



## **COVERED CALIFORNIA POLICY AND ACTION ITEMS**

May 18, 2023 Board Meeting

# UPDATED 2024 STANDARD BENEFIT DESIGNS

Jan Falzarano, Deputy Director  
Plan Management Division

# REQUESTED ACTION: 2024 PATIENT CENTERED BENEFIT DESIGNS

- ❑ Covered California staff identified a discrepancy that was presented during the April Board meeting
  - In the Bronze plan, the Patient Centered Benefit Designs document should reflect that the deductible has been removed from the “Mental/behavioral health and substance use disorder (MH/SUD) outpatient office visits” category.
    - There is no change to the Actuarial Value of the Plan Design
    - This update aligns with the Side-by-Side summary

2023 <del>2024</del> Patient-Centered Benefit Plan Designs 10.0 EHB Date: <del>June 16, 2022</del> <u>May 18, 2023</u>			
Summary of Benefits and Coverage		Bronze Plan	
Member Cost Share amounts describe the Enrollee's out of pocket costs.			
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Mental health, behavioral health, or substance abuse needs	Mental/behavioral health and substance use disorder outpatient office visits	<del>\$65</del> <u>\$60</u>	<del>After 1st three non-preventive visits</del>
	Mental/behavioral health and substance use disorder other outpatient items and services	<del>\$65</del> <u>\$60</u>	X

- We have also updated the benefit designs document, Endnote #7,
  - 7) ~~For the non-HDHP Bronze and Catastrophic plans~~ Where indicated, the deductible is waived for the first three non-preventive visits combined, which may include office visits, urgent care visits, and/or outpatient Mental Health/Substance Use Disorder visits.

## REQUESTED ACTION: 2024 PATIENT CENTERED BENEFIT DESIGNS

- ❑ There are no additional changes to the Patient Centered Benefit Designs
- ❑ Staff request the Board formally adopt the revised Patient Centered Benefit Designs for plan year 2024

# 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](mailto:BoardComments@covered.ca.gov).*

# FISCAL YEAR 2023-24 NAVIGATOR GRANT PROGRAM CONTRACT

Terri Convey, Director  
Outreach and Sales Division

# NAVIGATOR GRANT PROGRAM

## Action Before the Board

1. Extend the Navigator Program contract for one more year for the upcoming Fiscal Year 2023-2024
2. Increase program funding for Fiscal Year 2023-2024

## Background

- ❑ In May 2022, the Board approved a one-year contract extension to the existing Navigator Grant Program with annual funding of \$6.5 million for Fiscal Year 2022-2023
- ❑ In September 2022, the Board approved a 10% funding augmentation to each grantee, increasing total funding for the program to \$7.15 million for Fiscal Year 2022-23
- ❑ Total Navigator Grant Program funding is \$27.3 million across the four-year period with a one final additional one-year extension available for Fiscal Year 2023-2024

# NAVIGATOR PROGRAM FUNDING & PERFORMANCE HISTORY

- ❑ Navigator Program increased grants 10% in Fiscal Year 2022- 2023
- ❑ Navigator Program will meet its Fiscal Year 2022 - 2023 Enrollment Goal
- ❑ 73% of the Navigator Grantees are projected to meet or exceed their enrollment goals

Grant Year	Program Funding	# of Entities	Funding Range	Uninsured Rate Percentage <sup>1</sup>	Actual Enrollment	Program Goal	Performance to Goal	Count of Grantee met or exceeded Goal
2022-23	7,150,000	37	\$55,000-\$550,000	TBD	36,500 Forecast	34,822	105% Forecast	27 Forecast
2021-22	\$6,500,000	40	\$50,000-\$500,000	TBD	43,971	36,577	120%	28
2020-21	\$6,500,000 + \$650,000*	41	\$50,000-\$500,000	6.0%	46,278	36,293	128%	30
2019-20	\$6,500,000	42	\$50,000-\$500,000	7.7%	52,587	36,007	146%	35

\* Increased funding by 10% to all grantees to conduct outreach to consumers due to the American Rescue Plan subsidies available.



# NAVIGATOR PROGRAM FUNDING RECOMMENDATION

- ❑ Covered California recognizes that Navigator partners must invest more time and resources to provide culturally and linguistically appropriate help to find those eligible for Covered California, particularly in this year in which so many Californians will need help because of the Medi-Cal redeterminations
- ❑ Covered California is recommending a one-year extension to the Navigator Agreement for Fiscal Year 2023 -2024. This will be the final extension available for the current grant program contract
- ❑ Further, Covered California is recommending a funding increase of 10% over the current funding level to \$7,865,000
- ❑ Covered California will release a new Request For Application (RFA) in the first quarter of 2024 for the next three-year funding cycle covering fiscal years 2024-25, 2025-26 and 2026-27. Staff will work with Navigators and other stakeholders to gain feedback about the RFA process and proposed program changes or enhancements

Grant Year	Program Funding	# of Entities	Funding Levels	Enrollment Goal
2022-23	\$7,150,000	38	\$55,000-\$550,000	36,576
<b>2023-24</b>	<b>\$7,865,000</b>	<b>37</b>	<b>\$60,500-\$605,000</b>	<b>35,862</b>

# NAVIGATOR PROGRAM FISCAL YEAR 2023-24 CONTRACT AMENDMENT RECOMMENDATION

## Recommendation for Action

- ❑ Board approval to extend the Navigator Grant Program agreement for FY 2023-24
- ❑ Board approval to increase Navigator Program funding to \$7.865 million for FY 2023-24
- ❑ Increase grantee funding levels by 10% ranging from \$60,500 to \$605,000
- ❑ Continue the current enrollment and outreach requirements as specified in the agreement for FY 2023-24.

# PUBLIC COMMENT

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# COVERED CALIFORNIA'S PROPOSED FISCAL YEAR 2023-2024 BUDGET

Jim Watkins, CPA, Chief Financial Officer  
Financial Management Division

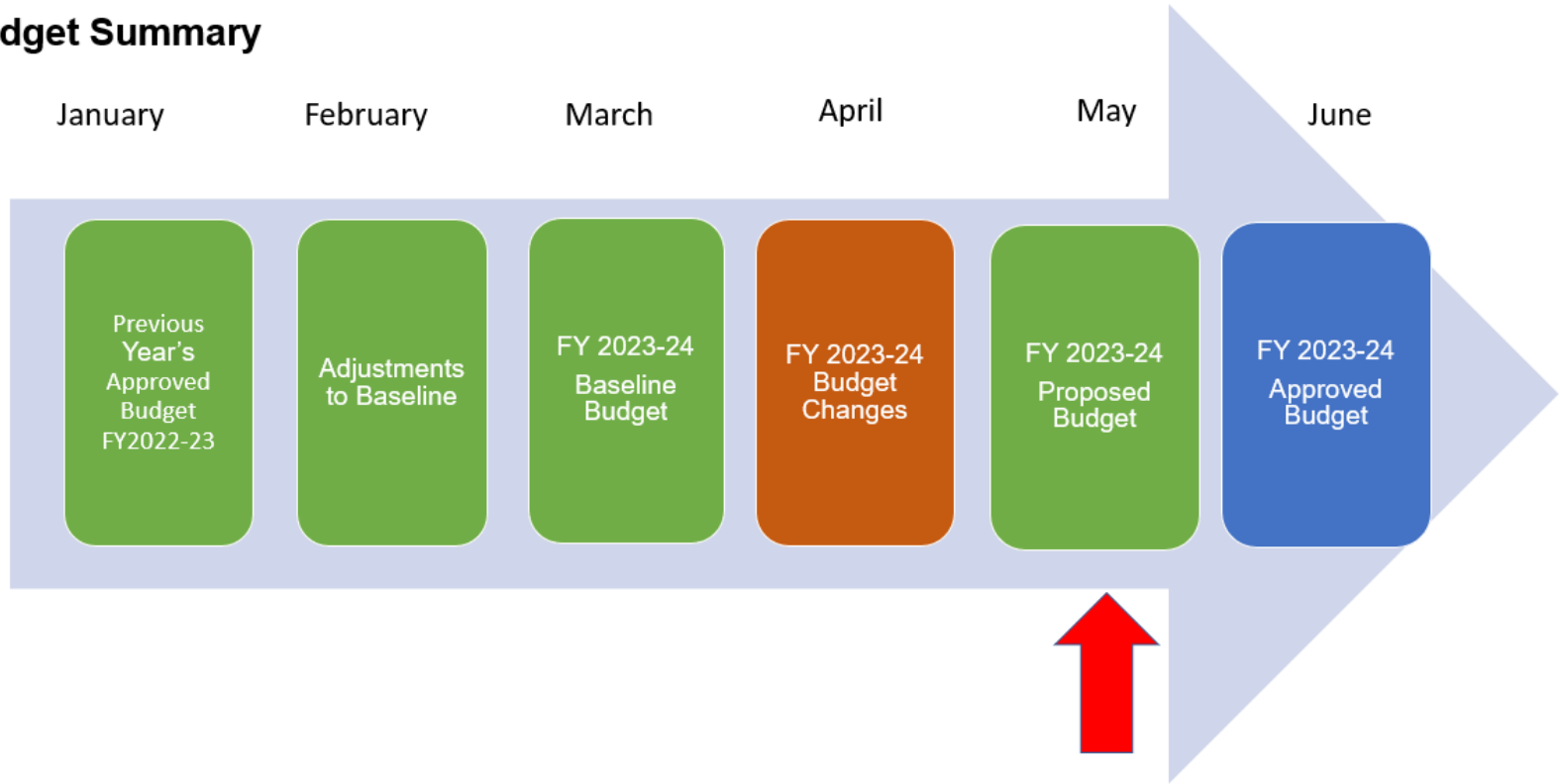
## AGENDA

1. Budget Process Overview
2. Enrollment & Revenue Forecast
3. FY 2023-24 Baseline Expenditures
4. FY 2023-24 Proposed Budget Change Requests
5. FY 2023-24 Proposed Expenditure Budget
6. FY 2023-24 Forecasted Budgetary Outcomes
7. FY 2023-24 Proposed Budget Summary

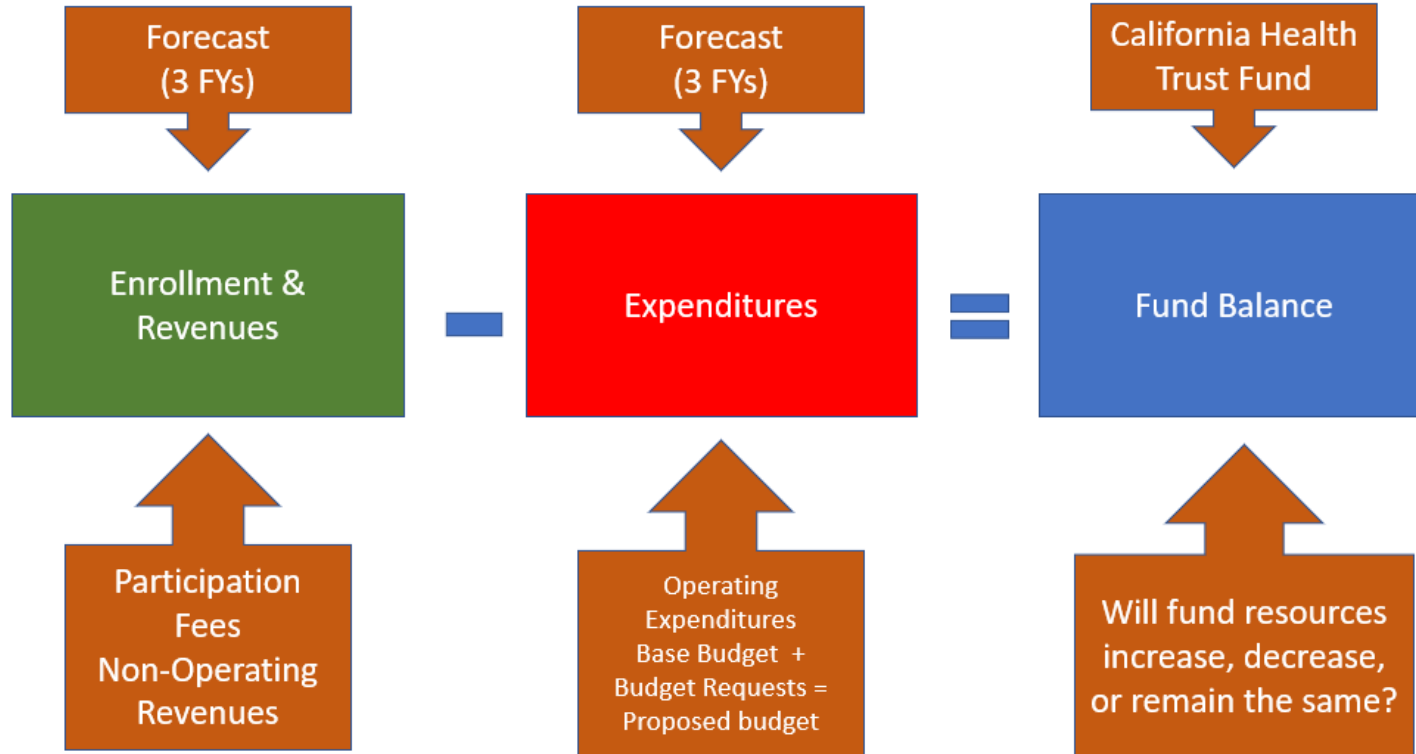
# Budget Process Overview

# COVERED CALIFORNIA'S INCREMENTAL BUDGETING

## Budget Summary



# FORECASTING FISCAL YEAR CHANGES IN FUND BALANCE BRINGING IT ALL TOGETHER



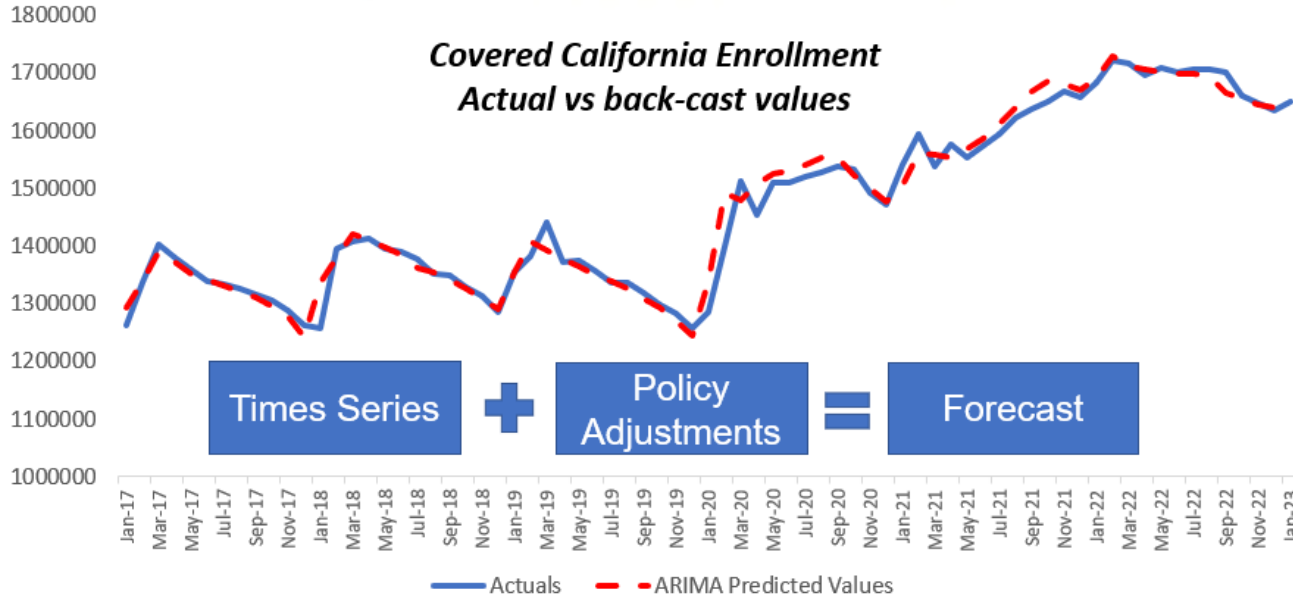


# Enrollment & Revenue Forecast

# TIME-SERIES STATISTICAL BASELINE ESTIMATE



**Covered California Enrollment  
Actual vs back-cast values**



For the fiscal year 2023-24 individual enrollment forecast, Covered California has employed a time-series forecasting methodology consistent with prior years.

The Auto-Regressive Integrated Moving Average (ARIMA) is used to predict future enrollment.

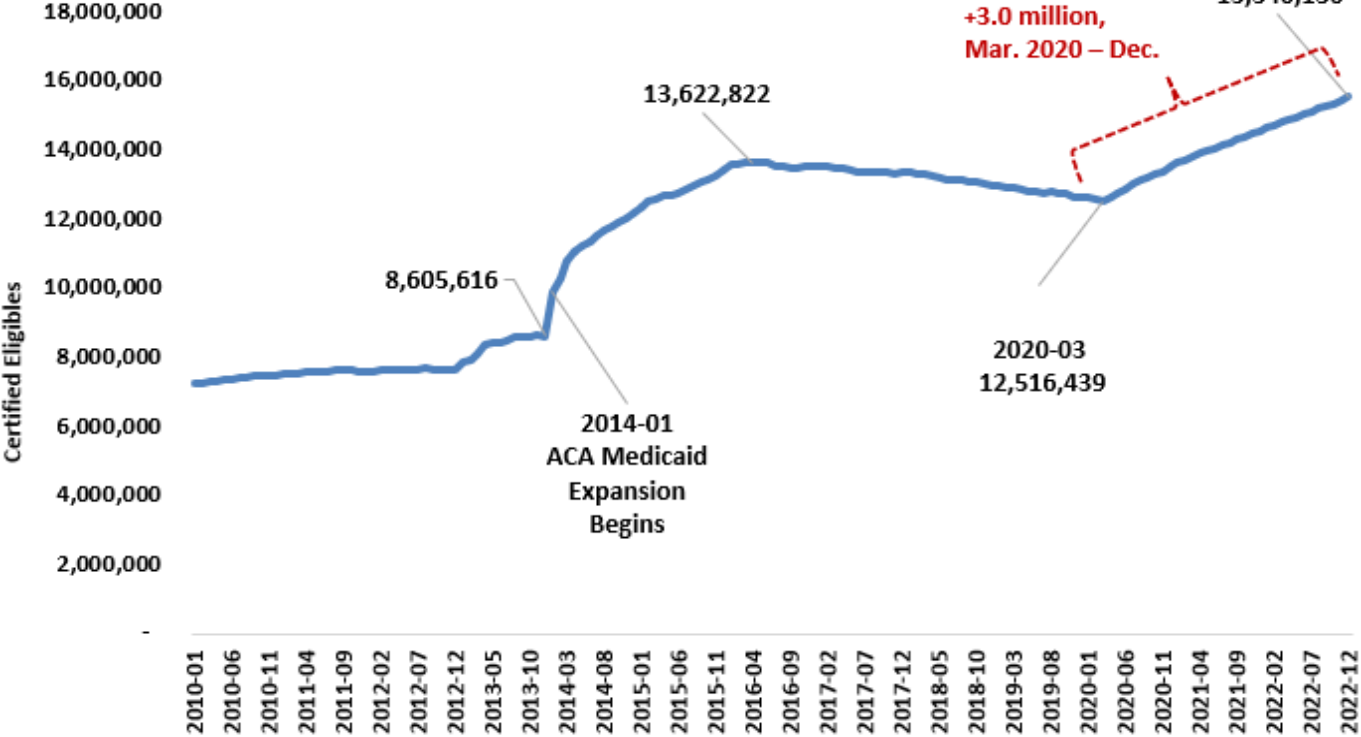
Based on the time-series-predicted monthly enrollment values, Covered California calculates the monthly effectuations, terminations and plan selections using seasonal historical average patterns.

# FORECASTING STRATEGY: ADJUSTMENTS TO STATISTICAL BASELINE ESTIMATES

- 1. Inflows from Medi-Cal:** Individuals will exit Medi-Cal when eligibility redeterminations resume. Inflows will occur starting July 2023
  - Between 17,856 and 33,066 individuals per month may enroll.
- 2. Inflow from Family Glitch Fix:** Dependents who have not been offered affordable employer-sponsored insurance and were formerly not entitled to APTCs are now eligible for APTCs.
  - Between 62,000 and 149,000 may enroll
  - Phased-in between FY 2023-24 and FY 2025-26
- 3. Disenrollments due to Expiration of enhanced subsidies:** Due to current law, it is assumed that the American Rescue Plan's subsidies expire after December 2025, resulting in exits from Covered California. This impacts the FY 2025-26 enrollment forecast.
  - Between 198,000 and 260,000 may exit when the enhanced federal subsidies expire

# CONTINUOUS COVERAGE REQUIREMENT AND GROWTH IN MEDI-CAL POPULATION

Medi-Cal Enrollment Trend



At the onset of the pandemic and declaration of the public health emergency, the federal government provided states with enhanced funding to ensure continuous coverage of Medicaid enrollees. This meant that most individuals did not exit Medicaid.

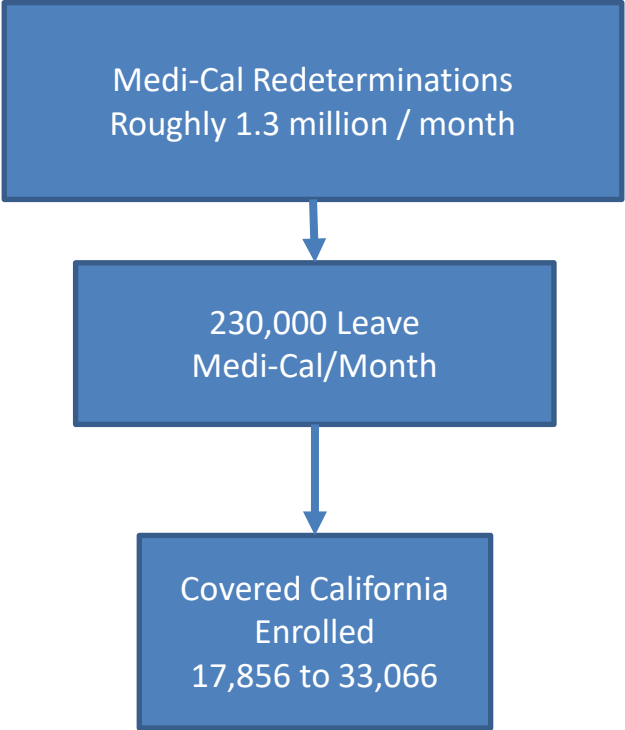
This resulted in an increase in Medi-Cal enrollment, from 12.5 million to 15.5 million and a reduction in the number of people transitioning to Covered California.

Starting April 1, Medi-Cal reinstated eligibility redeterminations and by July 2023, individuals will start leaving Medi-Cal.

It is forecasted that the vast majority of those exiting Medi-Cal will transition to employer sponsored insurance coverage and some will transition to Covered California, aided by SB 260 (auto enrollment / assignment).



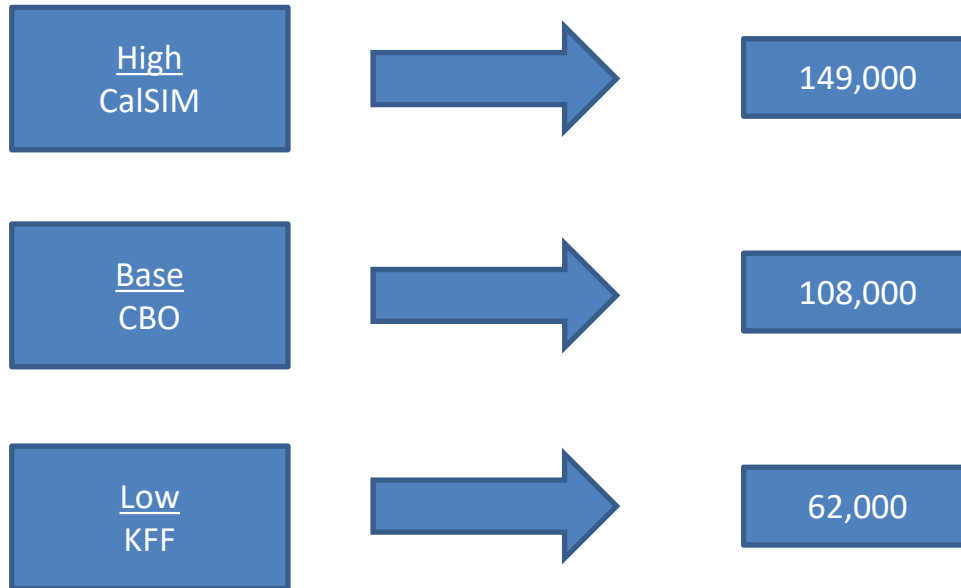
# MEDI-CAL CONTINUOUS COVERAGE UNWIND: ADJUSTMENTS TO STATISTICAL BASELINE ESTIMATES



*Covered California collaborated with the California Department of Health Care Services to forecast Medi-Cal outflows*

# FAMILY GLITCH POTENTIAL INFLOWS: ADJUSTMENTS TO BASELINE ENROLLMENT FORECAST

Enrollment occurs throughout the Forecast Range



Phased-in by FY: 20% in FY 2023-24, 40% in FY 2024-25, 40% FY in 2025-26

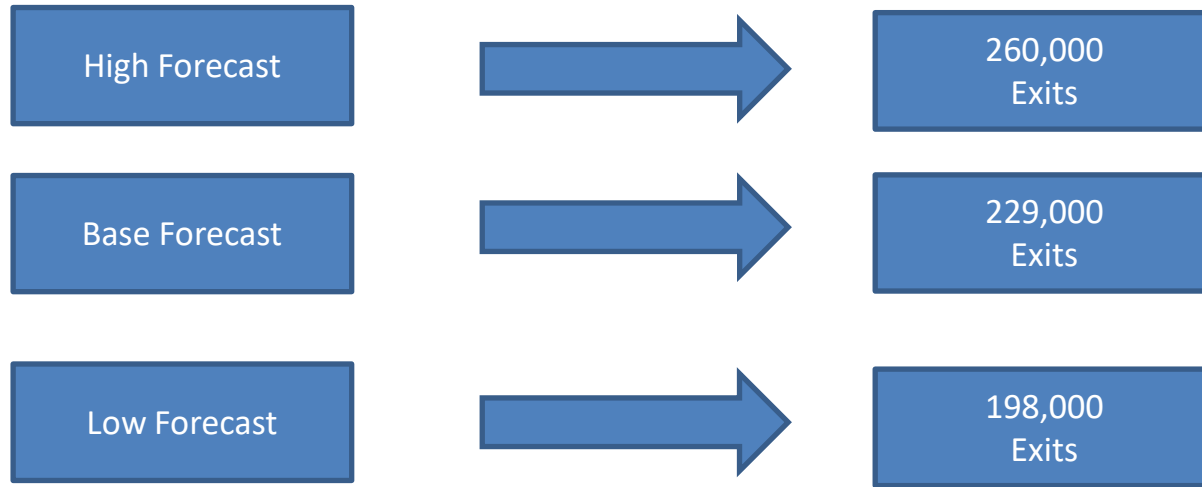
The “family glitch” refers to a 2013 Internal Revenue Service (IRS) interpretation of a provision in the Affordable Care Act. The IRS interpreted the affordability of a family’s premium for employer-sponsored coverage (ESC) based on whether it was affordable for the employee only, even if it was not actually affordable for the entire family.

New Final Rule: Effective December 12, 2022, the new rule provides that the affordability of employer-sponsored insurance (ESI) for family members of an employee is determined based on the employee’s share of cost to cover the employee and their family members, not just the cost of covering the employee.

It is assumed that 20% of enrollment occurs in FY 2023-24, 40% in FY 2024-25, and 40% in FY 2025-26. Enrollment flows are spread evenly throughout the FY.

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# EXITS DUE TO POTENTIAL EXPIRATION OF ENHANCED SUBSIDIES IN DECEMBER 2025



The Inflation Reduction Act (IRA) passed in August 2022 extended the American Rescue Plan's enhanced subsidies through December 2025. For Covered California's FY 2023-24 multi-year forecast, this means that the generous subsidies provided by the American Rescue Plan Act and extended by the IRA will not be available during the second half of FY 2025-26, absent further legislation. Covered California forecasts that the expiration of the American Rescue Plan's subsidies will lead to disenrollment of Covered California enrollees ranging from 198,000 to 260,000.

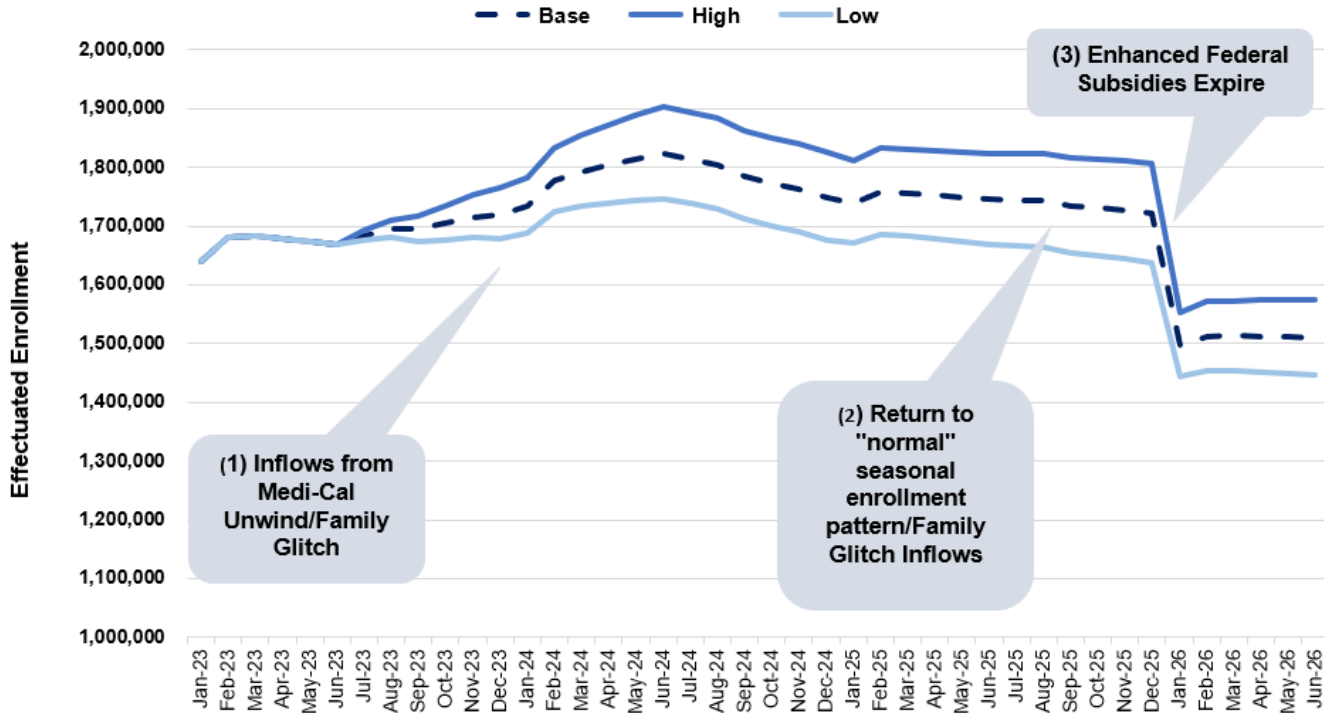
The high forecast has a higher volume of enrollment which will result in higher exits. Similarly, the low forecast has a lower volume of enrollment, resulting in a lower number of exits.

Calculations leveraged [Finkelstein et. al. \(2017\)](#) findings indicating that insurance take-up declines about 25% for each \$40 increase in premiums for enrollees.

[Subsidizing Health Insurance for Low-Income Adults: Evidence from Massachusetts \(nber.org\)](#)

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# FY 2023-24 THROUGH FY 2025-26: MULTI-YEAR ENROLLMENT FORECAST



Over the three-year forecasting period, Covered California enrollment will reflect four distinct phases.

1. the net Medi-Cal Unwind Inflow Period and Family Glitch inflows,
2. the Return-to-Normal Enrollment Pattern and Family Glitch inflows, and
3. the enhanced subsidies expiration period. It is assumed that consistent with current law, the enhanced federal subsidies expire at the end of 2025, inducing “sticker shock” among a portion of the enrolled Covered California population.



# FORECASTED OPERATING REVENUE-HIGH, BASE, AND LOW (\$ IN MILLIONS)

Revenue	FY 2023-24	FY 2024-25	FY 2025-26
Individual Market Participation Rate	3.25%	3.25%	3.25%
CCSB Participation Rate	5.2%	5.2%	5.2%
Total Forecasted Participation Fee Revenue-High	\$ 471.8	\$ 513.5	\$ 500.0
Total Forecasted Participation Fee Revenue-Base	\$459.6	\$489.2	\$ 471.0
Total Forecasted Participation Fee Revenue-Low	\$ 443.5	\$ 456.6	\$ 433.3

Member Months	FY 2023-24	FY 2024-25	FY 2025-26
Total Forecasted Member Months-High	21,503,833	22,108,418	20,320,200
Total Forecasted Member Months-Base	20,953,189	21,186,633	19,457,123
Total Forecasted Member Months-Low	20,442,006	20,307,728	18,610,324

All revenue forecasts assume that the federal enhanced subsidies expire at the end of 2025.

The revenue forecasts presented here assume the following premium growth estimates:

- High: 2024-7%, 2025-6%, and 2026-5%
- Base: 2024-7%, 2025-5%, and 2026-4%
- Low: 2024-5%, 2025-4%, and 2026-3%

These premium growth expectations take into consideration not only carrier rate increases, but consumer behavior. From year-to-year consumers shop around and may select different metal tiers or plans.

The individual market participation fee is 3.25% throughout the forecast range. The CCSB participation fee is 5.2% throughout the forecast range.

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# FY 2023-24

# Baseline Expenditures

# FY 2023-24 BASELINE BUDGET

	Fiscal Year 2022-23	Fiscal Year 2023-24	Difference
	Approved Budget	Baseline Budget	Between FY 2022-23 Approved Budget and FY 2023-24 Baseline
<b>Positions</b>	1467	1468	1
Personnel Expenditures	\$ 164,937,260	\$ 176,237,199	\$ 11,299,939
Other Operating Expenditures	\$ 197,009,299	\$ 200,457,664	\$ 3,448,365
<b>Subtotal</b>	<b>\$ 361,946,559</b>	<b>\$ 376,694,863</b>	<b>\$ 14,748,304</b>
<b>Allocated Expenditures</b>			
Prorata/Supp. Pension/Other	19,419,224	19,111,015	\$ (308,209)
<b>Total Operating Expenditures</b>	<b>\$ 381,365,783</b>	<b>\$ 395,805,878</b>	<b>\$ 14,440,095</b>
<b>Capital Investments</b>			
CalHEERs	\$ 24,773,115	\$ 24,773,115	\$ -
Other	\$ 5,226,296	\$ 2,391,000	\$ (2,835,296)
<b>Total - Capital Project Expenditures</b>	<b>\$ 29,999,411</b>	<b>\$ 27,164,115</b>	<b>\$ (2,835,296)</b>
<b>Total Budgeted Expenditures</b>	<b>\$ 411,365,194</b>	<b>\$ 422,969,992</b>	<b>\$ 11,604,799</b>

The FY 2023-24 baseline budget is \$11.6 million greater than the FY 2022-23 approved budget.

The increase was primarily driven by increased personnel and other operating expenditures.

Personnel expenditures increased by \$11.3 million, or 6.8% above the FY 2022-23 budget. The increase was the net effect of modifications to the assumed vacancy rate, merit salary adjustments, a 2.5% general salary increase, benefit increase, and internet stipend expenditures.

Other operating expenditures increased due to cost escalators built into service contracts. These are primarily associated with Service Center and Outreach & Sales.

State shared expenditures decreased by \$308,209, and Capital expenditures decreased from \$5.2 million to \$2.4 million.

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**FY 2023-24**

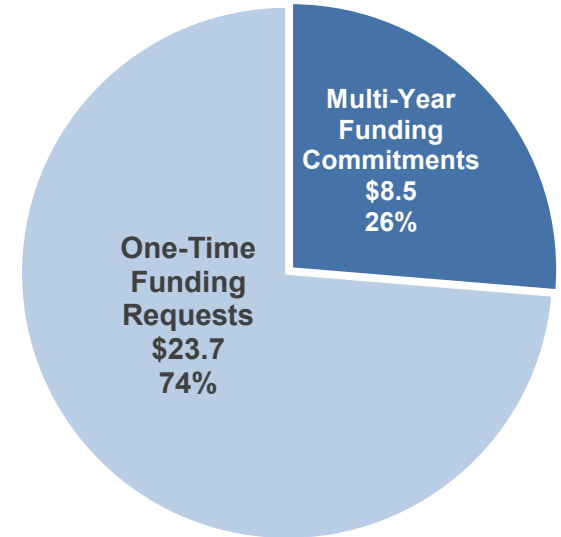
**Proposed Budget Change Requests**

# FY 2023-24 BUDGET AUGMENTATIONS

The FY 2023-24 budget will add \$32.2 million in additional funding above the baseline to meet the following priorities and goals:

1. \$22.2 million to fund efforts to assist Californians throughout the Medi-Cal continuous coverage unwind.
2. \$3.0 million dollars for Information Management and Security
3. \$3.3 million for continued space consolidation and facility improvements.
4. \$1.1 million to support Covered California for Small Business and upgrade operations.
5. \$2.6 million to fund initiatives tied to specific strategic goals identified during Covered California's recent strategic planning sessions.

**One-Time Funding Represents  
74% of the Total Proposed  
Budget Augmentations**



# FY 2023-24 BUDGET AUGMENTATIONS

Assisting Californians Impacted by the Medi-Cal Continuous Coverage Unwind	Information Management and Security	Space Consolidation and Facility Improvements	Advancing Covered California's Strategic Priorities	Covered California for Small Business Improvements and Support
<ul style="list-style-type: none"> <li>• <b>\$22.2 million</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$3.0 million</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$3.3 million</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$2.6 million</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>\$1.1 million</b></li> </ul>
<ul style="list-style-type: none"> <li>• Funding for marketing and outreach efforts related to the Medi-Cal continuous coverage unwind.</li> <li>• Supplemental vendor surge staffing to support higher call volumes related to SB260.</li> <li>• Additional funding for Postage and Mailing.</li> <li>• Increase in funding for the Navigator program.</li> <li>• NORC survey of people losing Medi-Cal eligibility.</li> <li>• "We'll Keep You Covered" in-person event funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase Usage of Marketing Cloud.</li> <li>• Workday enhancements</li> <li>• Temporary Data Support</li> <li>• Chatbot, Web, and Accessibility Support</li> <li>• New Privacy Analyst.</li> </ul>	<ul style="list-style-type: none"> <li>• 2023 Expo Tenant Improvement Project</li> <li>• Fresno Tenant Improvement (space consolidation).</li> </ul>	<ul style="list-style-type: none"> <li>• Data &amp; Analytics Strategy Development</li> <li>• Advertising Efficacy Analysis</li> <li>• Enterprise Content Management (ECM) System (training materials and technical guides)</li> <li>• Community Outreach and Engagement Program Lead</li> <li>• Strategic Plan and Workforce Support.</li> <li>• Linguistic Appropriateness and Cultural Resonance.</li> <li>• Website Strategy and User experience/User Interface services.</li> <li>• Technical Writer position</li> <li>• New Graduate Legal Assistant.</li> </ul>	<ul style="list-style-type: none"> <li>• CCSB Enhancements to the billing agent's systems</li> <li>• CCSB Broker Bonus Program</li> </ul>

**FY 2023-24**

**Proposed Expenditure Budget**

# FY 2023-24 PROPOSED BUDGET BY EXPENDITURE CATEGORY

	Fiscal Year 2023-24	Fiscal Year 2023-24	Difference
	Baseline Budget	Proposed Budget	Between FY 2023-24 Baseline and Proposed FY 2023-24 Budget
<b>Positions</b>	1468	1475	7
<b>Operating Expenditures</b>			
Personnel Expenditures	\$ 176,237,199	\$ 177,064,746	\$ 827,547
Other Operating Expenditures	\$ 200,457,664	\$ 228,521,797	\$ 28,064,133
<b>Subtotal</b>	<b>\$ 376,694,863</b>	<b>\$ 405,586,543</b>	<b>\$ 28,891,680</b>
<b>Allocated Expenditures</b>			
Prorata/Supp. Pension/Other	19,111,015	\$ 19,111,015	-
<b>Total Operating Expenditures</b>	<b>\$ 395,805,878</b>	<b>\$ 424,697,558</b>	<b>\$ 28,891,680</b>
<b>Capital Investments</b>			
CalHEERs	\$ 24,773,115	\$ 24,773,115	\$ -
Other	\$ 2,391,000	\$ 5,651,000	\$ 3,260,000
<b>Total - Capital Project Expenditures</b>	<b>\$ 27,164,115</b>	<b>\$ 30,424,115</b>	<b>\$ 3,260,000</b>
<b>Total Budgeted Expenditures</b>	<b>\$ 422,969,992</b>	<b>\$ 455,121,672</b>	<b>\$ 32,151,680</b>

The proposed FY 2023-24 budget totals \$455.1 million, or \$32.2 million above the baseline.

Staffing is proposed to increase by 7, from 1,468 to 1,475.

Personnel expenditures will rise from the baseline total of \$176.2 million to \$177.1 million, or \$827,547.

Other operating expenditures increase by \$28.1 million, with \$23.3 million related to one-time expenditures. One-time OOE represent 83% of the total proposed OOE budget augmentations.

Capital expenditures increase by \$3.3 million above baseline.

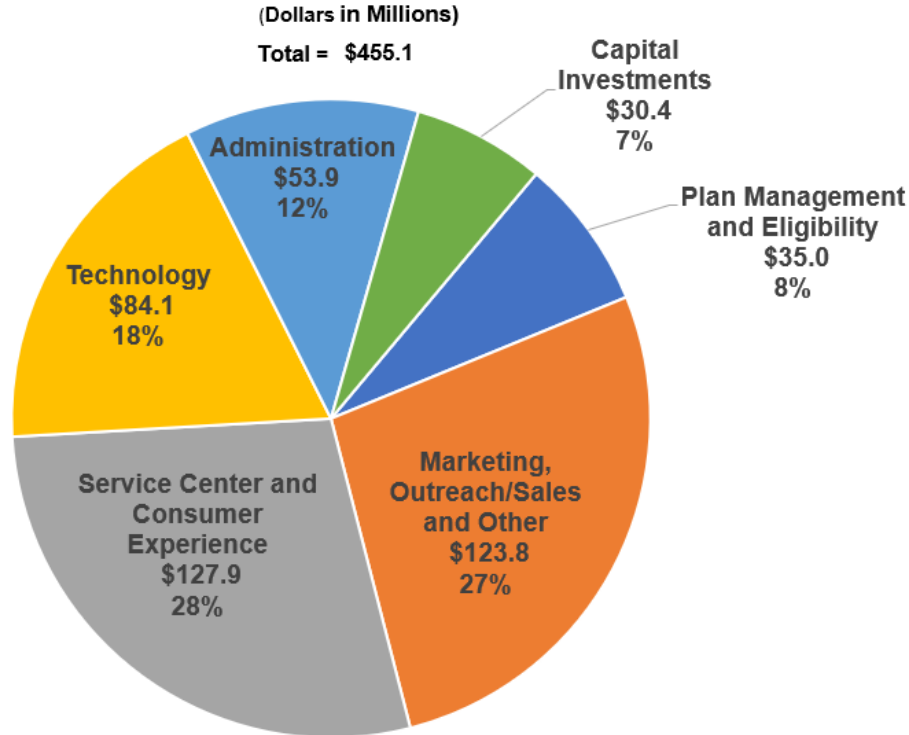
Total proposed budget expenditures increase \$32.2 million above the baseline, or 7.6%.

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# FY 2023-24 BUDGET PROPOSED BUDGET BY FUNCTIONAL AREA

Total Staff = 1475



The proposed FY 2023-24 operating and capital expenditure budget totals \$455.1 million.

Of this total, one-time budget augmentations represent \$23.7 million. These one-time budget augmentations are associated with funding requested for the Medi-Cal continuous coverage unwind.

Seven additional permanent positions are also requested, increasing Covered California's staffing level from 1,468 to 1,475. The 7 additional positions requested constitute a 0.5% increase in staffing.

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**FY 2023-24**

**Forecasted Budgetary  
Fiscal Year Outcomes**

# FY 2023-24 FORECASTED BUDGETARY OUTCOME - BASE

	FY 2023-24	FY 2024-25	FY 2025-26
	Base	Base	Base
<b>Operating Revenues</b>	<b>\$ 459,552,824</b>	<b>\$ 489,244,799</b>	<b>\$ 471,045,429</b>
Operating Expenditures	\$ 424,697,558	\$ 412,708,000	\$ 421,578,039
Capital Expenditures	\$ 30,424,115	\$ 31,032,597	\$ 31,653,249
<b>Total Operating &amp; Capital Expenditures</b>	<b>\$ 455,121,672</b>	<b>\$ 443,740,597</b>	<b>\$ 453,231,288</b>
Income/(Loss) From Operations	\$ 4,431,152	\$ 45,504,202	\$ 17,814,141
Non-Operating Income	\$ 10,714,911	\$ 9,613,754	\$ 7,937,761
<b>Change In Fund Balance</b>	<b>\$ 15,146,063</b>	<b>\$ 55,117,956</b>	<b>\$ 25,751,902</b>
Current Assets	\$ 592,548,280	\$ 647,666,236	\$ 673,418,138
Current Liabilities	\$ 112,584,173	\$ 123,056,585	\$ 131,316,537
Working Capital	<u>\$ 479,964,107</u>	<u>\$ 524,609,651</u>	<u>\$ 542,101,601</u>

FY 2023-24 forecasted total operating revenues equal \$459.5 million. Total forecasted operating and capital expenditures equal \$455.1 million. The forecasted income from operations is \$4.4 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$10.7 million, the fund balance is forecasted to increase by \$15.1 million.

FY 2024-25 forecasted total operating revenues equal \$489.2 million. Total forecasted operating and capital expenditures equal \$443.7 million. Operating and capital expenditures decrease from FY 2023-24 as a result of the net effect of the elimination of one-time expenditures and assumed expenditure growth. The forecasted income from operations is \$45.5 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$9.6 million, the fund balance is forecasted to increase by \$55.1 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the Surplus Money Investment Fund (SMIF).

FY 2025-26 forecasted total operating revenues equal \$471.0 million. Total forecasted operating and capital expenditures equal \$453.2 million. This was an increase over the prior FY. The forecasted income from operations is \$17.8 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$7.9 million, the fund balance is forecasted to increase by \$25.8 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the SMIF.

# FY 2023-24 FORECASTED BUDGETARY OUTCOME - HIGH

	FY 2023-24 High	FY 2024-25 High	FY 2025-26 High
<b>Operating Revenues</b>	<b>\$ 471,816,186</b>	<b>\$ 513,512,894</b>	<b>\$ 500,045,210</b>
Operating Expenditures	\$ 424,697,558	\$ 412,708,000	\$ 421,578,039
Capital Expenditures	\$ 30,424,115	\$ 31,032,597	\$ 31,653,249
<b>Total Operating &amp; Capital Expenditu</b>	<b>\$ 455,121,672</b>	<b>\$ 443,740,597</b>	<b>\$ 453,231,288</b>
Income/(Loss) From Operations	\$ 16,694,514	\$ 69,772,297	\$ 46,813,922
Non-Operating Income	\$ 10,996,969	\$ 10,300,546	\$ 8,920,729
<b>Change In Fund Balance</b>	<b>\$ 27,691,482</b>	<b>\$ 80,072,842</b>	<b>\$ 55,734,651</b>
Current Assets	\$ 605,093,699	\$ 685,166,541	\$ 740,901,192
Current Liabilities	\$ 114,967,803	\$ 130,181,643	\$ 144,475,732
Working Capital	<u>\$ 490,125,896</u>	<u>\$ 554,984,898</u>	<u>\$ 596,425,459</u>

Note: Capital Expenditures includes investments in CalHEERS and other capital expenditures.

FY 2023-24 forecasted total operating revenues equal \$471.8 million. Total forecasted operating and capital expenditures equal \$455.1 million. The forecasted income from operations is \$16.7 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$11.0 million, the fund balance is forecasted to increase by \$27.7 million.

FY 2024-25 forecasted total operating revenues equal \$513.5 million. Total forecasted operating and capital expenditures equal \$443.7 million. Operating and capital expenditures decrease from FY 2023-24 as a result of the net effect of the elimination of one-time expenditures and assumed expenditure growth. The forecasted income from operations is \$69.8 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$10.3 million, the fund balance is forecasted to increase by \$80.1 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the Surplus Money Investment Fund (SMIF).

FY 2025-26 forecasted total operating revenues equal \$500.0 million. Total forecasted operating and capital expenditures equal \$453.2 million. Operating and capital expenditures increase from the prior FY. The forecasted income from operations is \$46.8 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$8.9 million, the fund balance is forecasted to increase by \$55.7 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the SMIF.

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# FY 2023-24 FORECASTED BUDGETARY OUTCOME - LOW

	FY 2023-24	FY 2024-25	FY 2025-26
	Low	Low	Low
<b>Operating Revenues</b>	<b>\$ 443,529,978</b>	<b>\$ 456,624,715</b>	<b>\$ 433,339,037</b>
Operating Expenditures	\$ 424,697,558	\$ 412,708,000	\$ 421,578,039
Capital Expenditures	\$ 30,424,115	\$ 31,032,597	\$ 31,653,249
<b>Total Operating &amp; Capital Expenditures</b>	<b>\$ 455,121,672</b>	<b>\$ 443,740,597</b>	<b>\$ 453,231,288</b>
Income/(Loss) From Operations	\$ (11,591,694)	\$ 12,884,118	\$ (19,892,251)
Non-Operating Income	\$ 10,346,386	\$ 8,699,267	\$ 6,642,521
<b>Change In Fund Balance</b>	<b>\$ (1,245,309)</b>	<b>\$ 21,583,385</b>	<b>\$ (13,249,730)</b>
Current Assets	\$ 576,156,908	\$ 597,740,293	\$ 584,490,563
Current Liabilities	\$ 109,469,812	\$ 113,570,656	\$ 113,975,660
Working Capital	\$ 466,687,095	\$ 484,169,637	\$ 470,514,903

FY 2023-24 forecasted total operating revenues equal \$443.5 million. Total forecasted operating and capital expenditures equal \$455.1 million. The forecasted loss from operations is \$(11.6) million, which will does not achieve budgetary interperiod equity. With the addition of non-operating income of \$10.3 million, the fund balance is forecasted to decrease by \$1.2 million.

FY 2024-25 forecasted total operating revenues equal \$456.6 million. Total forecasted operating and capital expenditures equal \$443.7 million. Operating and capital expenditures decrease from FY 2023-24 as a result of the net effect of the elimination of one-time expenditures and assumed expenditure growth. The forecasted income from operations is \$12.9 million, which will achieve budgetary interperiod equity. With the addition of non-operating income of \$8.7 million, the fund balance is forecasted to increase by \$21.6 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the Surplus Money Investment Fund (SMIF).

FY 2025-26 forecasted total operating revenues equal \$433.3 million. Total forecasted operating and capital expenditures equal \$453.2 million. Operating and capital expenditures decrease from FY 2025-26 from the assumed year-over-year expenditure growth (3%). The forecasted loss from operations is \$(19.9) million, which does not achieve budgetary interperiod equity. With the addition of non-operating income of \$6.6 million, the fund balance is forecasted to decrease by \$13.2 million. Non operating income decreases from the prior year due to assumed changes in the interest rate on the SMIF.

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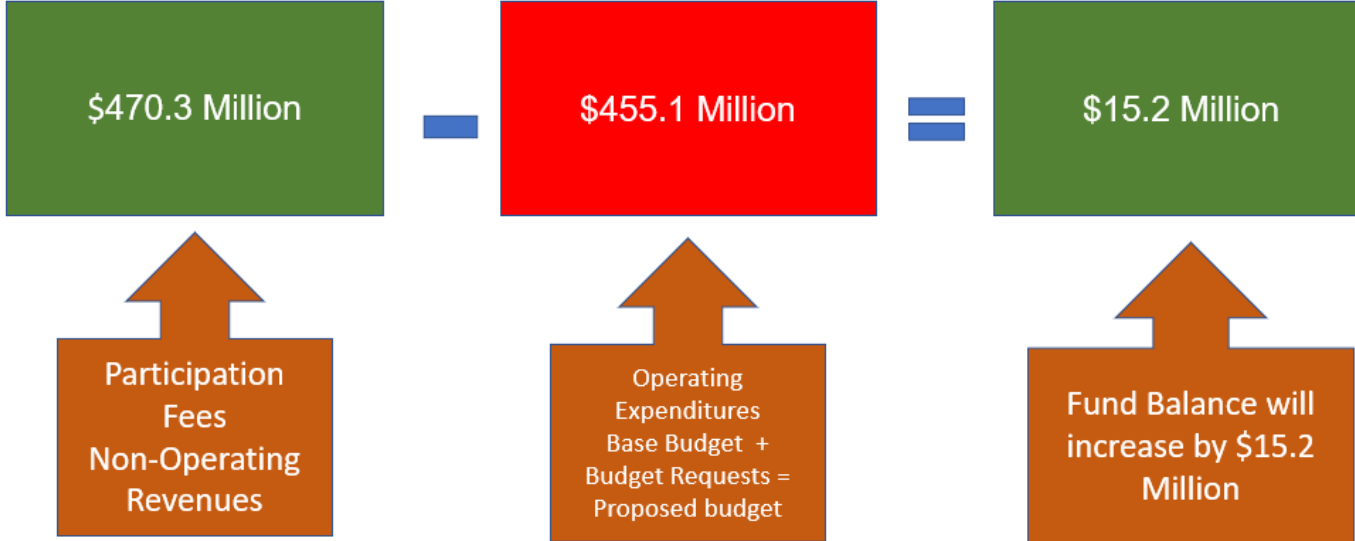
**FY 2023-24**

# **Proposed Budget Summary**

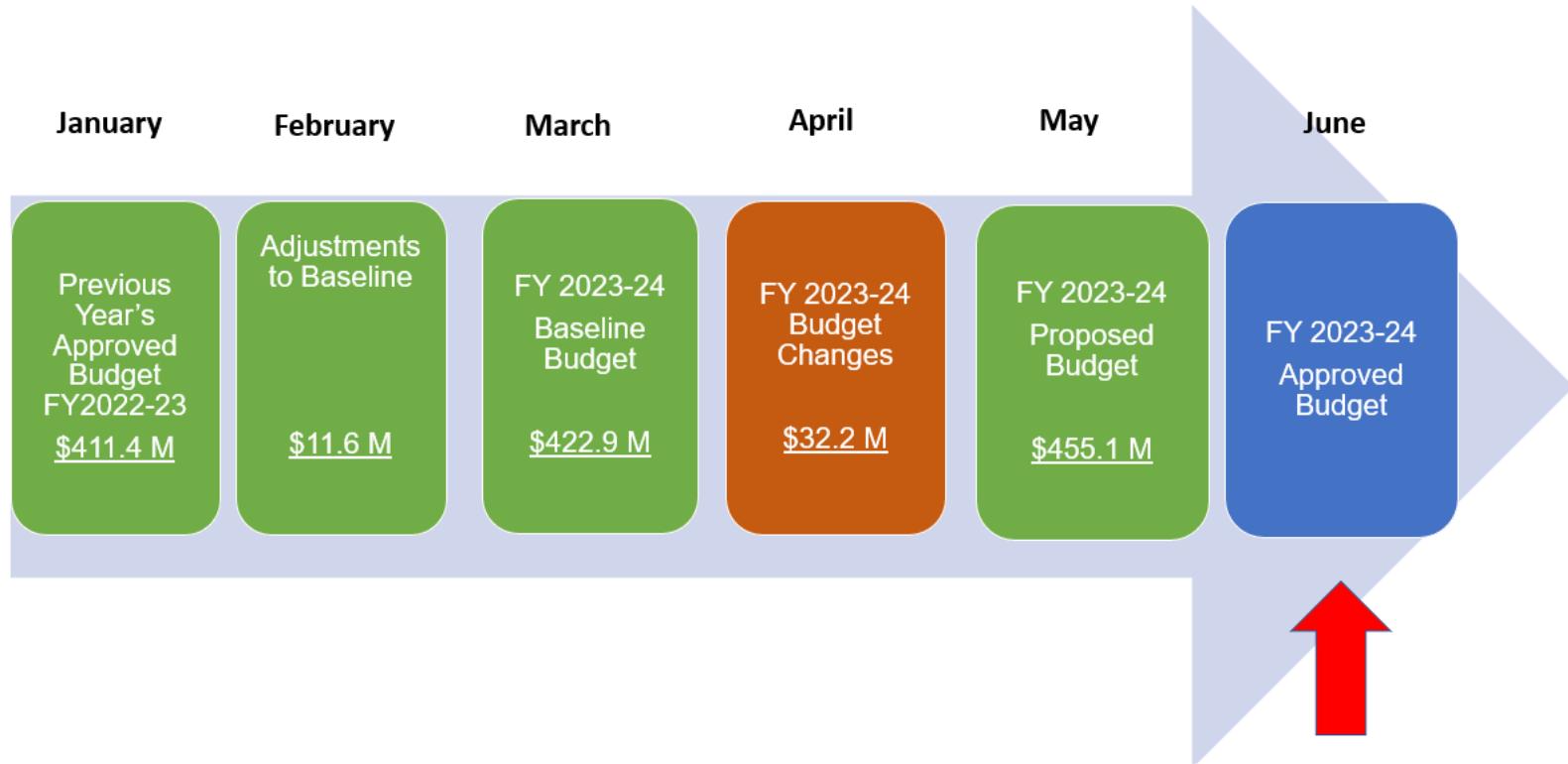
# FY 2023-24 PROPOSED BUDGET OUTCOME

The proposed budget achieves interperiod equity (revenues cover expenditures for the FY)

California Health Trust Fund



# COVERED CALIFORNIA'S FY 2023-24 PROPOSED BUDGET SUMMARY





# 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](mailto:BoardComments@covered.ca.gov).*