

COVERED CALIFORNIA BOARD MINUTES
Thursday, June 20, 2024
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

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

The meeting was called to order at 11:00 a.m.

Board Members Present During Roll Call:

Jerry Fleming
Kate Kendell
Jarrett Barrios

Board Members Absent During Roll Call:

Dr. Mark Ghaly
Mayra Alvarez

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, and personnel matters pursuant to Government Code Section 100500(j) and 11126(a).

At this time, Chairman Ghaly was present, and Vice Chair Barrios was absent.

The open session was called to order at 12:30 p.m.

Agenda Item III: Board Meeting Action Items

February 15, 2024 Meeting Minutes

Board Discussion: None.

Public Comment: None.

Motion/Action: No action was taken on this item, and it was noted that this would be moved to the next Board meeting.

Vote: None.

May 16, 2024 Meeting Minutes

Board Discussion: None.

Public Comment: None.

Motion/Action: No action was taken on this item, and it was noted that this would be moved to the next Board meeting.

Vote: None.

Agenda Item IV: Executive Director's Report

Discussion – Announcement of Closed Session Actions

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

Discussion – Executive Director's Update

Ms. Altman shared that there are not any plans for a July meeting and the next meeting would be on August 15, 2024. Ms. Altman thanked the Covered California team for their work during her absence. She also shared the addition of Covered California's new Director of Marketing, Glenn Oyoung, to the Covered California team.

Discussion – State and Federal Policy/Legislative Update

Ms. Altman shared that as of June 17, 2024, the Governor's Office and Legislature are still in negotiations on the final budget deal. Ms. Altman explained that as of May 30, 2024, the legislature's budget proposal includes items related to Covered California. She noted that Covered California is not expecting impacts to financing for any Covered California programs for Plan Year (PY) 2025.

Discussion – Research and Data

Consumer Benefit of Enhanced Subsidies: Katie Ravel, Director of the Policy, Eligibility & Research Division, presented a summary of the key components regarding the enhanced subsidies in the Inflation Reduction Act which are set to expire at the end of 2025. Ms. Ravel explained that if the enhanced premium subsidies expire, Covered California enrollees would experience substantial increases in their monthly premium costs. She explained that more than 150,000 middle-income consumers would no longer be eligible for subsidized coverage, and Californians would lose an estimated \$1.7 billion in federal tax credits.

Ms. Ravel shared that for consumers with incomes less than 400 percent of the Federal Poverty Level (FPL), the average increase would be \$70 in monthly net premiums. She also shared that consumers with incomes over 400 percent of the FPL would lose \$345 per month, on average, in premium savings. Ms. Ravel noted that some areas of California will be impacted more than others.

Board Comments: Ms. Kendell highlighted the importance of the work that Covered California conducts.

Mr. Fleming expressed the importance of keeping the enhanced premium subsidies.

Chairman Ghaly highlighted the importance of the enhanced premium subsidies and the positive impact they have had on Covered California consumers.

Public Comment: Diana Douglas, representing Health Access, expressed her organization's support of the legislature's budget proposal. She expressed appreciation to Ms. Ravel and her team for the data presented and expressed the importance of securing the enhanced premium subsidies.

Cary Sanders, representing the California Pan-Ethnic Health Network, expressed her organization's support of the legislature's budget proposal. She expressed appreciation for Ms. Ravel's presentation and noted the importance of protecting the enhanced premium subsidies for future years.

Alicia Emanuel, representing the National Health Law Program, expressed her organization's appreciation to Ms. Ravel and her team for the data presented and highlighted the importance of the enhance premium subsidies.

Agenda Item V: Covered California Policy and Action Items

Action – 2025 Qualified Health Plan Issuer Contract – Amendment to Attachment 4

Dr. S. Monica Soni, Chief Medical Officer and Director of the Health Equity & Quality Transformation Division presented a summary of the key updates for the 2025 Qualified Health Plan Issuer Contract Amendment previously discussed in the May Board meeting. She shared that there were no public comments received after the May Board meeting. Dr. Soni requested approval for the proposed Amendment to Attachment 4 for the implementation of the Quality Transformation Initiative.

Board Comments: Chairman Ghaly expressed his appreciation to Dr. Soni and her team for the work being conducted.

Public Comment: Ms. Sanders expressed her organization's support and excitement of the changes being proposed.

Ms. Douglas echoed the comments of Ms. Sanders. She expressed her appreciation to Dr. Soni and her team for the work being conducted.

Motion/Action: Chairman Ghaly called for a motion to approve this action item. Mr. Fleming moved to approve the action item. The motion was seconded by Ms. Kendell.

Vote: The motion was approved by a unanimous vote of those present.

Action – Covered California for Small Business Permanent Regulations

Robert Kingston, Deputy Director of the Outreach and Sales Division presented a summary of the proposed changes to the Covered California for Small Business regulations previously discussed in the February Board meeting. He confirmed that there were no public comments received after the February Board meeting and requested the Board to formally adopt the regulation package.

Board Comments: None.

Public Comment: None.

Motion/Action: Chairman Ghaly called for a motion to approve this action item. Ms. Kendell moved to approve the action item. The motion was seconded by Mr. Fleming.

Vote: The motion was approved by a unanimous vote of those present.

Action – Covered California’s Proposed Fiscal Year 2024-2025 Budget

Jim Watkins, Chief Financial Officer and Director of the Financial Management Division presented a summary of the Covered California incremental budget process as presented in the May Board meeting. Mr. Watkins provided a summary of the Covered California high, base, and low enrollment and revenue projections. He presented a summary of the proposed Fiscal Year (FY) 2024-2025 budget augmentations and explained the reduction of the individual market participation fee rate. Mr. Watkins recommended that the Board approve Covered California’s FY 2024-2025 budget and 2024 assessment rates.

Board Comments: Ms. Kendell expressed her appreciation for the clarity of the presentation. She asked if there would be any challenges increasing the participation rate in the future if needed.

Mr. Watkins explained that he does not foresee the participation rate having a significant increase in the future.

Ms. Altman noted the importance of having stability in the Covered California Marketplace and shared that any changes would be conducted in a collaborative and transparent way.

Mr. Fleming expressed his support of the budget presented.

Chairman Ghaly expressed his appreciation in being able to lower the participation fee when possible. He expressed his appreciation to Mr. Watkins and his team for the clarity of the presentation.

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Public Comment: Anete Millers, representing the California Association of Health Plans, commented that her organization is in support of lowering the participation fee for PY 2025.

Ms. Sanders expressed her organization's excitement with Covered California being able to lower the participation rate while still maintaining a strong fiscal position. She commented that her organization is in support of the proposed budget specifically related to spending for quality and equity, marketing and outreach, and expanding the Navigator program. Ms. Sanders expressed her organization's appreciation to Covered California for the work being conducted.

Kelly Mac Millan, representing Political Solutions, commented that she was calling on behalf of Maternal and Child Health Access. She highlighted the importance of the community-based health Navigator program that is being cut from the budget and expressed hope for Covered California to take action in preserving the services.

Motion/Action: Chairman Ghaly called for a motion to approve this action item. Mr. Fleming moved to approve the action item. The motion was seconded by Ms. Kendell.

Vote: The motion was approved by a unanimous vote of those present.

The meeting adjourned at 1:32 p.m.