



COVERED CALIFORNIA POLICY AND ACTION ITEMS

April 17, 2025 Board Meeting

2026 COVERED CALIFORNIA DENTAL BENEFIT PLAN DESIGNS

Melanie Droboniku
Plan Management Division

ACTION ITEM: 2026 DENTAL DESIGNS

- ❑ Dental designs have not been revised since the February presentation
- ❑ Action requested: Covered California staff is seeking Board approval of the proposed 2026 Dental Designs.

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.
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2026 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM DESIGN

Katie Ravel, Director
Policy, Eligibility & Research Division

CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM

- ❑ The California Enhanced Cost-Sharing Reduction (CSR) Program began in Plan Year 2024 with a budget of \$82.5 million.
- ❑ In 2024, state funding allowed Covered California to eliminate deductibles for lower income enrollees up to 250% of the federal poverty level (FPL), simplify benefit designs, and reduce out-of-pocket costs.
- ❑ Program budget rose to \$165 million for the Plan Year 2025 affordability program. The Governor's proposed budget reflects continued funding at this level.
- ❑ The 2025 California Enhanced CSR Program expanded eligibility to all enrollees regardless of income. The 2025 program eliminates deductibles, lowers out-of-pocket costs and allows any enrollee to purchase a Gold-level benefit at a Silver premium.
- ❑ If federal enhanced premium tax credits currently available through the Inflation Reduction Act are extended to 2026, Covered California will use state affordability funding to continue the current California Enhanced CSR Program.

2026 CALIFORNIA ENHANCED COST-SHARING REDUCTION (CSR) PROGRAM ELIGIBILITY

- ❑ Program eligibility will be maintained for 2026. All enrollees on a subsidized application with income above 200% FPL will be eligible for a California Enhanced Silver 73 plan.
- ❑ American Indian/Alaska Native members with income above 300% will have the California Enhanced Silver 73 design.

| Household Income Eligibility by Percentage of FPL | 2025 California Enhanced CSR Program Plan |
|---|---|
| 100% up to 150% | Enhanced Silver 94 |
| Above 150% up to 200% | Enhanced Silver 87 |
| Above 200% up to 250% | Enhanced Silver 73 |
| Above 250% | Enhanced Silver 73 |
| American Indian/Alaska Native Above 300% | Enhanced Silver 73 |

OVERVIEW OF THE PROGRAM DESIGN PROVISIONS FOR CALIFORNIA ENHANCED CSR PROGRAM

- ❑ The 2026 California Enhanced CSR Program Design Document specifies the following elements for the proposed 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.

ACTION ITEM: PROPOSED 2026 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM DESIGN

- ❑ **Action requested:** Covered California staff is seeking Board approval of the proposed 2026 California Enhanced Cost-Sharing Reduction Program Design, contingent upon enactment of the Budget Act of 2025.
- ❑ If approved and upon enactment of the Budget Act, Covered California staff will provide notification of the program design to the Joint Legislative Budget Committee (JLBC) as required by statute.
- ❑ Note: Should Congress not extend the federal enhanced premium tax credits this year, staff may bring a revised program design to the Board for approval.

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2026 CALIFORNIA ENHANCED COST-SHARING REDUCTION BENEFIT DESIGNS

Melanie Droboniku
Plan Management Division

2026 ENHANCED BENEFIT DESIGNS

| Benefit |
|-----------------------------------|
| Deductible |
| Medical Deductible |
| Drug Deductible |
| Coinsurance (Member) |
| MOOP |
| ED Facility Fee |
| Inpatient Facility Fee |
| Inpatient Physician Fee |
| Primary Care Visit |
| Specialist Visit |
| MH/SU Outpatient Services |
| Imaging (CT/PET Scans, MRIs) |
| Speech Therapy |
| Occupational and Physical Therapy |
| Laboratory Services |
| X-rays and Diagnostic Imaging |
| Skilled Nursing Facility |
| Outpatient Facility Fee |
| Outpatient Physician Fee |
| Tier 1 (Generics) |
| Tier 2 (Preferred Brand) |
| Tier 3 (Nonpreferred Brand) |
| Tier 4 (Specialty) |
| Tier 4 Maximum Coinsurance |
| Actuarial Value |
| 2026 AV (Final 2026 AVC) |

| Individual-only Silver | | Silver 73 | | CA Enhanced CSR Silver 73 | |
|------------------------|---------|-----------|---------|---------------------------|---------|
| Ded | Amount | Ded | Amount | Ded | Amount |
| | \$5,200 | | \$5,200 | | \$0 |
| | \$50 | | \$50 | | \$0 |
| | 30% | | 30% | | 30% |
| | \$9,800 | | \$8,100 | | \$6,100 |
| | \$400 | | \$400 | | \$350 |
| X | 30% | X | 30% | | 30% |
| | 30% | | 30% | | 30% |
| | \$50 | | \$50 | | \$35 |
| | \$90 | | \$90 | | \$85 |
| | \$50 | | \$50 | | \$35 |
| | \$325 | | \$325 | | \$325 |
| | \$50 | | \$50 | | \$35 |
| | \$50 | | \$50 | | \$35 |
| | \$50 | | \$50 | | \$50 |
| | \$95 | | \$95 | | \$95 |
| X | 30% | X | 30% | | 30% |
| | 30% | | 30% | | 30% |
| | 30% | | 30% | | 30% |
| | \$19 | | \$19 | | \$15 |
| X | \$60 | X | \$55 | | \$55 |
| X | \$90 | X | \$85 | | \$85 |
| X | 20% | X | 20% | | 20% |
| | \$250 | | \$250 | | \$250 |
| | | | | | |
| | 71.66 | | 73.69 | | 80.37 |

| Silver 87 | | CA Enhanced CSR Silver 87 | |
|-----------|---------|---------------------------|---------|
| Ded | Amount | Ded | Amount |
| | \$1,400 | | \$0 |
| | \$50 | | \$0 |
| | 20% | | 20% |
| | \$3,350 | | \$3,000 |
| | \$200 | | \$150 |
| X | 20% | | 20% |
| | 20% | | 20% |
| | \$15 | | \$15 |
| | \$25 | | \$25 |
| | \$15 | | \$15 |
| | \$15 | | \$15 |
| | \$30 | | \$20 |
| | \$50 | | \$40 |
| X | 20% | | 20% |
| | 20% | | 20% |
| | 20% | | 20% |
| | \$8 | | \$5 |
| X | \$25 | | \$25 |
| X | \$45 | | \$45 |
| X | 15% | | 15% |
| | \$150 | | \$150 |
| | | | |
| | 87.80 | | 89.60 |

| Silver 94 | | CA Enhanced CSR Silver 94 | |
|-----------|---------|---------------------------|---------|
| Ded | Amount | Ded | Amount |
| | \$0 | | \$0 |
| | \$0 | | \$0 |
| | 10% | | 10% |
| | \$1,400 | | \$1,150 |
| | \$50 | | \$50 |
| | 10% | | 10% |
| | 10% | | 10% |
| | \$5 | | \$5 |
| | \$8 | | \$8 |
| | \$5 | | \$5 |
| | \$5 | | \$5 |
| | \$10 | | \$8 |
| | \$10 | | \$8 |
| | 10% | | 10% |
| | 10% | | 10% |
| | 10% | | 10% |
| | \$3 | | \$3 |
| | \$10 | | \$10 |
| | \$15 | | \$15 |
| | 10% | | 10% |
| | \$150 | | \$150 |
| | | | |
| | 94.81 | | 95.39 |

| | | |
|-----|---|--------------------------------------|
| KEY | X | Subject to deductible |
| | * | Drug cap applies to all drug tiers |
| | † | Additive adjustment (included in AV) |
| | | Increased member cost from 2025 |
| | | Decreased member cost from 2025 |
| | | Enhanced member cost from 2026 |
| | | Within .5 of upper de minimis |
| | | Securely within AV |

ACTION ITEM: 2026 CALIFORNIA ENHANCED BENEFIT DESIGNS

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PROPOSED PERMANENT IDENTITY VERIFICATION REGULATIONS

Katie Ravel, Director
Policy, Eligibility & Research Division

BACKGROUND

- ❑ Covered California proposes updates to its regulations setting forth the process for verifying applicants' identities when they apply for coverage and financial assistance through Covered California.
- ❑ 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.
- ❑ Federal security standards for remote identification are being updated. Marketplaces will no longer be able to use knowledge-based processes that rely on information about an individual's credit history, and Covered California will be transitioning to a new compliant process based on digital identity. This new process is expected to address a significant point of consumer friction in the online application process. The goal in updating these regulations and the associated changes to CalHEERS is two-fold: transition to a compliant RIDP process and to provide an easier option for consumers to verify their identity and minimize circumstances in which identity verification becomes a barrier to coverage.

OVERVIEW OF PROPOSED CHANGES

Covered California proposes to improve the remote identity verification process to increase the number of consumers who can successfully verify their identity in real time and continue to the CalHEERS application seamlessly. Enhancements include:

- ❑ Replacing the current knowledge-based question process that can be challenging for consumers and prevent application submissions with risk-based authentication that reduces consumer friction.
- ❑ Replacing the alternate knowledge-based question process with a process that compares identity documents with photographs of consumers provided in real time to allow consumers to seamlessly verify their identity without having to pause the process to visit a certified enroller for visual verification or submit documents directly to Covered California for manual review.
- ❑ Removing outdated processes for collecting consumer consent to remotely verify identity to enhance consumer understanding and ensure that consumers are providing informed consent.

OVERVIEW OF PROPOSED CHANGES CONTINUED

Covered California proposes to expand the list of acceptable documents to verify identity so consumers who may not have access to other types of acceptable identity verification documents have additional avenues for successfully proving their identity so they can apply for coverage and financial assistance through Covered California. Proposed new documents include:

- ❑ U.S. Visas
- ❑ Border Crossing Cards

NEXT STEPS

- ❑ Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- ❑ The 45-day public comment period is tentatively scheduled to run from May 2, 2025 to June 16, 2025.
- ❑ Staff will request the Board to formally adopt the regulation package at the September 18, 2025 Board meeting so it can be filed with the Office of Administrative Law.
- ❑ Any additional proposed changes to the proposed regulations will be communicated to stakeholders for review and commenting prior to Action.

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