

COVERED CALIFORNIA BOARD MINUTES  
Thursday, May 19, 2022  
Covered California  
1601 Exposition Blvd.  
Sacramento, CA 95815

**Agenda Item I: Call to Order, Roll Call, and Welcome**

Chairman Mark Ghaly called the meeting to order at 10:00 am.

**Board Members Present During Roll Call:**

Jarrett Barrios  
Jerry Fleming  
Dr. Mark Ghaly  
Dr. Sandra Hernandez

**Agenda Item II: Closed Session**

A conflict disclosure was performed and there were no conflicts from the board members that needed to be disclosed. The board adjourned for closed session to discuss contracting, personnel, and litigation matters pursuant to Government Code Section 100500(j), 11126 (a), and 11126 (e)(1).

Chairman Ghaly called open session to order at 12:10 p.m.

**Agenda Item III: Board Meeting Action Items**

**April 14, 2022 Meeting Minutes**

**Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion and a second to approve the April 14, 2022 meeting minutes. Vice Chair Hernandez moved to approve the meeting minutes. The motion was seconded by Mr. Barrios.

**Public Comment:** None.

**Vote:** The motion was approved by a unanimous vote of those present. Mr. Fleming abstained from the vote.

**Agenda Item VI: Executive Director's Report**

**Announcement of Closed Session Actions**

Jessica Altman, Executive Director, stated that the board met in closed session to undertake issues related to contracting and personnel. There were no items to report.

## **Executive Director's Update**

**2022 Board Meeting Dates:** Ms. Altman presented the Covered California Board meeting dates for 2022, with three meetings scheduled as only a possibility.

**Covered California's DEI Roadmap:** Shelley Menzel, Deputy Director of the Office of Organizational Culture, Inclusion, and Engagement, gave an overview of Covered California's Diversity, Equity, and Inclusion (DEI) Roadmap. Ms. Menzel also reviewed an assessment performed by Deloitte Consulting on the DEI maturity of Covered California and how the organization can improve moving forward.

**Board Comments:** Vice Chair Hernandez noted that it will take time to improve the culture and implement the improvement strategies. Also, she emphasized the importance of training and the professional development strategies.

Mr. Barrios welcomed discussion on what Covered California's Board can do in order to support this process.

Chairman Ghaly expressed support for the three-year plan and thanked Ms. Menzel for her leadership.

## **Covered California Data and Research**

Katie Ravel, Director of the Policy, Eligibility and Research Division, gave an overview of new data from Covered California's partnership with the Franchise Tax Board (FTB) on the uninsured population in California and strategies on how to better reach this population.

At the end of 2020, over 573,300 individuals were uninsured and would have been subsidy-eligible in 2021, including 57 percent that would have been eligible for cost-sharing reduction subsidies. Additionally, of the 573,000 uninsured individuals who would have been eligible for tax credits under the American Rescue Plan in 2021, 59 percent could have enrolled in a Bronze plan for free and 28 percent could have enrolled in a Silver plan for free.

Ms. Ravel also reported that Covered California is offering a special enrollment period for individuals who paid the penalty for not having coverage in 2021 and will conduct direct outreach to the uninsured using 2021 tax filing data provided by the Franchise Tax Board.

**Board Comments:** Mr. Fleming emphasized the usefulness of this data.

Vice Chair Hernandez asked what Covered California has learned about the effectiveness of the direct messages to this population.

Ms. Ravel stated that outreach was slightly more effective when the focus was on penalties and when outreach was more personalized to consumers.

Chairman Ghaly expressed appreciation for the data and the areas of opportunity this data presents.

## **State and Federal Policy/Legislative Update**

Ms. Altman began by highlighting her recent trip to Washington, D.C. to discuss the extension of the American Rescue Plan subsidies. Ms. Altman reported that she joined leaders of other state-based marketplaces to share information about contingency planning and met with Congressional representatives, the federal administration, and key stakeholder groups to share important messages about the need to extend these subsidies.

Next, Ms. Altman discussed the release of the Governor's May Revision on May 13. If the American Rescue Plan's subsidies aren't extended, the May Revision proposes to reinstitute California's state premium subsidy program that was in effect in 2020 and 2021, but it will be modified to provide additional support to individuals with incomes between 400 and 600 percent of Federal Poverty Level (FPL). Additionally, the May Revision includes funding and initiatives to support the end of the Public Health Emergency.

## **Agenda Item VII: Covered California Policy and Action Items**

### **Discussion Item: Covered California's Proposed Fiscal Year 2022-2023 Budget**

Jim Watkins, Director of the Financial Management Division, began by reviewing the past three fiscal years, which presented numerous challenges and opportunities for Covered California.

Next, Mr. Watkins discussed enrollment forecasts based on three enrollment scenarios. The first scenario assumed the American Rescue Plan's subsidies are extended, the second assumed the subsidies will not be extended, and the third assumed the subsidies will not be extended with an adjusted estimate of enrollment loss.

Mr. Watkins then gave an overview of Covered California's Proposed Fiscal Year 2022-2023 Budget and the requested budget augmentations.

**Board Comments:** Vice Chair Hernandez expressed appreciation for the consideration of the uncertainties in the budget. She raised the inclusion of cyber risk and cyber security in the technology portion of the budget. Also, she asked for the budget to anticipate that Covered California and its partners will be participating in data exchange.

Mr. Fleming showed appreciation and support for the proposed budget and emphasized the number of uncertainties that Covered California is currently facing.

Mr. Barrios asked if there is a possibility that Covered California would have to reforecast the budget due to the uncertainties.

Mr. Watkins stated that the team has a rolling forecast that allows them to make changes on a rolling basis. Each month the team will be able to make the necessary changes to the forecast.

Mr. Barrios asked how many times in the past decade has Covered California drawn on working capital and spent more than it is actually making in revenue for a particular year.

Mr. Watkins stated that over the last four years, Covered California has used working capital. He noted that Covered California's working capital can fund about 12 to 13 months' worth of operation.

Chairman Ghaly thanked the team for their work on the budget and asked for an update in the future on how the plan assessments have shifted to help anticipate the movement in the budget.

**Public Comment:** Alicia Emanuel with the National Health Law Program (NHELP) and the Health Consumer Alliance (HCA) thanked Covered California for advocating for the extension of the American Rescue Plan's subsidies and expressed support for the DEI roadmap. Ms. Emanuel noted that the HCA would benefit from a funding increase to account for inflation.

Beth Capell with Health Access California echoed Ms. Emanuel's comments. Ms. Capell suggested that the team consider looking at the factor of gender in the uninsured population data. She also expressed gratitude for Covered California's reserve funds.

Doreena Wong with Asian Resources, Inc. thanked Ms. Altman for her advocacy in Washington, D.C. for the extension of the American Rescue Plan's subsidies. Ms. Wong also expressed support for the DEI roadmap and asked that Covered California consider increasing the funding amount for its navigator programs.

Cori Racela with Western Center on Law and Poverty echoed previous comments and asked for an increase in funding for the HCA.

### **Discussion Item: Average Statewide Monthly Premium Permanent Regulations**

Ms. Ravel returned to give a brief overview of the Average Statewide Monthly Premium permanent regulations. Covered California adopted its emergency regulations in March 2021 to specify the methodology for calculating the average statewide monthly bronze premium. There have not been any changes made to the emergency regulations, and the staff at Covered California are beginning the process to make these emergency regulations permanent.

### **Discussion Item: 2023 Premium and Cost-sharing Affordability Contingency Planning**

Ms. Ravel stated that Covered California has consolidated its contingency planning into two scenarios. The first scenario is the American Rescue Plan premium subsidies will expire and the second is the American Rescue Plan premium subsidies are extended with federal or state support for enhanced cost-sharing.

Next, Ms. Ravel gave an overview of California's premium subsidy program, which was established in the 2019 state budget as a three-year program to run from plan year 2020 through 2022. She also discussed the proposed 2023 California premium subsidy program design based on the May Revision.

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In the case of scenario two, Covered California has updated its enhanced cost-sharing modeling from its Assembly Bill 133 report.

Lastly, Jan Falzarano, Deputy Director of Plan Management, discussed and compared the potential 2023 enhanced benefit designs.

**Public Comment:** Beth Capell with Health Access California thanked the staff and plan partners for their work on these contingency plans. Ms. Capell suggested that Covered California think about the population below 200 or 150 percent FPL if the subsidies aren't extended.

Chairman Ghaly adjourned the meeting at 2:08 p.m.