demographic data available from FTB are limited, and do not include language or ethnicity.)

This analysis is a refresh of a similar presentation provided to the Covered California board on May 19, 2021, which used FTB data from the 2020 tax filing season.

ANALYTIC APPROACH

- We identified the relevant set of individuals from the FTB data that did not show evidence of health coverage for at least for 1 month in 2020, and the subset without health coverage at the end of the year.
- Next, we used the income and age of each household member from FTB to project eligibility for Medicaid (based on income/FPL) or Medicare (age 65 or above), and consider the remaining individuals as potentially Covered California-eligible.*
- We then simulate tax credits and net premiums for individuals for the year in which they were uninsured based on the institutional rules in effect during that coverage year:
  - December 2020 cohort: use 2020 rates and 2019 FPL guidelines
  - December 2021 cohort: use 2021 rates and 2020 FPL guidelines

* Some individuals who do not have health coverage may be ineligible for tax credits, either because they have another offer of affordable coverage (such as through an employer) or due to immigration status. Because we have no information on these characteristics in the data from the FTB, we do not attempt to adjust for these factors. Given this unknown, the estimates in this analysis should be viewed as an upper bound on the population that could be eligible for subsidized coverage through Covered California.

MARKETPLACE-ELIGIBLE INDIVIDUALS WHO ENDED 2020 OR 2021 UNINSURED BY FPL BRACKET

At the end of 2021, 563,900 individuals were uninsured, of which 47% would have been eligible for Cost-Sharing Reduction (CSR) subsidies. Average net-of-subsidy monthly premiums for a silver plan range from $0 to $413.

Comparing the incomes of the uninsured at the end of 2020 and 2021, respectively, the share under 250% FPL decreased from 52% in 2020 to 47% in 2021, while the share over 400% FPL grew from 18% of the uninsured in 2020 to 22% in 2021.

	2020			2021		
Federal Poverty Level (FPL) Bracket	Count of Marketplace-Eligible Individuals Who Ended 2020 Uninsured	Percentage of Marketplace-Eligible Individuals Who Ended 2020 Uninsured	Average Monthly Net Premium for Lowest-Cost Silver Plan	Count of Marketplace-Eligible Individuals Who Ended 2021 Uninsured	Percentage of Marketplace-Eligible Individuals Who Ended 2021 Uninsured	Average Monthly Net Premium for Lowest-Cost Silver Plan
138% or 150%	46,947	8%	$35	36,572	6%	$0
150% to 200%	163,626	26%	$68	128,074	23%	$7
200% to 250%	115,739	19%	$135	100,234	18%	$46
250% to 400%	183,375	29%	$213	176,876	31%	$146
400% to 600%	70,547	11%	$456	73,615	13%	$288
600% or greater	43,892	7%	$485	48,485	9%	$413
Total	**624,126**	**100%**	**$194**	**563,856**	**100%**	**$129**

COMPARING MARKETPLACE-ELIGIBLE UNINSURED INDIVIDUALS IN 2020 AND 2021

Compared to individuals who ended 2020 uninsured, individuals who ended 2021 uninsured were higher income, more likely to be subsidy-eligible (because of the ARP), eligible for a larger monthly subsidy and more likely to live in a single-person household; they were less likely to have an emergency department visit or hospitalization in 2020.

	Marketplace-Eligible Individuals Who Ended 2020 Uninsured	Marketplace-Eligible Individuals Who Ended 2021 Uninsured
Age	37	37
FPL Percentage	267%	360%
Subsidy-eligible	79%	89%
Monthly APTC	$257	$322
Single-person household	41%	44%
Rural	4%	6%
Had an emergency department visit in 2020	6.1%	5.5%
Had a hospitalization in 2020	1.3%	1.1%
Enrolled the following June	9%	8%
Total number of individuals	624,126	563,856

Inpatient admissions and emergency department utilization data are identified through a linkage to California Department of Health Care Access and Information discharge data for calendar year 2020.

COMPARING MARKETPLACE-ELIGIBLE UNINSURED INDIVIDUALS TO ENROLLED INDIVIDUALS

Compared to the uninsured, individuals enrolled in marketplace coverage tend to be older and to have a higher rate of adverse health events.

	Marketplace-Eligible Individuals Who Ended 2021 Uninsured	December 2021 Enrollees
Age	37	42
FPL Percentage	360%	262%
Share subsidy-eligible	89%	90%
Monthly APTC	$322	$494
Single-person household	44%	37%
Rural	6%	5%
Had an emergency department visit in 2020	5.5%	8.2%
Had a hospitalization in 2020	1.1%	2.3%
Total number of individuals	**563,856**	**1,652,888**

Inpatient admissions and emergency department utilization data are identified through a linkage to California Department of Health Care Access and Information discharge data for calendar year 2020.

176,000 INDIVIDUALS APPEAR IN BOTH DECEMBER 2020 AND DECEMBER 2021

Based on adverse health event data from 2020, these long-term uninsured individuals are markedly heathier than those uninsured who move into other coverage more rapidly.

	Uninsured in both December 2020 and 2021	Newly Uninsured in December 2021
Age	39	36
FPL Percentage	350%	365%
Subsidy-eligible	90%	89%
Monthly APTC	$329	$319
Average net premium for lowest cost Bronze plan	$87	$78
Average net premium for lowest cost Silver plan	$141	$123
Single-person household	40%	45%
Rural	4%	6%
Had an emergency department visit in 2020	3.8%	6.2%
Had a hospitalization in 2020	0.6%	1.4%
N	175,985	387,871

Inpatient admissions and emergency department utilization data are identified through a linkage to California Department of Health Care Access and Information discharge data for calendar year 2020.

OUTREACH TO CALIFORNIANS UNINSURED IN 2020

OUTREACH EFFORTS

Covered California has been testing a range of outreach strategies to reach Californians who indicated to the FTB that they did not have insurance in a prior tax year.

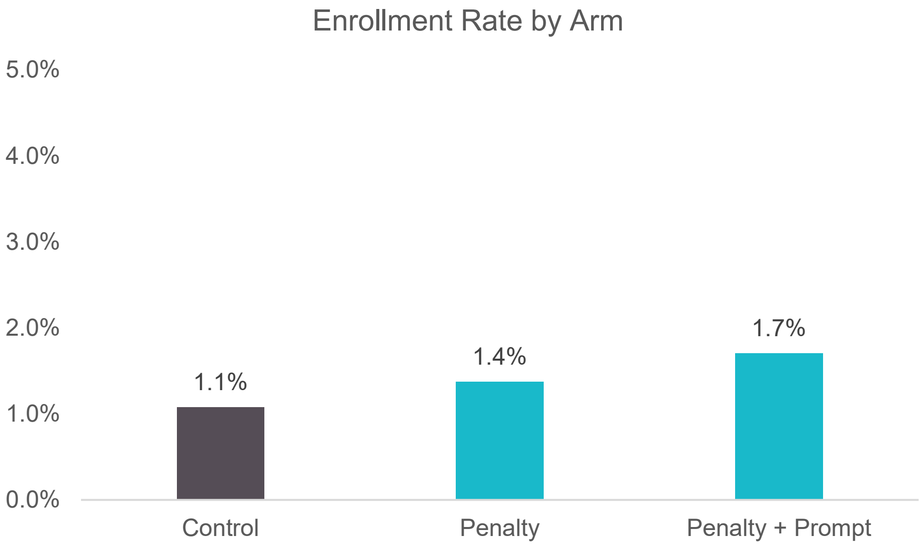
This work includes:

- ❑ Letters with a penalty message and behavioral prompts
- ❑ Emails with penalty-focused messaging
- ❑ Outbound calls

Though many of these nudges are working, baseline take-up rates remain low. We continue to iterate and test our techniques and messages to identify the best way to encourage consumers to sign up.

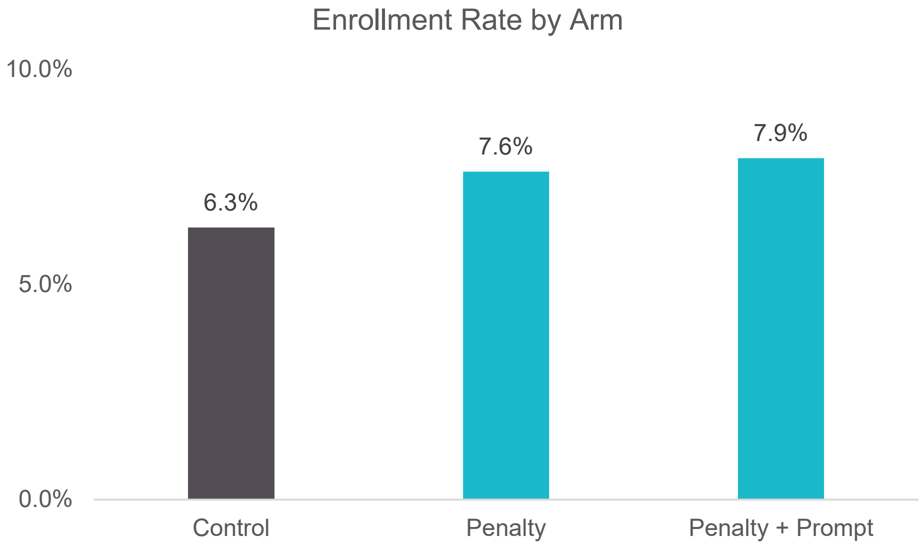
ENROLLMENT RESULTS AMONG THOSE WITH EMAIL ADDRESSES

By the end of July 2022, among the Control group, 1.1% enrolled in a Covered California plan. Assignment to the Penalty arm increased the enrollment rate by 0.3pp (27%). Assignment to the Penalty + Prompt arm increased the enrollment rate by 0.6pp (58%)



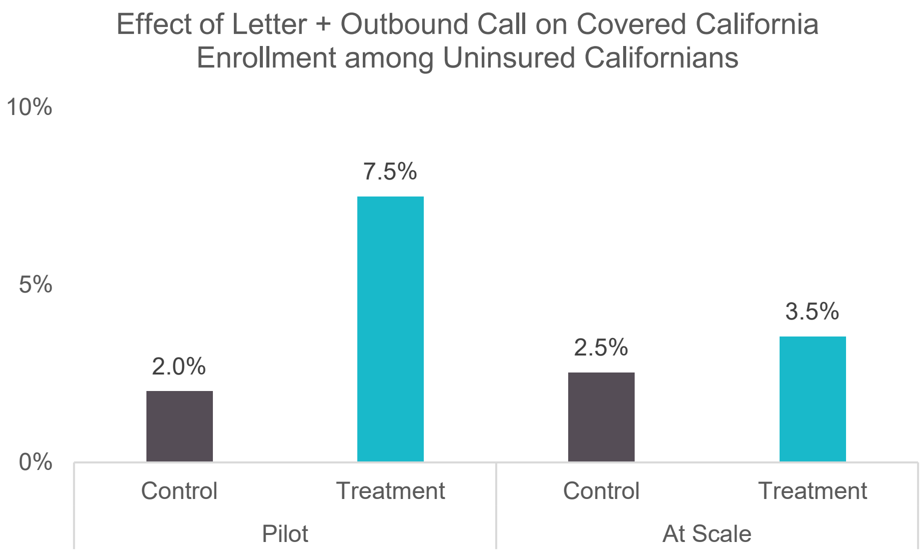
ENROLLMENT RESULTS AMONG THOSE WHO PAID THE PENALTY

By the end of July 2022, among the Control group, 6.3% enrolled in a Covered California plan. Assignment to the Penalty arm increased the enrollment rate by 1.3pp (21%). Assignment to the Penalty + Prompt arm increased the enrollment rate by 1.6pp (25%)



EFFECT OF LETTER + OUTBOUND CALL ON MARKETPLACE TAKE-UP

- During a pilot campaign at the beginning of the 2022 Open Enrollment Period, receipt of a letter and outbound call caused a 5.5pp (275%) increase in the Covered California enrollment rate
- When deployed at scale, receipt of a letter and outbound call caused a 1pp (40%) increase in the Covered California enrollment rate



SURVEY DATA ON INDIVIDUALS UNINSURED IN 2021

A NEW SURVEY OF THE UNINSURED: OBJECTIVES

Covered California is partnering with Gallup to develop and administer a web-based and paper mail-in survey among individuals who were uninsured in 2021 to:

- Supplement the administrative data transmitted by FTB to better profile the demographics of the uninsured (e.g. to understand characteristics such as race, language preference, which are not available to FTB)
- Determine awareness of the individual mandate penalty
- Understand reasons for forgoing insurance, paying the penalty, and attitudes and opinions about health insurance
- Understand health care needs and experiences of the uninsured.

OVERVIEW OF SURVEY TOPICS

The survey includes four main sections:

1. General profile of the uninsured – includes questions about demographics, income and employment status, and self-reported health status and chronic conditions.
2. Penalty awareness – includes questions on awareness of California's individual mandate penalty, awareness of paying the penalty, reasons for not paying the penalty, and if an individual received assistance while filing taxes.
3. Health insurance status – includes questions on current and prior sources of coverage, reasons for not having health insurance, sources of care while uninsured, and presence of medical debt.
4. Perceptions of health insurance – includes questions on the perceived value of health insurance, perceptions of receiving financial assistance to pay for health insurance, and awareness and perceptions of Covered California.

SURVEY NEXT STEPS

- ❑ The survey is currently in field, with a goal of receiving 1,000 complete survey responses.
- ❑ Results from the survey are expected in the fall.
- ❑ Covered California plans to use the results to inform future personalized outreach strategies for individuals who remain uninsured.

KEY TAKEAWAYS

- The year-over-year analysis of FTB administrative data indicate the uninsured rate is falling, but survey and administrative data indicate only a small share of eligible are moving into the marketplace.
- Coverage transitions remain substantial, reinforcing the importance of policies that steer consumers towards the marketplace at the moment they lose other coverage.
- Outreach to the uninsured can make a difference at the margin, but ongoing refinements to both method of outreach, population targeting, and messages, can continue to improve effectiveness of these strategies.
- With Inflation Reduction Act extending subsidies for higher income consumers, additional effort is needed to ensure that middle class uninsured individuals previously ineligible for tax credits understand how much more affordable coverage has become.

STATE AND FEDERAL POLICY/LEGISLATIVE UPDATES

FEDERAL RULES UPDATE

- Covered California continues its work to raise the bar on quality, address disparities, and improve care, sharing its expertise and lessons learned to inform critical delivery system reforms across the nation.
  - On June 17, Covered California submitted a comment letter on the Centers for Medicare and Medicaid Services (CMS) proposed FY 2023 Inpatient Prospective Payment System and Long-Term Care Hospital Prospective Payment System Rule, supporting CMS's commitment to advancing health equity and encouraging it to adopt the proposed standardized measures for hospitals and providers to identify and collect social drivers of health information, as well as report positive screening rates. Covered California additionally supported CMS's creation of a new public-facing hospital designation to identify "Birthing-Friendly" hospitals.
  - On August 1, Covered California submitted a comment letter responding to the Department of Health and Human Services (HHS) request for information regarding the development of its Initiative to Strengthen Primary Health Care, which aims to establish a federal foundation for improving health outcomes and advanced health equity in primary health care. Using its own experience, Covered California focused comments on three areas: (1) promoting access to and use of primary care; (2) promoting advanced primary care; and (3) payments to support advanced primary care.

- On August 4, HHS issued a proposed rule revising the agency's implementing regulation for Section 1557 of the Affordable Care Act, which prohibits discrimination in certain health programs and activities. The proposed rule primarily seeks to reinstate the protections and interpretations in the 2016 rule and also reflects the Supreme Court's decision in *Bostock v. Clayton County* interpreting "sex discrimination" to include discrimination based on sexual orientation and gender identity. Covered California is analyzing the proposed rule to determine the impact to Covered California. Comments are due on October 3.

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.

APPENDICES

APPENDICES: TABLE OF CONTENTS

SERVICE CENTER UPDATE

- Improving Customer Service:
  - Continuing OE 2023 Planning with focus on forecasting, scheduling, and training
  - Surge Vendor Open Enrollment Ramp Up Planning in progress
  - New Employee Training for Service Center
- Enhancing Technology Solutions
  - Workforce Management (WFM) team completing Verint, the replacement tool for WFM/Q training 7/15/22 – 8/05/22
- Staffing Updates
  - Vacancy rate of 5.5 percent (2022) comparable to prior year of 7.8 percent (2021)

SERVICE CENTER UPDATE

Comparing July 2022 vs. 2021 Call Statistics:

Year	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
2022	185,951	110,146	2.79%	106,945	0:00:27	0:19:54	82.40%
2021	262,647	161,656	1.66%	149,052	0:00:24	0:19:27	79.35%
Percent Change	29% Decrease	32% Decrease	68% Increase	28% Decrease	13% Increase	2% Increase	4% Increase

- ❑ The total Calls Offered decreased from 2021 by 39%
- ❑ Calls Handled decreased from 2021 by 39%
- ❑ The Abandoned % decreased from 2021 by 18%
- ❑ Service Level increased from 2021 by 15%

SERVICE CENTER UPDATE - QUICK SORT VOLUMES

July Weekly Quick Sort Transfers:

Week 1*	Week 2**	Week 3	Week 4	Week 5	Total
7/1 - 7/2	7/3 - 7/9	7/10 - 7/16	7/17 - 7/23	7/24 - 7/31	
216	1,160	1,443	1,447	1,586	5,852

*Partial Week
**Partial Week - Monday, July 4, 2022, All CoveredCA Service Centers closed in observance of Independence Day.

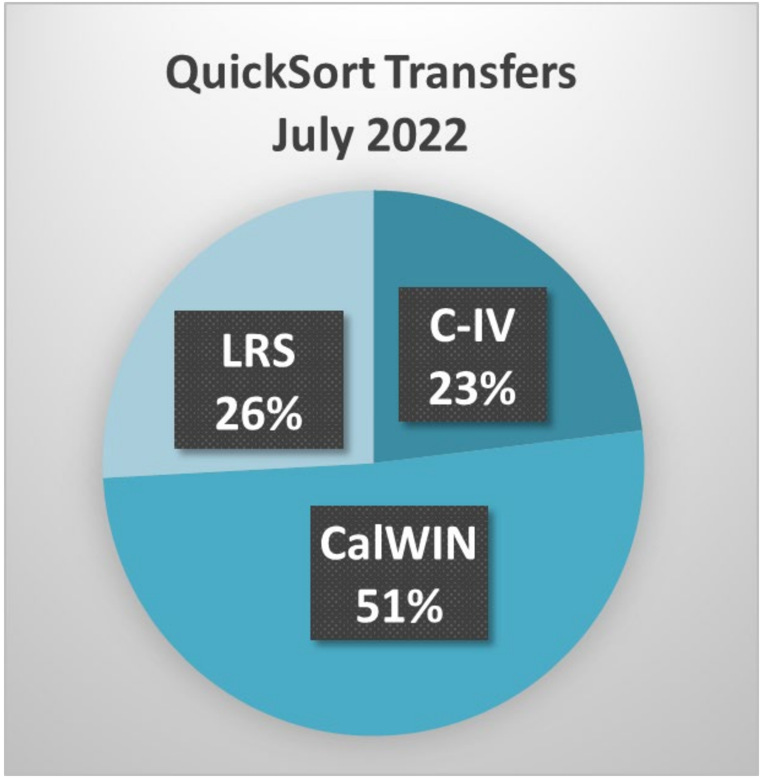
July Consortia Statistics:

SAWS Consortia	Calls Offered	Service Level %	Calls Abandoned %	ASA
C-IV	862	95.24%	2.32%	0:00:12
CalWIN	1,907	93.08%	1.52%	0:00:12
LRS	966	92.55%	1.04%	0:00:20

- *SAWS = Statewide Automated Welfare System (consortia). California has three SAWS consortia to provide service to the counties.*
- *C-IV = SAWS Consortium C-IV (pronounced C 4)*
- *CalWIN = California Welfare Information Network*
- *LRS = formally LEADER = Los Angeles Eligibility Automated Determination, Evaluation and Reporting Systems*

SERVICE CENTER UPDATE - QUICK SORT VOLUMES

Quick Sort refers to the calculator tool used to determine if a consumer is eligible for CoveredCA or should be referred to Medi-Cal. The tool also determines which consortia the consumer should be referred. This volume represents the total of those transfers.



COVERED CALIFORNIA FOR SMALL BUSINESS

- Group & Membership Update:
  - Groups: 8,756
  - Members: 75,284
  - Average Group Size: 8.4 members
  - YTD New Sales: 6,578

  **membership reconciled through 07/14/2022*

CALHEERS UPDATES

- CalHEERS Feature Release 22.9 is planned for September 19, 2022 and will include:
  - Enhancements to support the annual Renewals/Open Enrollment (ROE). The functional changes this year will include changes to portal pages, account transfer, enhancing batch capabilities, eligibility changes, updates to 834 file and enrollment process.
  - Changes to add a new Temporary Cost Sharing Reduction (CSR) program that will be configuration driven to allow Cov CA to select either an existing Permanent CSR or new Temporary CSR program for an enrollment year. The Temporary CSR program will be configurable which will allow the business to map Temporary Cost Sharing Level to FPL ranges per benefit year.

OTHER TECHNOLOGY UPDATES

- CoveredCA.com/CiCi Updates
  - Upgrade to improve machine learning for answering common questions and support for additional self-service tasks to reduce escalations to assistors.

OUTREACH & SALES ENROLLMENT PARTNER TOTALS

Uncompensated partners supporting enrollment assistance efforts

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	253	1,263
Plan-Based Enroller	11	459
Medi-Cal Managed Care Plan	3	43

OUTREACH & SALES NON-ENGLISH ENROLLMENT SUPPORT

Data as of August 9, 2022

12,549 Certified Insurance Agents
- *17% Spanish*
- *9% Chinese*
- *4% Vietnamese*
- *5% Korean*
- *19% Other Languages*

1, 100 Navigator: Certified Enrollment Counselors
- *64% Spanish*
- *5% Chinese*
- *1.8% Vietnamese*
- *1.3% Korean*
- *7% Other Languages*

1,263 Certified Application Counselors
- *57% Spanish*
- *4.8% Chinese*
- *1.9% Vietnamese*
- *.5% Korean*
- *4.8% Other Languages*

459 Certified Plan Based Enrollers
- *31% Spanish*
- *6% Chinese*
- *2% Vietnamese*
- *1% Korean*
- *3% Other Languages*

43 Certified Medi-Cal Managed Care Plan Enrollers
- *51% Spanish*
- *2.3% Chinese*
- *0% Vietnamese*
- *0% Korean*
- *2.3% Other Languages*