



EXECUTIVE DIRECTOR'S REPORT

Jessica Altman, Executive Director
November 21, 2024 Board Meeting

Welcome, Secretary Kim Johnson!



Thank you, Jarrett!



Thank you, Dr. Ghaly!



EXECUTIVE LEADERSHIP TRANSITIONS

CHIEF DEPUTY EXECUTIVE DIRECTOR, OPERATIONS



Karen Johnson - Karen Johnson, who has been an integral part of Covered California since January 2017, will be leaving her position on December 31, 2024. Her tenure at the organization has been characterized by a dedication to operational excellence and the delivery of seamless services. Karen's leadership has significantly contributed to driving strategic initiatives and enhancing organizational processes, ensuring Covered California's operational and financial health.

As she prepares to depart at the end of 2024, Karen's impact on the organization will be remembered for her commitment to excellence and the strategic direction she provided, which has been instrumental in advancing Covered California's goals.

EXECUTIVE LEADERSHIP TRANSITIONS

MARKETING DIRECTOR



Colleen Stevens - Colleen's journey with the State of California began in 1986, marking the start of a remarkable career dedicated to public service. Colleen brought her expertise and passion to Covered California in 2014. Colleen has been at the forefront of our marketing initiatives, playing a critical role in shaping the way we connect with Californians and advocate for their health care needs.

Colleen's efforts have not only elevated our outreach but have deeply embedded the values of care, accessibility, and innovation into the fabric of our mission. Beyond the successful marketing campaigns she has spearheaded, Colleen's true legacy is reflected in the countless lives she has touched and the positive changes she has inspired within each community through her unwavering commitment.

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.

EXECUTIVE DIRECTOR'S UPDATE

COVERED CALIFORNIA 2024 BOARD 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.

January 18

February 15

March 21 *

April 18

May 16

June 20

July 18 *

August 15

September 19

October 17 *

November 21

December 19 *

**Possibly no meeting*

EXECUTIVE DIRECTOR'S UPDATE

- ❑ 2024 Presidential Election
- ❑ 2025 Open Enrollment
- ❑ DACA Update
- ❑ State and Federal Policy/Legislative Update
- ❑ Data and Research
 - 2024 Member Survey Findings
 - Experience from Covered California's First Year Facilitating Transitions from Medicaid to Marketplace Coverage
 - Covered California Resources for Understanding the Impact of the Inflation Reduction Act

2024 PRESIDENTIAL ELECTION

2024 ELECTION

- ❑ Election day in the nation was Tuesday, November 4, 2024.
- ❑ A new federal administration and Congress will commence in 2025.
- ❑ A new state legislative session, including numerous newly elected members of the legislature, will begin on December 2, 2024.
- ❑ Covered California is poised to engage with the new administration, Congress and legislature in its ongoing efforts to educate and inform national and state health policy.
- ❑ Covered California, alongside its many partners, stands ready to assist, serve, and support consumers and the public as the health policy dialogue ensues nationally and in the state.

OPEN ENROLLMENT

OE25 THEME: LET'S TALK HEALTH



Statewide media campaign with a focus on health literacy

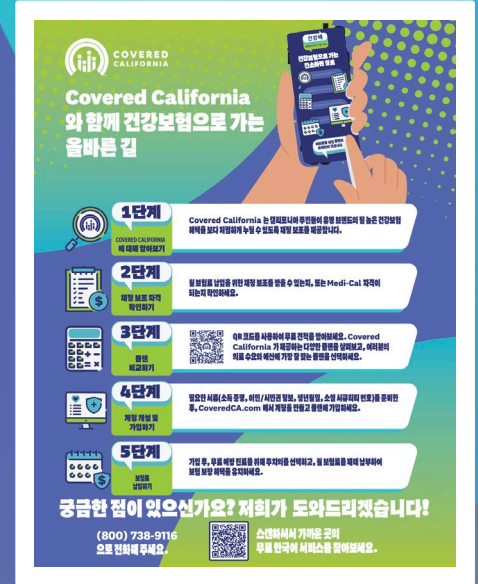
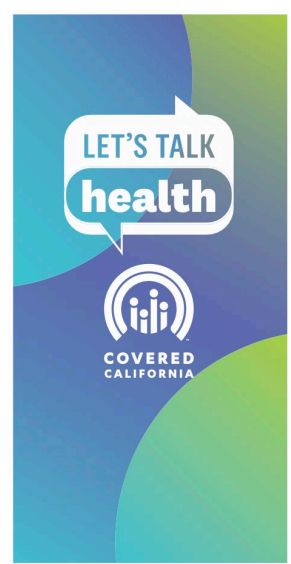
Campaign Objectives and Strategies:

- ❑ Simplify the complexity of health insurance and empower consumers to enroll, regardless of language, ethnicity, region or income
- ❑ Leverage new partners, as well as our incredible network of enrollers and navigators to deepen reach
- ❑ Drive key messaging focused on enrollment, record-level of affordability support in 2025, and DACA
- ❑ Media, stakeholder elected official and community leader engagement

OE25 THEME: LET'S TALK HEALTH - BRAND CAMPAIGN



Campaign Logo



Brand Identity

CAMPAIGN HIGHLIGHTS

- ❑ Statewide kickoff tour began on October 29th
- ❑ Continued statewide local/regional events and activations throughout OE, driven by data and insights
- ❑ Partnerships with California State Library and local libraries in key regions
- ❑ Strong focus on in-language and in-culture outreach and media engagement



NEW “LET’S TALK HEALTH” MATERIALS

New multilingual health literacy resources to help simplify health insurance

- ❑ Let’s Talk Health campaign landing page on CoveredCA.Com
- ❑ “How to enroll” one-pager
- ❑ Educational videos, in multiple languages
- ❑ New visual-based materials developed in conjunction with health literacy experts



OE25 Marketing Campaign

CONNECTING WITH PROSPECTS & MEMBERS THROUGHOUT THEIR HEALTHCARE DECISION-MAKING JOURNEY

Awareness

Consideration

Decision

Retention

Broadcast & streaming advertisements – General Market & Multicultural (MC)



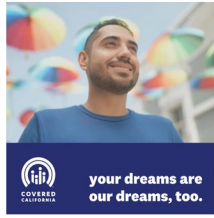
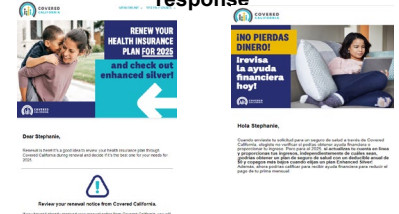
“CSR” (Cost Sharing Reductions) digital video ad, promotes Silver CSR plan



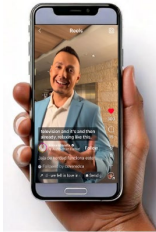
Enrollment SMS texts, and other direct response



Renewal SMS texts, and other direct response



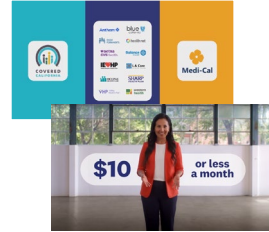
DACA display (digital) ad



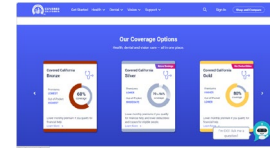
Social media influencer (IG, FB, TikTok)



Out-of-home (OOH) and Local Print



Educational videos (YouTube, social channels)



CoveredCA.com (Comms & PR managed) – Blog content, collaboration on branding



Educational emails on plan benefits

RESEARCH INFORMING THE OE25 CAMPAIGN

HOW WE GOT HERE: Formative consumer research leveraging in-home ethnographic interviews with the uninsured subsidy-eligible Californians.

GOAL: Gain a deeper understanding of consumers who want health insurance but have not enrolled, to craft messaging that will resonate and motivate.

KEY LEARNINGS

- Many are interested in getting insured but **overwhelmed** by the thought of starting the process.
- They feel **confused and vulnerable** because the **health insurance language is intimidating and unclear**
- They anticipate that **signing up will be complicated** and require an understanding of this “foreign” language, as well as time to figure out what’s right for them.
- They want to feel **supported and seen**; to be able to find information easily, to know there’s an organization out there that can help, to talk with someone if they want, and **ultimately not to feel like they must go at it alone.**

OE 25 “HEALTHY CONVERSATIONS” AD CAMPAIGN

- ❑ Using a casual conversation, we drop in on moments between friends and co-workers to answer common questions about health insurance and how Covered California can help.
- ❑ Center conversations in relatable settings, where our heroes are less likely to have health insurance through work (e.g., restaurant kitchen, small residential construction site).
- ❑ Anchor on affordability with data points to make it feel tangible and real (e.g., high-quality health insurance at \$10/month, and \$0 deductibles).
- ❑ **Creative testing top line:**
The conversation device is effective at drawing people in, making them feel seen/understood and ultimately delivering critical information about Covered California that motivates them to act.



DACA UPDATE

COVERAGE EXPANSION TO DACA RECIPIENTS

- ❑ On November 1, 2024, Covered California began enrolling DACA recipients through both a special enrollment period for 2024 coverage and through open enrollment for the 2025 plan year.
- ❑ There are approximately 150,000 DACA recipients in California.
- ❑ According to estimates from the University of California CalSIM model of insurance coverage, roughly 40,000 DACA recipients will become newly eligible for financial help in the marketplace under the new CMS rule.
- ❑ CalSIM estimates that approximately 30,000 of the otherwise uninsured DACA recipients may newly enroll in subsidized marketplace coverage with the proposed rule change.

REACHING DACA RECIPIENTS IN THE COMMUNITY

Covered California divisions including **Marketing, Communications and Public Relations, Outreach and Sales, and External Affairs and Community Engagement** have executed several efforts to outreach to DACA recipients. This includes:

Partnerships

- ❑ Informational interviews with immigrant and health advocacy organizations and partnering on outreach.
- ❑ Surveying enrollment partners to gain insight on best practices, strategies, and needs.

Training

- ❑ Equipping navigators and enrollers with training and quick guides on how to enroll the new population.
- ❑ Webinars for legislative staff and community organizations to get the word out.

Collateral Material

- ❑ Distribution of toolkits and materials to partners and enrollers to amplify outreach and assist in enrolling DACA recipients.

Media

- ❑ Targeted DACA outreach campaign focusing on social media, Spanish radio, and direct contact.
- ❑ Open enrollment public relations events targeting local media markets.

UPDATE ON DACA ELIGIBILITY LITIGATION

- ❑ In August 2024, several states initiated a federal lawsuit challenging the rule permitting DACA recipients and other eligible groups to access coverage and financial assistance through exchanges, including Covered California, beginning November 1.
- ❑ With the case still pending, DACA recipients remain eligible to seek coverage and financial support.
- ❑ Covered California will share updates on any developments in the lawsuit and its implications for consumers, as well as continue to work closely with community partners to ensure widespread awareness.

STATE AND FEDERAL POLICY/LEGISLATIVE UPDATE

KEY CHAPTERED BILLS IN 2024

- ❑ **AB 2435** (Maienschein, Chapter 236, Statutes of 2024): Extends Covered California's Emergency Rulemaking Authority by five years.
- ❑ **AB 2479** (Wood, Chapter 841, Statutes of 2024): Clarifies language that established Covered California's strike benefit program.
- ❑ **SB 729** (Menjivar, Chapter 930, Statutes of 2024): Requires large group plans to provide, and small group plans to offer, coverage for infertility services beginning in July 2025.

KEY CHAPTERED BILLS IN 2024

- ❑ **AB 1511** (Santiago, Chapter 352, Statutes of 2024): Requires departments that expend funds on marketing, advertising, or outreach to develop a plan for increasing expenditures directed to ethnic and community media outlets serving priority populations and to annually progress in implementing the plan.
- ❑ **AB 2068** (Ortega, Chapter 697, Statutes of 2024): Requires departments that have call centers to provide a report on the percentage of call center employees and contractors who are located outside of California.

KEY CHAPTERED BILLS IN 2024

Cost-sharing mandate bills: The following bills require health insurance plans to offer specified services without cost-sharing:

- ❑ **AB 2105** (Lowenthal, Chapter 822, Statutes of 2024) - Coverage for PANDAS and PANS
- ❑ **AB 2258** (Zbur, Chapter 708, Statutes of 2024) – HIV Screening
- ❑ **AB 2843** (Petrie-Norris, Chapter 971, Statutes of 2024) – Rape Test Kits

FEDERAL UPDATE

- On October 4, the U.S. Department of Health and Human Services (HHS) released the proposed [Notice of Benefit and Payment Parameters for 2026](#). The proposed regulations build on the ACA and aim to enhance access to affordable, quality care, alleviate administrative challenges, advance equity, and improve program integrity. In its [comment letter](#), Covered California offered feedback on several notable proposals:
 - **Updated Actuarial Value (AV) Calculator Release:** Recognizing HHS's goal to minimize administrative burdens by publishing only a final AV Calculator rather than a draft, Covered California highlighted the importance of an early release for sufficient benefit design planning and substantive stakeholder engagement.
 - **Increased Operational Reporting Transparency:** In alignment with its established policy to publicly release operational and compliance data, Covered California supports HHS's proposal to publish this information for all State-Based Marketplaces further recommending consistent application of these standards to the Federally-Facilitated Marketplace as well.
 - **Increased User Fee for the Federal Marketplace:** Covered California underscored the vital role of the enhanced Premium Tax Credit subsidies in sustaining enrollment and premium affordability, cautioning that their expiration could lead to higher user fee rates to maintain effective operations.

FEDERAL UPDATE, CONT.

- ❑ On September 9, Covered California and CalPERS [commented](#) on the Center for Medicare and Medicaid Services (CMS) [2025 Medicare Physician Fee Schedule](#) proposed rule, supporting the outlined policies and suggesting enhancements to boost primary care, extend telehealth, merge behavioral health with primary care, and tackle social health determinants. These recommendations align with CMS's goals for a value-driven, equitable healthcare system and offer technical assistance for these implementations.
- ❑ On October 22, the Health Resources and Services Administration (HRSA) sought feedback on proposed revisions to the Women's Preventive Services Guidelines, including areas such as intimate partner violence, average-risk breast cancer screening, and patient navigation for cancer care. In a joint response, Covered California, DHCS, and CalPERS supported the updates, advocating for broader telehealth support for intimate partner violence, inclusive language, guaranteed follow-up for women with dense breasts, and financial and culturally appropriate support in navigation services.

DATA AND RESEARCH

2024 Member Survey Findings

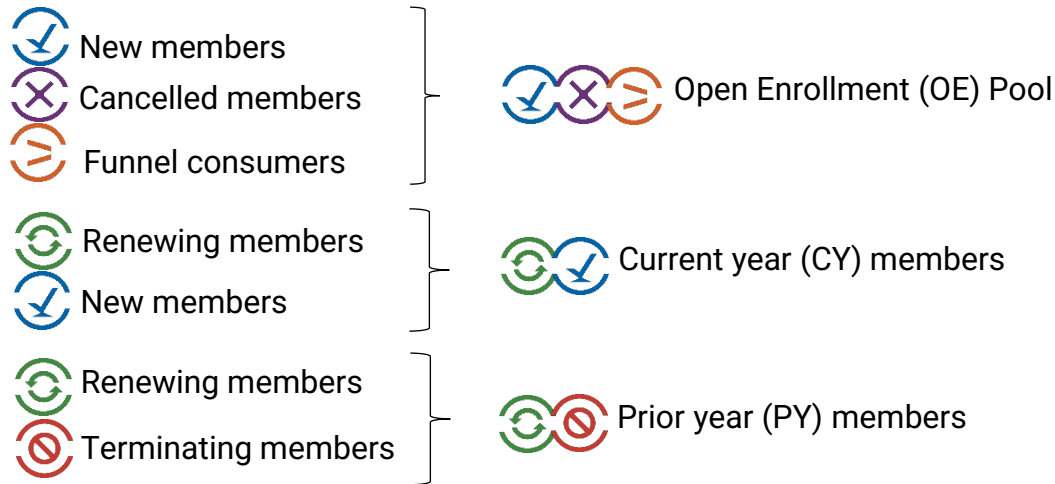
CALIFORNIA HEALTH COVERAGE SURVEY

- ❑ The California Health Coverage Survey (aka “The Member Survey”) is fielded annually following Open Enrollment to better understand consumers’ experiences enrolling in coverage through Covered California and using that coverage to access health care.
- ❑ The survey has been conducted on behalf of Covered California by NORC, and with assistance by Slosar Research, since 2018.
- ❑ This presentation provides a brief summary of results from the 2024 survey. More detailed results and survey methodology are available on Covered California’s [website](#).

Study Populations

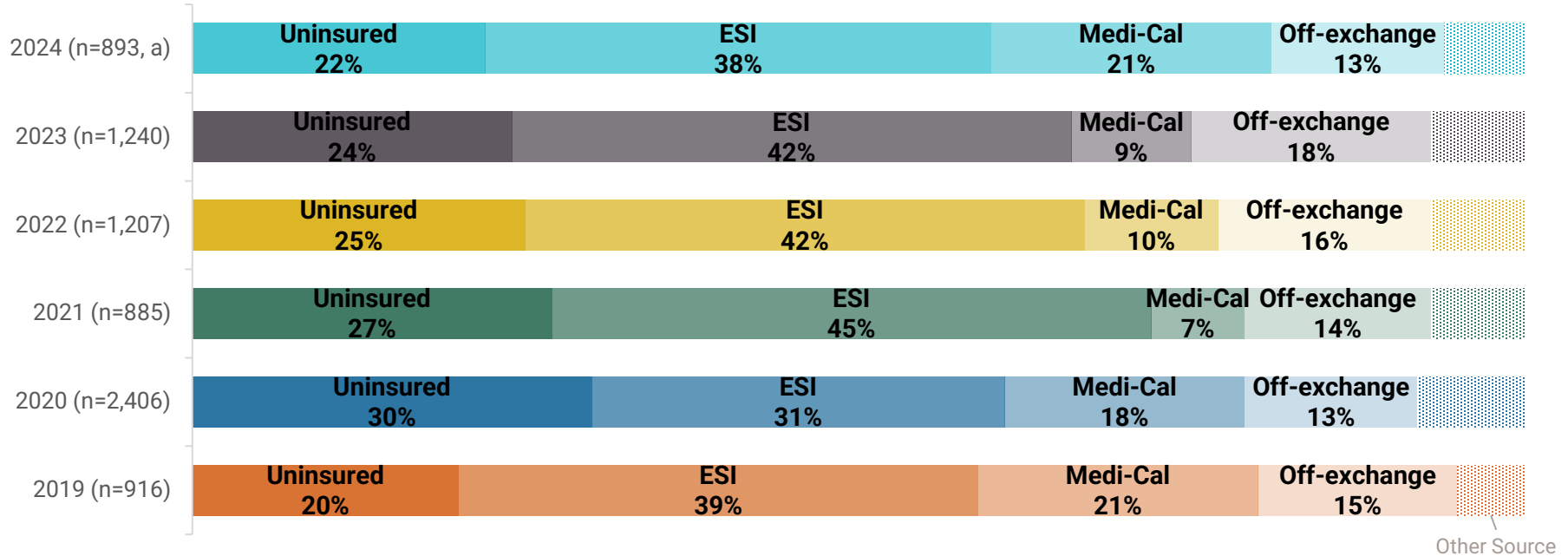
A single survey with multiple cohorts: The Member Survey integrates four different groups of respondents into key populations of interest to Covered California: new enrollees, renewing enrollees, prior year members who have terminated, and those found eligible who either didn't pick a plan, or chose a plan but never paid the first month's premium (cancelled/funnel).

The survey cohorts are sorted into key groups for analysis:

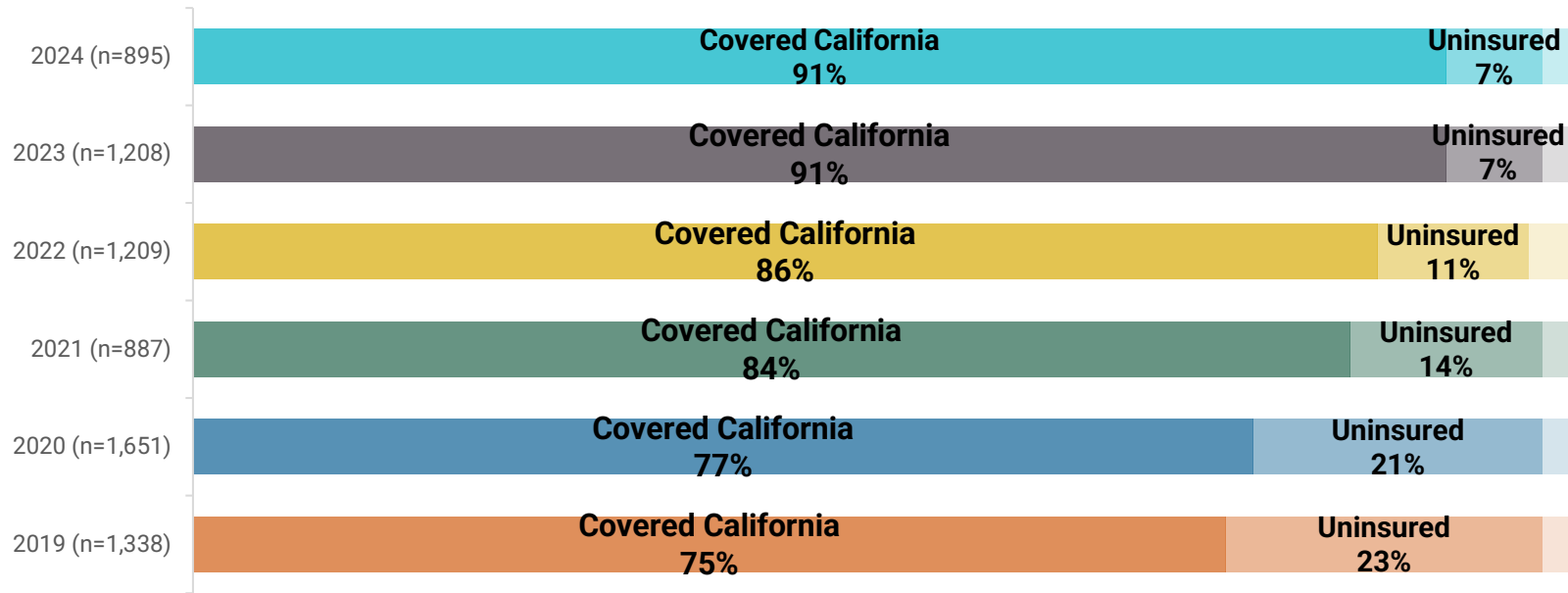


Note: This study follows a cross-sectional design on an annual basis; we can observe aggregate trends across time, but the Member Survey is not a longitudinal study of individual consumers.

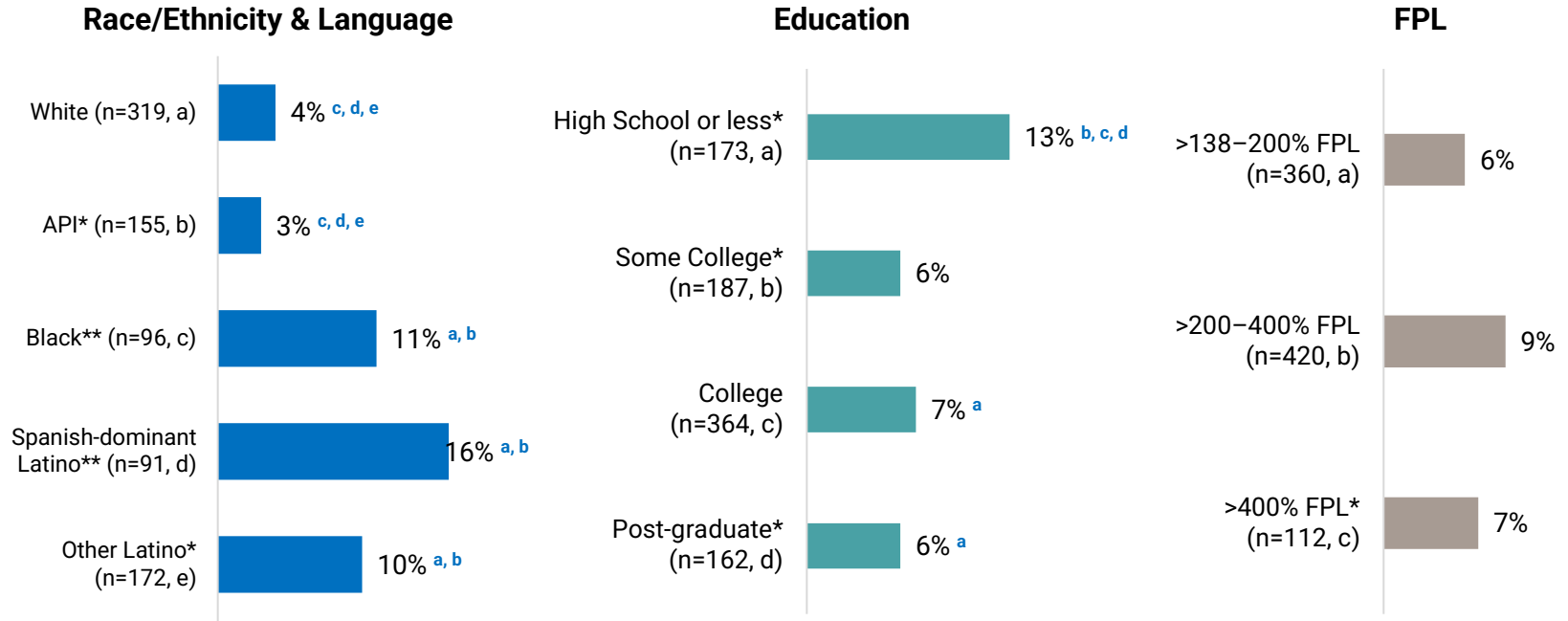
2019–2024: Main Source of Prior Coverage Among New Members



2019–2024: Current Source of Coverage Among the Subsidy-Eligible Market of the Engaged Open Enrollment Pool



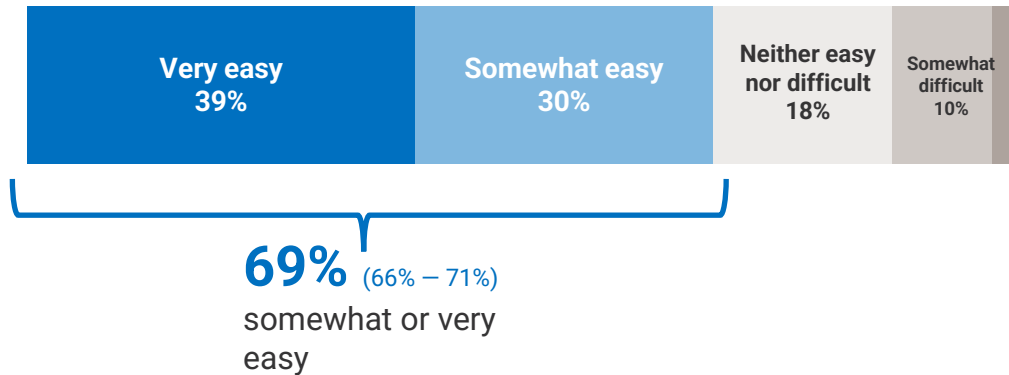
Subgroup Variation: Uninsured Rate Among the Subsidy-Eligible Market of Engaged Open Enrollment Pool



Ease of Applying for Coverage Among Engaged Open Enrollment Consumers

Q. How easy or difficult was it to fill out or update the Covered California application?

Among Engaged OE Pool, n=1,280



Among Engaged Open Enrollment consumers, **69%** say it was somewhat or very easy to fill out the Covered California application.

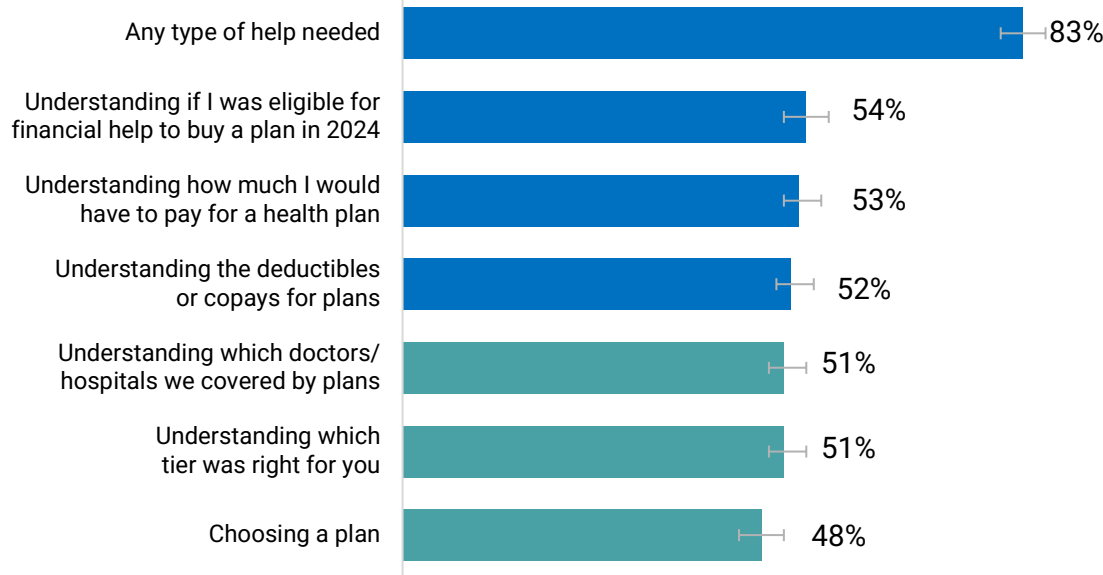
- New members and those who did not enroll report that the application process was easy at similar rates (69% vs, 67%).
- Spanish-dominant Latinos were among the least likely to say it was somewhat or very easy (54% vs. 68%–72% for other race/ethnicity groups).
- These estimates are very consistent across time – hovering around 70% since 2018.

Survey Item: Q31.

Note: 9% of the Engaged OE Pool responded "not applicable" to this item and were excluded from estimation of these results. This is slightly higher than prior years: (2018: 3%, 2019: 7%, 2020: 6%, 2021: 6%, 2022: 7%, 2023, 6%).

Most Common Types of Help Needed Among Engaged Open Enrollment Pool

Among Engaged OE Pool, n=1,403

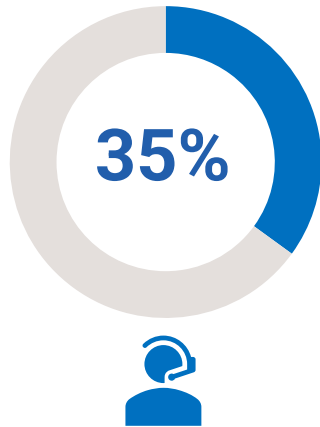


Among the Engaged Open Enrollment Pool, **83%** needed help on at least one of the issues asked about.

- Three of the most commonly cited issues that consumers needed help on relate to costs – garnering more than 50% each (see blue bars).
- Other commonly cited issues relate to understanding and choosing plans – which garner around 50% each (see teal bars).
- There is little variation in the estimated proportion of consumers needing help (with something/anything) across groups or time.

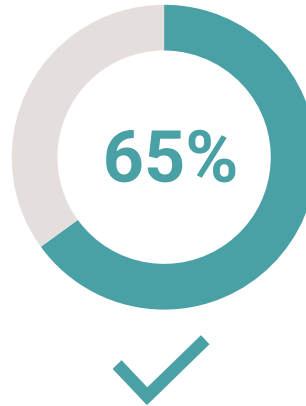
Getting Help or Information from a Service Center Representative (SCR)

Among Engaged Open Enrollment Pool
(n=1,403)



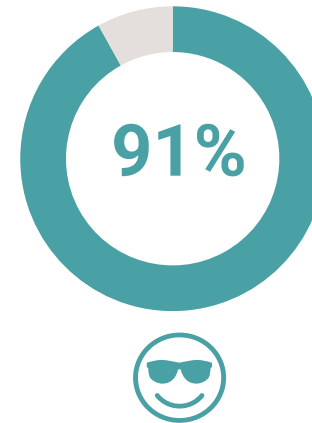
Percent saying they got help from a SCR

Among Engaged Open Enrollment Pool who got help from SCR
(n=482)



Percent saying it was very or somewhat easy to reach an SCR

Among Engaged Open Enrollment Pool who got help from SCR
(n=481)



Percent saying the SCR was very or somewhat helpful

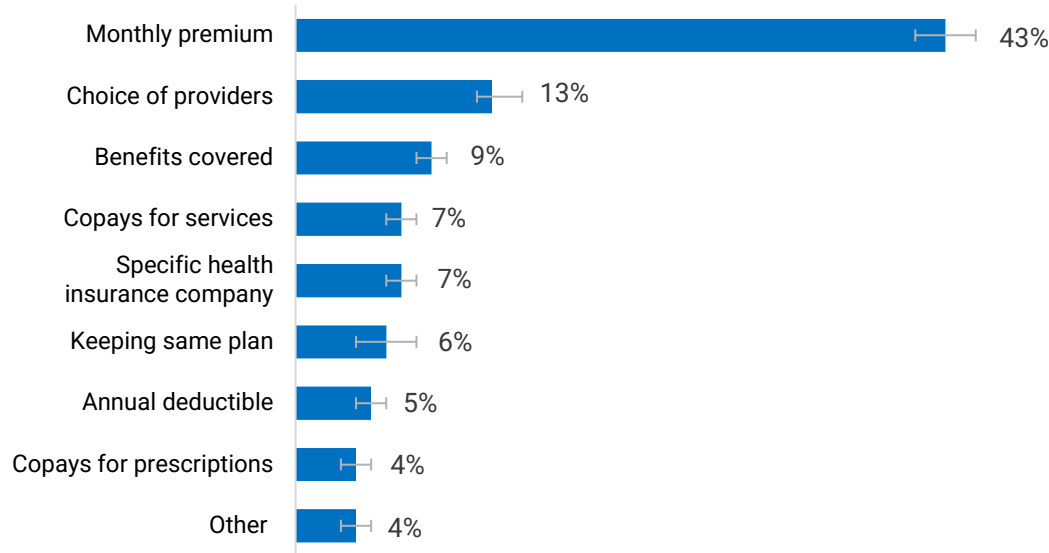
Survey Item: Q38, Q42, Q43

Note: The base sizes for the data points on ease of reaching and helpfulness of SCRs are different because we exclude respondents who respond "not applicable" to each item. 2% of the Engaged OE Pool responded "not applicable" to Q42 (How easy or difficult was it to reach a customer service representative?) and 3% of the Engaged OE Pool responded "not applicable" to Q43 (Regardless of how easy or difficult it was to reach a representative, how helpful was the customer service representative when you spoke with them?).

Most Important Factor in Plan Selection Among New Members

Q. What was the most important factor in your decision to enroll in or renew the plan you have for 2024?

Among All New Members, n=893



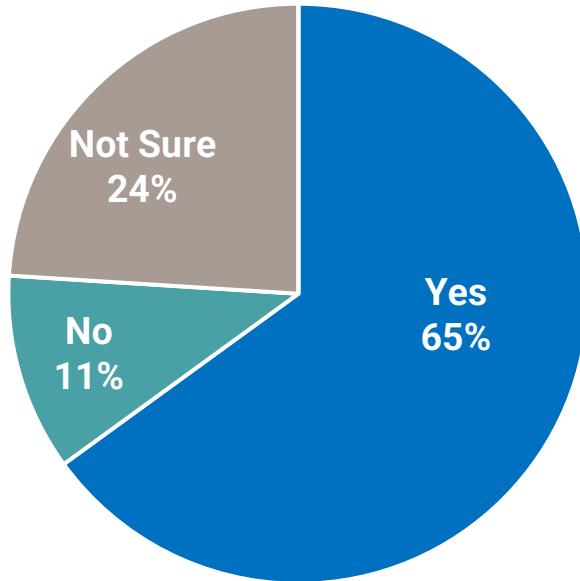
43% of New Members say the monthly premium amount was the most important factor in their plan selection.

- Compared to Renewing Members, New Members seem more focused on the premium and less focused on other factors.
- Choice of providers is the second most important factor – with 13% of New Members saying it was the most important factor to them.
- As with Renewing Members, those with Bronze/Catastrophic plans are much more focused on premiums compared to others.



Is the Affordability Crosswalk a Helpful Policy in General? Among All Renewing Members

Among All Renewing Members, n=2,706



When Renewing Members are asked whether the Affordability Crosswalk is helpful in general, **65%** say it was helpful.

- Spanish-dominant Latinos were the most likely to say this was a helpful policy (76%).
- Among consumers who were crosswalked, 73% thought this was a helpful policy, regardless of their awareness of their plan change.

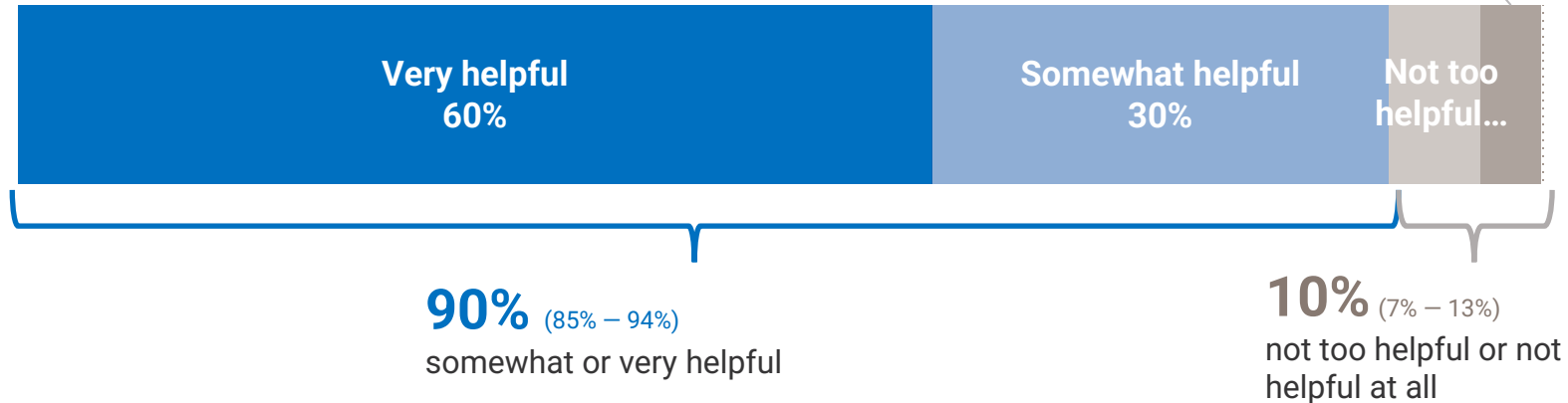


Was The Crosswalk Helpful for Renewing Members? Among Renewing Members Aware that their Plan Changed

Q. Overall, how helpful was it for you personally that Covered California tried to automatically move you into a different plan that they said was better than your last 2023 plan?

Among Crosswalked Renewing who self-reported the crosswalk, n=427

Not at all...



Experience from Covered California's First Year Facilitating Transitions from Medicaid to Marketplace Coverage

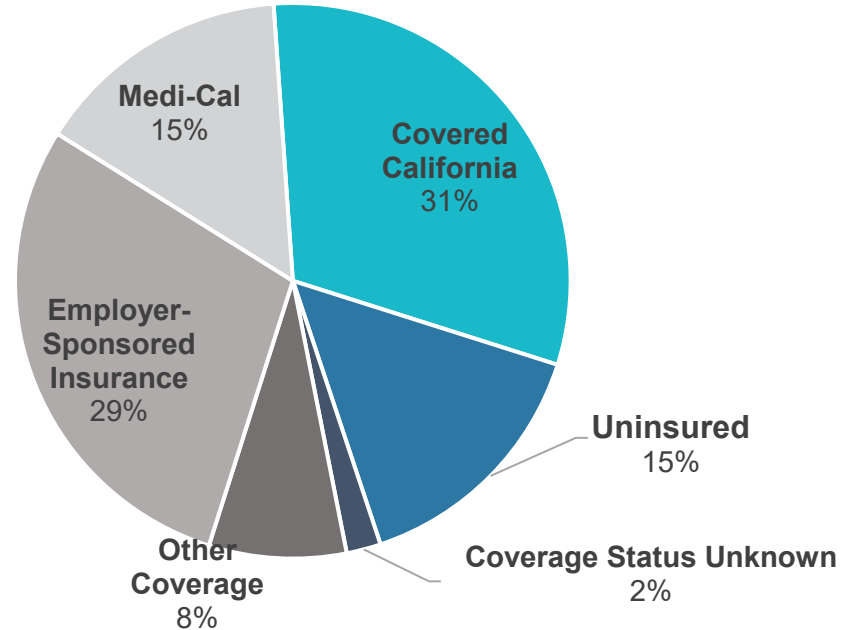
EXPERIENCE FROM THE FIRST YEAR OF EXPERIENCE FACILITATING TRANSITIONS FROM MEDI-CAL TO COVERED CALIFORNIA

- ❑ In 2019, California Senate Bill 260 (Hurtado) was passed requiring Covered California to automatically enroll subsidy-eligible Medi-Cal transitioners into the lowest-cost Silver plan available in order to reduce the number of consumers going uninsured after losing Medi-Cal and reduce the gap in coverage for consumers who transition between programs.
- ❑ Following the end of the COVID-19 Public Health Emergency (PHE) and the Medicaid continuous coverage requirement, counties resumed annual Medi-Cal renewal activities in April of 2023. The year-long continuous coverage “unwinding period” ended on May 31, 2024.
- ❑ Covered California timed the launch of SB 260 to coincide with the start of the unwinding period.
- ❑ During the first year of SB 260 implementation, 518,161 Californians had a plan automatically selected for them and 175,171 enrolled with Covered California. Covered California collected administrative and survey data about these consumers on a monthly basis throughout the first year of SB 260 implementation.
- ❑ This presentation provides key metrics from the first year of SB 260 implementation. A more detailed discussion will be included in a forthcoming issue brief.

SOURCES OF COVERAGE AFTER MEDI-CAL

- ❑ Survey data shows that 85% of consumers who lost Medi-Cal eligibility for programmatic reasons were covered after Medi-Cal ended.
- ❑ Covered California was the top coverage source followed by employer-sponsored insurance and return to Medi-Cal.
- ❑ 15% of consumers reported being uninsured after their Medi-Cal coverage ended.
- ❑ In a similar 2018 survey among consumers who lost Medi-Cal prior to Open Enrollment, 27% of consumers reported being uninsured.

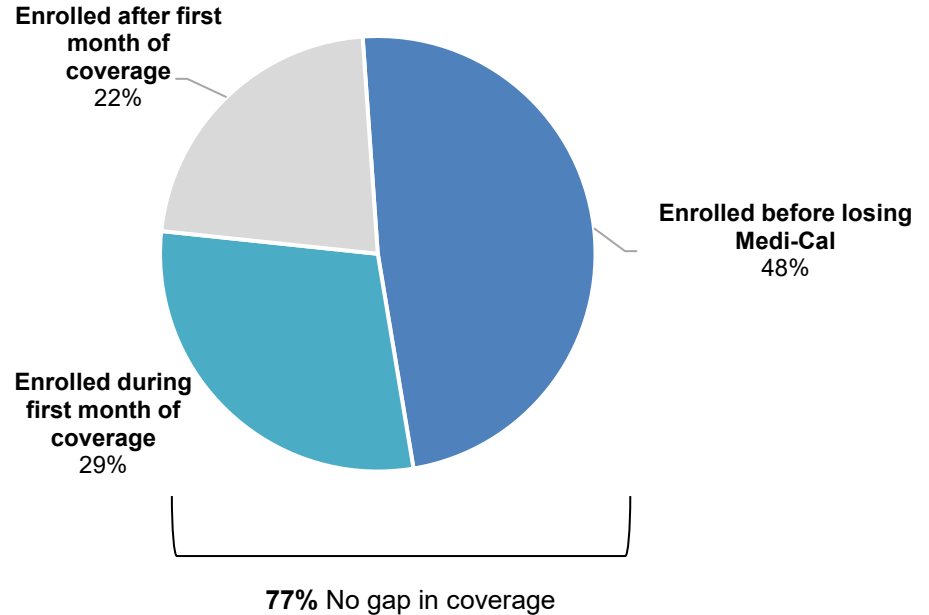
Self-Reported Sources of Coverage following Auto-Plan Selection



COVERAGE EFFECTUATION AND TIMING

- ❑ All SB 260 consumers must take an affirmative action to effectuate their coverage.
- ❑ In the first year of implementation, 518,161 Californians had a plan automatically selected for them under SB 260 and 175,171 enrolled with Covered California, resulting in an effectuation rate of 34%.
- ❑ The effectuation rate was slightly higher (36%) among those automatically enrolled in \$0 coverage and slightly lower (33%) among those automatically enrolled in a plan with a net premium greater than \$0.
- ❑ More than three in four consumers who effectuated did not experience a gap in coverage because they enrolled before the end of their first month of coverage.

Timing of Effectuation for Those Who Enrolled in Coverage

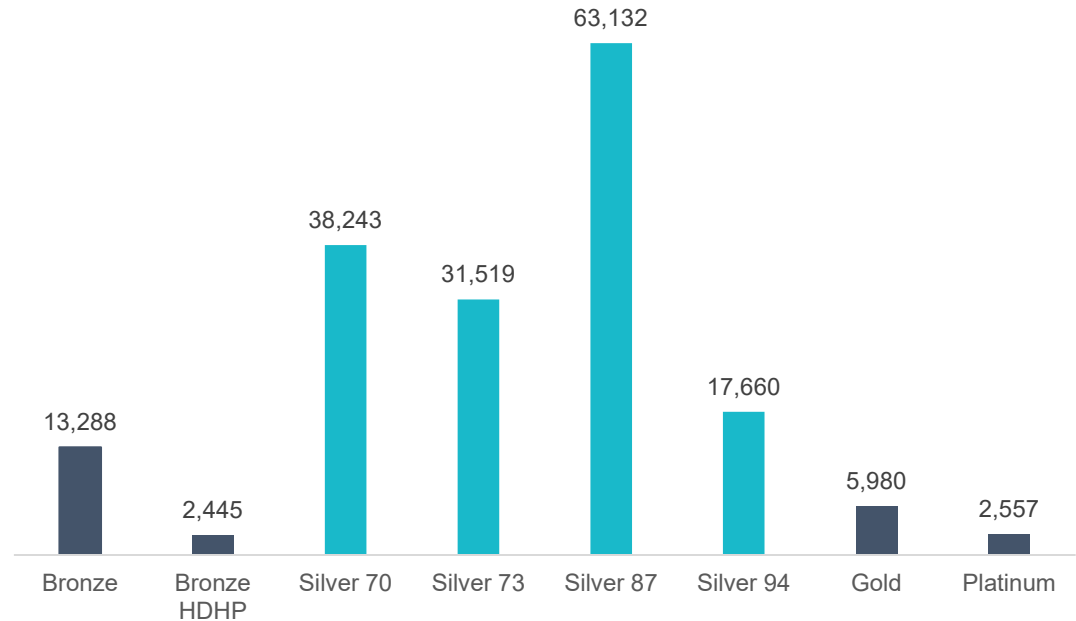


Effectuation rates from the administrative and survey data vary slightly due to differences in methods.

ENROLLMENT BY METAL TIER FOR EFFECTUATED CONSUMERS

- ❑ Consumers are automatically enrolled in the lowest-cost Silver plan but can switch to any plan of their choice when they effectuate their coverage.
- ❑ 70% of consumers who enrolled under SB 260 kept the lowest-cost Silver plan and an additional 17% switched plans but remained in the Silver tier.
- ❑ Silver enrollment under SB 260 was significantly higher than among individuals who enrolled during the same period outside of the SB 260 process.
- ❑ Enrollment in the Silver tier allows consumers to access cost-sharing reduction benefits based on their income.

Enhanced Metal Tier Enrollment among SB 260 Consumers who Enrolled in Coverage



NET PREMIUM COST FOR EFFECTUATED COVERAGE

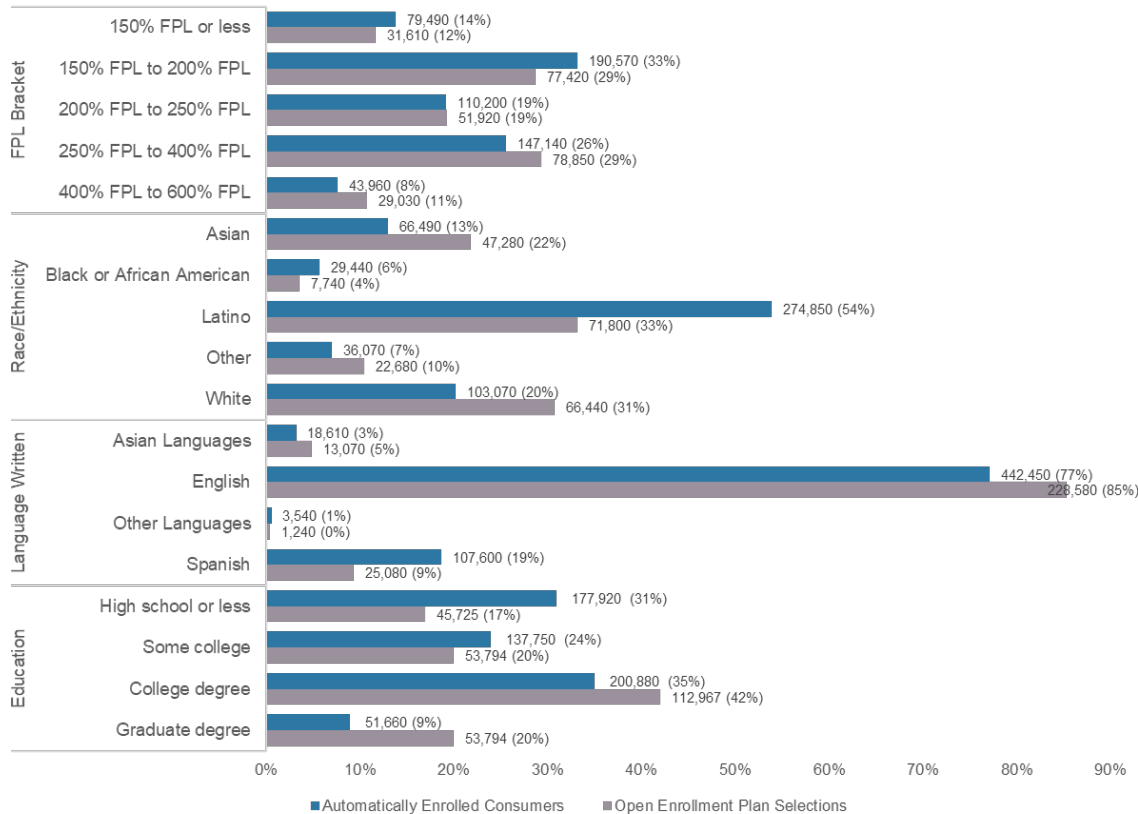
- ❑ Among those who enrolled in coverage, nearly a third enrolled in \$0 net premium plans.
- ❑ Enrollment \$0 net premium plans among the SB 260 population is due in large part to the enhanced premium tax credit authorized by the federal Inflation Reduction Act which provides \$0 net premium Silver plans for the lowest income enrollees.
- ❑ Altogether nearly three in four consumers enrolled in coverage costing less than \$100 per member per month.

Net Premiums for Effectuated Coverage

Net Premium Brackets (Per Member Monthly)	Individuals #	Share of Total
\$0	55,820	32%
More than \$0 and less than or equal to \$10	13,060	7%
More than \$10 and less than or equal to \$25	13,950	8%
More than \$25 and less than or equal to \$50	18,930	11%
More than \$50 and less than or equal to \$100	26,020	15%
More than \$100 and less than or equal to \$250	30,870	18%
More than \$250 and less than or equal to \$500	13,120	7%
More than \$500	3,400	2%
Grand Total	175,180	100%

CONSUMER DEMOGRAPHICS

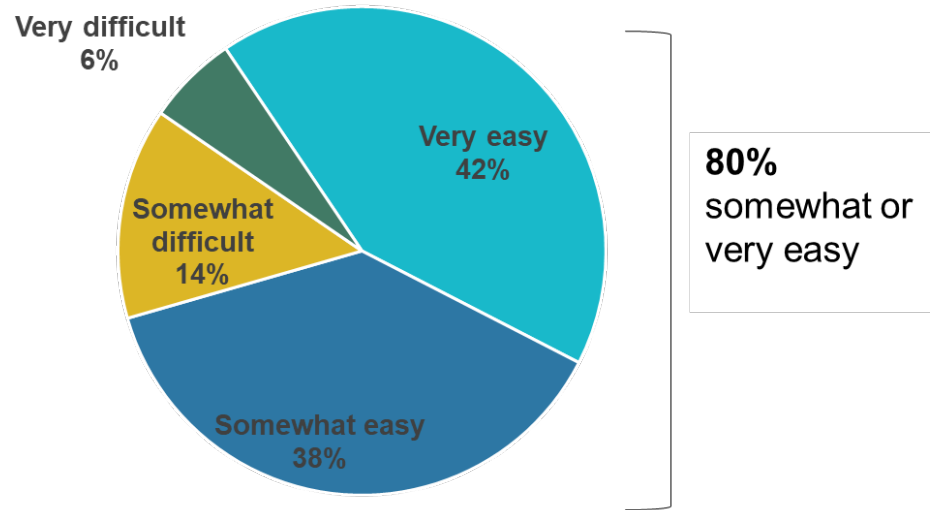
- SB 260 serves a different set of consumers than typically enrolls during Open Enrollment.
- Latinos comprise more than half of consumers who received a plan selection through SB 260, compared to a third of Open Enrollment consumers.
- SB 260 consumers had slightly lower incomes, and lower levels of education.
- However, enrollment disparities remain among these groups – particularly among Latinos and Black/African Americans, and those with a high school education or less.



CONSUMER EXPERIENCE

- ❑ Among those who wanted to enroll in coverage, 80% said it was easy to do so, with another 68% of consumers who enrolled saying the pre-selected plan was personally helpful for them.
- ❑ While ease of enrollment was high, 84% reported needing additional help, with most wanting more information on the benefits of the pre-selected plan and details on next steps to maintain coverage.
- ❑ More generally, 77% said it was helpful for Covered California to a pick a plan for people who lose Medi-Cal coverage.

Among consumers who wanted to enroll, how easy was it to do so?



NEXT STEPS TO ENHANCE THE MEDI-CAL TO COVERED CALIFORNIA FACILITATED ENROLLMENT PROGRAM

- ❑ Further simplify consumer notifications and outreach to reduce the proportion of consumers who become uninsured after losing Medi-Cal and to close disparities in effectuation.
- ❑ Continue monthly survey data collection to assess the impact of these changes on coverage outcomes particularly as the Covered California effectuation rate has increased in the months since the unwind ended.
- ❑ Perform additional analytic work to better understand predictors of coverage effectuation and to assess plan choice when consumers have the option to keep the same health plan they had in Medi-Cal.

Covered California Resources for Understanding the Impact of the Inflation Reduction Act

COVERED CALIFORNIA RESOURCES FOR UNDERSTANDING THE IMPACT OF ENHANCED PREMIUM TAX CREDIT

- ❑ Covered California products include:
 - A five-part issue brief series to explain consumer impacts should the enhanced premium tax credit (ePTC) authorized under the Inflation Reduction Act be allowed to expire at the end of 2025
 - A downloadable databook that allows users to explore ePTC impacts by income and other key variables of interest

- ❑ Covered California spoke with enrollees to better understand the impact of financial assistance in our members' lives. Issue briefs will be updated in the coming weeks to include enrollee stories.

5-PART ISSUE BRIEF SERIES: THE IMPACT OF EXPIRING TAX CREDITS ON CALIFORNIANS AND COMMUNITIES IN NEED

- ❑ Issue briefs highlight consumer cost impacts if the ePTC expires
- ❑ Briefs highlight financial impacts for consumers by [income](#), for [self-employed enrollees](#), [older enrollees](#), [communities of color](#) and enrollees in [rural communities](#)

AT RISK: THE IMPACT OF EXPIRING ENHANCED TAX CREDITS ON CALIFORNIANS AND COMMUNITIES IN NEED - BRIEF 1 OF 5 IN A SERIES



COVERED
CALIFORNIA

Consumer Premiums Will Spike And Insurance Enrollment Gains Will Be Reversed If Premium Tax Credits Are Allowed to Expire

- More than 1.5 million Californians are enrolled in subsidized coverage receiving enhanced premium tax credits.
- With the enhanced premium tax credits, Covered California consumers save an average of \$512 on their monthly premiums.
- If enhanced premium tax credits expire at the end of 2025, premiums could increase by \$98 per month (a 63% increase)
- More than 150,000 consumers could lose eligibility for premium tax credits entirely.

The Inflation Reduction Act of 2022 (IRA) substantially increased affordability of coverage available through the health insurance marketplaces created under the Patient Protection and Affordable Care Act (ACA). Enactment of the Inflation Reduction Act resulted in record enrollment by:

- Increasing the amount of premium assistance for all consumers eligible to receive advanced premium tax credits (APTC),
- Offering high-value plans with \$0 net premiums for the marketplace's lowest income consumers, and
- Eliminating the "subsidy cliff" for middle-income consumers above 400 percent of the federal poverty level (FPL), who were previously ineligible for premium assistance.

Since the introduction of enhanced premium tax credits through the American Rescue Plan Act of 2021 and their extension through the Inflation Reduction Act, enrollment in the marketplaces nationwide has grown significantly, from 12 million enrollees in 2021 to 21.4 million enrollees in 2024.¹ In California, marketplace enrollment has steadily grown, with a record 1.78 million plan selections for the 2024 Open Enrollment cycle. In total, Californians are estimated to receive as much as \$9 billion in savings for their monthly premiums.² These increases in take-up and enhanced premium tax credits have contributed to California achieving the lowest uninsured rate on record.³

KEY FINDINGS FROM ISSUES BRIEFS

- ❑ With the enhanced premium tax credits, **Covered California consumers save an average of \$512 a month** on their premiums. If enhanced premium tax credits expire at the end of 2025, premiums will increase by \$98 per month – a 63% increase. About 10% of subsidized consumers will lose eligibility for premium tax credits entirely.
- ❑ More than 1 in 4 Covered California enrollees are **self-employed**, and 9 in 10 self-employed members make less than 400% FPL. Approximately 90% of self-employed members will see an increase in premiums if enhanced premium tax credits expire. Middle-income members will see their premiums increase by 77%, and pay up to 17% of their annual incomes on health insurance.
- ❑ **Enrollees between ages of 55 and 64** represent the largest share of Covered California’s subsidized enrollment. Older middle-income enrollees will lose eligibility for premium tax credits entirely and face premiums over \$1,100 per month. Individuals just over the “subsidy cliff” could pay as much as 29% of their monthly income in premiums.
- ❑ **Communities of color** have seen some of the largest increases in enrollment. If enhanced tax credits are not extended beyond 2025, communities of color will be disproportionately impacted with premium increasing by 76% for Latinos, 71% for Asians and 67% for Black/African Americans.
- ❑ More than 85,000 **Californians residing in rural areas** receive premium tax credits to pay for their marketplace coverage. Predominantly rural counties have seen a large increase in enrollment in California’s marketplace and receive higher premium tax credits than non-rural counties. These enrollees will see monthly premiums increase by an average of \$126 if the enhanced tax credits are not extended.

MEMBER STORIES ABOUT THE IMPACT OF FINANCIAL SUPPORT

"[My coverage through Covered California] is working out great because of the financial assistance...The plan that I'm on would be \$600 per month [without the subsidy], and I have mental health conditions that I need medications for and I can't go without them, so I need a plan that will cover my monthly prescriptions and upkeep on going to the doctor to make sure that my mental health is stable so I can keep working."

- Covered California enrollee who works as a personal care assistant

"Health insurance was definitely the #1 thing that made it hard to decide whether or not I wanted to be self-employed. Knowing it existed out there where I could research everything in one place was really helpful. Otherwise, it felt very daunting to try to look up what these coverage plans are across so many different options in California." "I feel like Covered California is the best option around for people in my situation."

- Covered California self-employed enrollee

"I have enough to get by right now, but if I had to pay for health care I would not have enough to get by." "I thought it was wonderful that some organization was making health care affordable to people that are like me and other people that have families and can't afford health care"

- Covered California enrollee and retired high school teacher

DATABOOK: IMPACT OF EPTC FOR COVERED CALIFORNIA ENROLLEES

- Publicly-available Excel [databook](#) comparing consumer net premiums under the Affordable Care Act and the Inflation Reduction Act
- Users can explore the impacts of potential ePTC expiration by income, self-employment status, consumer demographics, health plan and metal tier, geography and Congressional and state legislative districts

Impact of Enhanced Inflation Reduction Act Subsidies for Covered California Enrollees

Enrollees					
Subsidy Status	All Enrollees (M1)	Gross Premium Amount (avg \$ - PMPM) (M3)	IRA Net Premium Amount (avg \$ - PMPM) (M4)	ACA Net Premium Amount (avg \$ - PMPM) (M5)	Average Increase in Net Premium Amount if IRA Expires (PMPM) (M6)
Subsidy Received	1,501,120	\$674	\$155	\$253	\$98
Unsubsidized	201,290	\$540			
Grand Total	1,702,410	\$656	\$155	\$253	\$98

Subsidy received enrollees are those receiving APTC subsidies.

FPL					
FPL Bracket	Subsidized Enrollees (M2)	Gross Premium Amount (avg \$ - PMPM) (M3)	IRA Net Premium Amount (avg \$ - PMPM) (M4)	ACA Net Premium Amount (avg \$ - PMPM) (M5)	Average Increase in Net Premium Amount if IRA Expires (PMPM) (M6)
0-150% FPL	225,270	\$659	\$63	\$103	\$40
150-200% FPL	424,070	\$661	\$71	\$137	\$67
200-250% FPL	266,450	\$677	\$115	\$206	\$91
250-400% FPL	428,310	\$654	\$209	\$283	\$74
400-500% FPL	81,560	\$729	\$363	\$728	\$365
500-600% FPL	36,930	\$775	\$439	\$774	\$335
>600% FPL	38,540	\$901	\$586	\$900	\$314
Total	1,501,120	\$674	\$155	\$253	\$98

Self-Employed					
Self-Employed	Subsidized Enrollees (M2)	Gross Premium Amount (avg \$ - PMPM) (M3)	IRA Net Premium Amount (avg \$ - PMPM) (M4)	ACA Net Premium Amount (avg \$ - PMPM) (M5)	Average Increase in Net Premium Amount if IRA Expires (PMPM) (M6)
Not Self-Employed	1,075,390	\$647	\$146	\$243	\$96
Self-Employed	425,730	\$743	\$177	\$280	\$103
Total	1,501,120	\$674	\$155	\$253	\$98

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

1. 2025 Open Enrollment
2. 2024 Member Survey Findings
3. Service Center Update
4. Covered California for Small Business Update
5. Outreach and Sales Update

Appendix 1: 2025 Open Enrollment

TV/VIDEO - “CHOP IT UP”



TV/VIDEO - “CONFAB”



TV/VIDEO - “CSR”



Appendix 2: 2024 Member Survey Findings

Survey Methods

Sampling Design: The survey sample source was Covered California's administrative database at the end of Open Enrollment. Members eligible for inclusion were 18-64 years old, heads of households, had a valid California mailing address on file, and were found eligible for Covered California in the 2024 plan year, or had disenrolled from coverage in the final six months of the 2023 plan year.

Fielding Details

- Fielding period: February 28, 2024 – April 22, 2024
- Survey mode: Mail-to-web design
- Survey languages: English and Spanish
- Median Survey Duration: 17-22 minutes

Recruitment Protocol

- Invitations were sent via email and paper letter (with \$1 pre-paid incentives), along with email and mail reminders.
- Respondents received an additional incentive upon completion of the survey.

Response Rate

- NORC sampled 97,718 households, and had an overall response rate of 6.9%

Note: The sampling eligibility criteria listed are criteria for inclusion in the sample frame. Additionally, out of concern for respondent burden and data quality we exclude that were previously surveyed in prior years for the Member or Tracker surveys or other ongoing Covered California data collection efforts.

¹In order to reach sampling targets we released additional sample in April 2024. More details can be found in the annual methods report.

Appendix 3: Service Center Update

SERVICE CENTER UPDATE

Improving Customer Service

- ❑ Started Renewal Activities
- ❑ Celebrated Service Center Customer Service Week
- ❑ Partnered with Covered California University (CCU) to ramp up Surge Vendor staffing for OE 2024
- ❑ Partnered with CCU for State New Employee Training

Enhancing Technology Solutions

- ❑ Partnered with Covered California Information Technology (CCIT) to provide Agent Desktop for the Service Center representatives.

Staffing Updates

- ❑ Vacancy rate of 5.6 percent (2024) comparable to prior year of 7.0 percent (2023)

SERVICE CENTER UPDATE

Comparing October 2024 vs. 2023 Call Statistics

Year	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
2024	*	224,489	7.87%	206,813	0:02:47	0:21:50	40.71%
2023	302,080	197,573	3.76%	188,501	0:02:42	0:21:22	73.15%
Percent Change	*	14% Increase	109% Increase	10% Increase	3% Increase	2% Increase	44% Decrease

Calls to IVR metrics are currently being reviewed for accuracy.

- ❑ The total Calls Offered increased from 2023 by 14%
- ❑ Calls Handled increased from 2023 by 10%
- ❑ The Abandoned % increased from 2023 by 109%
- ❑ Service Level decreased from 2023 by 44%

SERVICE CENTER UPDATE

October Weekly Quick Sort Transfers

Week 1*	Week 2	Week 3	Week 4	Week 5	Total
10/01 - 10/05	10/06 - 10/12	10/13 - 10/19	10/20 - 10/26	10/27 - 10/31	
884	1,226	1,282	1,243	997	5,632

October Consortia Statistics

SAWS Consortia	Calls Offered	Service Level %	Calls Abandoned %	ASA
CalSAWS	3,294	89.50%	2.67%	0:00:51

- ❑ CalSAWS = Statewide Automated Welfare System (consortia). November 2023 all SAWS consortiums were combined.

Appendix 4: Covered California for Small Business Update

COVERED CALIFORNIA FOR SMALL BUSINESS UPDATE

Group & Membership Update:

- Groups: 8,977
- Members: 77,875
- Average Group Size: 8.6 members
- Net Membership YTD: 8,297

**membership reconciled through 10/18/24*



Appendix 5: Outreach and Sales Update

OUTREACH & SALES ENROLLMENT PARTNER TOTALS

Uncompensated partners supporting enrollment assistance efforts

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	189	1,135
Plan-Based Enroller	13	598
Medi-Cal Managed Care Plan	2	24

OUTREACH & SALES NON-ENGLISH ENROLLMENT SUPPORT

Data as of November 4, 2024

11,717 Certified Insurance Agents

19.5% Spanish

10.1% Chinese

4.0% Vietnamese

4.6% Korean

20.6% Other Languages

1,273 Navigator: Certified Enrollment Counselors

37.7% Spanish

4.7% Chinese

1.7% Vietnamese

0.7% Korean

4.5% Other Languages

1,135 Certified Application Counselors

38.7% Spanish

2.1% Chinese

0.4% Vietnamese

0.4% Korean

2.5% Other Languages

598 Certified Plan Based Enrollers

14.9% Spanish

2.3% Chinese

0.8% Vietnamese

0.5% Korean

1.5% Other Languages

24 Certified Medi-Cal Managed Care Plan Enrollers

30.0% Spanish

0.0% Chinese

5.0% Vietnamese

0.0% Korean

0.0% Other Languages

