



# **COVERED CALIFORNIA POLICY AND ACTION ITEMS**

August 17, 2023 Board Meeting

# PROPOSED 2024 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM DESIGN

Katie Ravel, Director  
Policy, Eligibility & Research Division

# OVERVIEW OF THE PROGRAM DESIGN PROVISIONS FOR CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM

- ❑ The 2024 California Enhanced Cost-Sharing Reduction (CSR) Program Design Document specifies the following elements for the proposed California enhanced CSR program:
  1. Establishes income eligibility for the California enhanced CSR program.
  2. Specifies the qualified health plan (QHP) features of the California enhanced CSR variants.
  3. Establishes per member per month payment rates, payable to the QHP issuers, for each plan design that will be offered through the California enhanced CSR program and a QHP issuer payment reconciliation process.
  4. Defines key terms related to the California enhanced CSR program.

# CHANGES MADE TO THE DRAFT PROGRAM DESIGN DOCUMENT PRESENTED IN JULY

- ❑ The August final draft of the 2024 California Enhanced Cost-Sharing Reduction Program Design Document finalizes an average statewide interim monthly per member per month (PMPM) rate of 60 percent of the full PMPM specified the document. Carriers will be paid the interim rate throughout the year and will reconcile costs after the close of the benefit year to claim or repay the difference between the interim rate and actual benefit costs.
- ❑ No other substantive changes were made to the July draft.

# ACTION ITEM: PROPOSED 2024 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM DESIGN

- ❑ **Action requested:** Covered California staff is seeking Board approval of the proposed 2024 California Enhanced Cost-Sharing Reduction Program Design.
- ❑ If approved, Covered California staff will provide notification of the program design to the Joint Legislative Budget Committee (JLBC) as required by statute.

# PUBLIC COMMENT

**CALL: (877) 336-4440**

**PARTICIPANT CODE: 6981308**

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# CHANGES TO ELIGIBILITY AND ENROLLMENT REGULATIONS FOR THE INDIVIDUAL MARKET

Bahara Hosseini  
Office of Legal Affairs

# BACKGROUND

- ❑ Covered California was granted emergency rulemaking authority by the Legislature through January 1, 2025.
- ❑ Covered California proposes utilizing the emergency rulemaking process to amend its eligibility and enrollment regulations for the individual exchange to adopt new federal requirements and flexibilities, and incorporate gender neutral language throughout the regulations.
- ❑ These regulations are the result of ongoing collaboration and consultation with the California Departments of Social Services, Health Care Services, Managed Health Care, and Insurance, as well as consumer advocates, qualified health plan (QHP) issuers, and other stakeholders.



# ELIGIBILITY PROCESSES, CONT.

## (REQUIRED UNDER THE FEDERAL RULES)

- ❑ Revise the eligibility requirements for advanced premium tax credits (APTC) and the failure-to-reconcile (FTR) process under § 6474(c) to align with the new federal process requiring that the Exchange:
  - Determine enrollees eligible for APTC if, among meeting other criteria, they are not eligible for minimum essential coverage for the full calendar month for which APTC would be paid.
  - Determine enrollees ineligible for APTC if the enrollee has a consecutive 2-year FTR status.
  
- ❑ Revise the income verification process under § 6482(e) to specify the Exchange will accept an applicant or enrollee's attestation of projected annual household income when the Exchange requests IRS tax return data but the IRS confirms such data is not available.

# ELIGIBILITY PROCESSES

## (REQUIRED UNDER THE FEDERAL RULES)

- ❑ Revise the inconsistency process under § 6492(a) to automatically provide a 60-day extension to enrollees with an income inconsistency beyond the existing 95-day period.
- ❑ Add subdivision (i) to the general eligibility appeals requirements under § 6602 to specify that beginning January 1, 2024, appellants may request an administrative review by a CMS Administrator of the appeals entity's decisions within 14 days of the date of the decision.

# RENEWAL PROCESSES

## (OPTIONAL UNDER THE FEDERAL RULES)

- ❑ Revise the re-enrollment hierarchy under § 6498(l) to extend the Bronze to Silver auto-enrollment to all cost-sharing reduction (CSR)-eligible enrollees (replaced the at-or-below 150% federal poverty level (FPL) income limitation with at-or-below 250% FPL) when the Silver plan has a zero-dollar net monthly premium.
- ❑ Expand the affordability crosswalk procedure under § 6498(l) to automatically move enrollees into CSR-Silver plans during the upcoming renewal if: (1) their income is at or below 250% FPL; and (2) they are eligible for a Silver cost-sharing reduction plan at the same or higher actuarial value and the same or lower net premium with the same carrier in the same product.

# SPECIAL ENROLLMENT PERIOD

- ❑ Revise the SEP enrollment process under § 6504(a)(14) to remove the consumer’s requirement to “adequately demonstrate to the Exchange” that a material error related to plan benefits, service, or premium influenced their decision to purchase a QHP. *(Required under the Federal Rules)*
  
- ❑ Revise the SEP durations under § 6504(f) to: *(Optional under the Federal Rules)*
  - Beginning January 1, 2024, extend the duration of the SEP for those who lose Medi-Cal or CHIP from 60 days to 90 days after the date of the loss of coverage.
  - Beginning January 1, 2025, specify that the SEP duration for those who permanently move or newly meet the citizenship/lawful presence or non-incarceration **REQUIREMENTS** is 60 days before and after the triggering event.

# SPECIAL ENROLLMENT PERIOD, CONT.

- ❑ Revise SEP coverage effective dates under § 6504(h) to, beginning January 1, 2025: (Optional under the Federal Rules)
  - For those who lose coverage (including loss of COBRA continuation coverage when the employer contributions or government subsidies completely cease), add a new effective date option of “the first of the month in which the loss of coverage occurs if the consumer picks a plan before the first of that month.”
  - For those who permanently move or newly meet the citizenship/lawful presence or non-incarceration requirements, allow the coverage to be effective:
    - ❑ On the first day of the month following the date of the triggering event if the plan selection is made on or before the date of the event; or
    - ❑ On the first day of the month following plan selection if the plan selection is made after the date of the triggering event.

# NEXT STEPS

- ❑ Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- ❑ Staff will request the Board to formally adopt the regulation package at the next scheduled board meeting so it can be filed with the Office of Administrative Law.
- ❑ Any additional proposed changes to the proposed emergency regulations for eligibility and enrollment in the individual market will be communicated to stakeholders for review and commenting prior to Action.

# PUBLIC COMMENT

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# COVERED CALIFORNIA STRATEGIC PLAN

FISCAL YEAR 2023-24 THROUGH 2025-26

Jessica Altman  
Executive Director



# COVERED CALIFORNIA'S VISION AND MISSION REMAIN UNCHANGED



## ***Vision***

*To improve the health of all Californians by assuring their access to affordable, high-quality care.*

## ***Mission***

*To increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.*

# COVERED CALIFORNIA CORE VALUES



**We Value People.** We respect people for who they are and value their contributions. We seek and embrace diverse perspectives. We create an inclusive and welcoming environment for all through behaviors that show empathy and care for others. We empower individual talent to help create positive impacts for consumers, Californians, and their communities.

**We Work Together.** We create a culture of trust and shared responsibility. We actively seek opportunities to engage and collaborate with our partners and stakeholders. We are transparent in our decision-making and welcome input.

**We Do the Right Thing.** We operate with the highest degree of honesty, respect and fairness in everything we do. We take ownership and responsibility for our decisions and hold ourselves and others accountable. We are mindful stewards of the public trust and responsibly manage our resources.

**We Innovate.** We value curiosity, responsible risk-taking and enthusiastic pursuit of new ideas even at the risk of failure. We are nimble and unafraid of change. We foster creativity that challenges constraints and drives progress.

**We Follow Through.** We keep our commitments and do what we say we will do. We are results-driven and focus on outcomes that will deliver the highest value to Californians.

# STRATEGIC PLANNING PROCESS 2022 - 2023



# STAKEHOLDER ENGAGEMENT PROCESS



June

Shared draft strategic plan with Covered California staff and external partners including advocates, health plans, state officials, and others.

Asked for high level feedback on the approach and direction of the plan, along with support and suggestions for improvements.



July

Received feedback from multiple stakeholders comprised of support for the plan and its objectives as well as additional language for consideration.

Leadership met to review all stakeholder comments and suggestions and decide what to incorporate into the plan



August

Updated plan with stakeholder feedback included finalized for Covered California Board of Directors Review

# STAKEHOLDER FEEDBACK

- ❑ We received feedback from many of our core partners, including our partners in government, advocates, plans, agents and aligned organizations.
- ❑ This feedback helped us refine the plan, and those changes are reflected in the materials before the board today.
- ❑ Feedback included comments on:
  - Highlighting Covered California's commitment to transparency and collaboration and the value this commitment brings to our work
  - Further emphasizing our deep commitment to alignment with our state partners, including DHCS, CalPERS, HCAI/OHCA and others
  - Elevating the importance of consumer understanding of their choices
  - Ensuring our language captures our commitment to getting all Californians covered, whether their coverage is through Covered California or another source
  - Clarifying our role to support Californians in maintaining coverage in addition to gaining it



# Strategic Pillars

The **Pillars** are the ways we achieve our mission and vision.

## Affordable Choices

We connect consumers to financial assistance and a choice of affordable plans and providers that give them the best value.

## Quality Care

We ensure consumers consistently receive accessible, equitable, high-quality care.

## Organizational Excellence

We foster a nimble culture of continuous improvement that empowers and motivates our team to deliver on our mission with high standards.

## Reaching Californians

We are unwavering in our pursuit to reach Californians and connect them to comprehensive and affordable coverage.

## Catalyst for Change

We pioneer new ideas and disseminate our learnings to drive improvement in health care in California and nationally.

## Exceptional Service

We provide the highest level of service and exceed our consumers' expectations.

## DIVERSITY, EQUITY, INCLUSION

We apply this lens in all our work to improve the health and experience of our consumers and to create and support a workforce reflective of our core values and the people we serve.

# AFFORDABLE CHOICES

## Affordable Choices

We connect consumers to financial assistance and a choice of affordable plans and providers that give them the best value.

1. Connect as many Californians as possible to financial assistance to maximize take-up of affordable coverage.
2. Ensure that all Californians have robust and meaningful choices and understand their choices of affordable coverage.
3. Research, implement improvements and provide technical assistance to inform the policy dialogue about lowering premiums and out of pocket costs for consumers.
4. Participate in and reinforce the state's efforts to contain costs.

# QUALITY CARE

## Quality Care

We ensure consumers consistently receive accessible, equitable, high-quality care.

1. Produce measurable, equitable improvements in health outcomes.
2. Hold Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) issuers accountable for consistent, standard levels of quality.
3. Increase access to and support of high quality, diverse providers who practice with cultural humility.
4. Make demonstrable progress in addressing health disparities and increasing health equity.
5. Increase access to and quality of behavioral health care.



# ORGANIZATIONAL EXCELLENCE

## Organizational Excellence

We foster a nimble culture of continuous improvement that empowers and motivates our team to deliver on our mission with high standards.

1. Attract, retain, and invest in our team by fostering an inclusive, innovative, and collaborative workplace culture.
2. Maintain and enhance Covered California's trusted brand and reputation through transparency, accountability, security, and sustainability.
3. Optimize data as meaningful information to drive decision-making.
4. Incorporate diversity, equity, and inclusion in everything we do.
5. Provide employees with the tools, training, and support they need to do their jobs well.

# REACHING CALIFORNIANS

## Reaching Californians

We are unwavering in our pursuit to reach Californians and connect them to comprehensive and affordable coverage.

1. Reach all Californians, including those most in need of coverage through a culturally resonant and linguistically appropriate data-driven approach.
2. Strive to enroll and maintain coverage for as many Californians as possible.
3. Develop a comprehensive community engagement strategy to enhance our ability to reach historically marginalized communities and populations statewide.
4. Utilize data and technology to customize outreach, facilitate enrollment, and minimize gaps in coverage for Californians.
5. Expand efforts to connect California's small business owners and their employees to affordable coverage, either through Covered California for Small Business (CCSB) or the individual marketplace.

# CATALYST FOR CHANGE

## Catalyst for Change

We pioneer new ideas and disseminate our learnings to drive improvement in health care in California and nationally.

1. Build and use evidence to empower decision makers and foster innovation in how to deliver affordable coverage and quality care.
2. Enhance the way we share the innovative work Covered California is doing.
3. Increase alignment between and amplify work of partners, including Medi-Cal, the California Public Employees' Retirement System, the California Department of Health Care Access and Information, and the California Department of Managed Health Care, to enhance affordability, coverage, quality, and equity.

# EXCEPTIONAL SERVICE

## Exceptional Service

We provide the highest level of service and exceed our consumers' expectations.

1. Provide consumers with a seamless and consistent consumer experience regardless of which channel they use.
2. Make the self-service enrollment process as simple as possible and provide a seamless transition to assistance when needed.
3. Provide clear and understandable information to assist consumers to apply for, use, and maintain coverage, in a culturally resonant and linguistically appropriate way.
4. Increase the consistency and efficiency of consumer interactions with Covered California and enrollment partners.

# What this Strategic Plan will mean for our consumers

- ❑ **Coverage You Can't Miss:** We will reach Californians where and when they need us, while ensuring historically marginalized and hard-to-reach populations aren't left behind.
- ❑ **Coverage That Resonates:** We will construct our efforts for all Californians, deepening our understanding of the needs of our diverse communities and further tailoring our strategies to meet them.
- ❑ **Coverage That's Easy:** We will minimize barriers to coverage by having our system do the work for consumers, rather than consumers having to work for our system.
- ❑ **Coverage For California's Future:** We will maximize our levers to achieve hard-fought progress on affordability, cost, quality, and equity.

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