



EXECUTIVE DIRECTOR'S REPORT

Jessica Altman, Executive Director
July 28, 2025 Board Meeting

COVERED CALIFORNIA 2025 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 16

February 20

March 20 *

April 17

May 15

June 3

July 28

August 21

September 18

October 16 *

November 20

December 18 *

**Possibly no meeting*

COVERED CALIFORNIA 2026 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 15

February 26

March 19 *

April 16

May 21

June 18

July 16 *

August 20 *

September 17

October 15 *

November 19

December 17 *

**Possibly no meeting*

EXECUTIVE DIRECTOR'S REPORT

- ❑ Executive Director's Update
- ❑ State and Federal Policy/Legislative Update

EXECUTIVE DIRECTOR'S UPDATE

STATE AND FEDERAL POLICY/LEGISLATIVE UPDATE

STATE BUDGET UPDATE

On June 27, Governor Newsom signed the state budget into law through SB 101 (Weinberg, Chapter 4, Statutes of 2025) and AB 102 (Gabriel, Chapter 5, Statutes of 2025).

Covered California appropriations include:

- \$190 million for a program of financial assistance, which may include premium subsidies
- \$2 million for Strike Benefit Program (with an option to increase the appropriation by up to \$3 million if needed, for a total of \$5 million)
- \$20.35 million (General Fund) for the California Premium Credit.

The legislative session will continue through September 12, and additional budget-related bills could be introduced.

FEDERAL UPDATE: INFORMING FEDERAL POLICY

- ❑ Throughout June, Covered California continued to inform federal policy, including ongoing partnership with other state-based marketplaces from across the country.
- ❑ On June 11, Covered California along with state-based marketplace leaders held a national press conference to shine a light on the impacts of the federal reconciliation bill and impending expiration of enhanced premium tax credits. Additionally, Covered California, joined by marketplace leaders from Massachusetts, Pennsylvania, and Maryland traveled to Washington, D.C. to engage national media , resulting in more informed stories by national reporters and a featured op-Ed, [The One Big Beautiful Bill would tangle Obamacare in red tape](#), published by the Washington Post.
- ❑ On June 20, Covered California and CalPERS jointly [submitted comments](#) on an RFI issued by the Senate HELP Committee regarding the healthcare impacts of the federal reconciliation bill. We identified several provisions that could negatively affect health care access and affordability for Californians.
- ❑ On June 27, Covered California joined 16 other state-based exchanges from across the country to issue a [statement](#) on the marketplace impacts of the federal reconciliation bill, continuing to cite increased cost and burden to consumers, restricted eligibility and enrollment opportunities, and lack of action to extend enhanced premium tax credits.

FEDERAL UPDATE: RECENT ACTIONS IMPACTING MARKETPLACES

- ❑ On July 1, after passage of the reconciliation bill by the United States Senate, Covered California issued a [letter to California's Congressional Delegation](#), regarding the impacts of the reconciliation bill and the expiration of enhanced premium tax credits. The letter highlighted updated estimates from the Congressional Budget Office of 11.8 million Americans losing coverage as a result of the policies, which would include approximately 660,000 Californians enrolled through Covered California.
- ❑ In late June and early July, Congress and the administration took action to advance the federal reconciliation bill and finalize federal marketplace rules.
 - On June 25, the Centers for Medicare & Medicaid Services (CMS) issued the Marketplace Integrity and Affordability Final Rule.
 - On July 4, President Trump signed the federal reconciliation bill, titled the One Big Beautiful Bill Act, into law.
- ❑ The combined impact of these policies, alongside the impending expiration of the enhanced premium tax credits at the end of 2025—which neither action addressed—is projected to lead to substantial declines in Marketplace coverage and a rise in the number of uninsured individuals.

FEDERAL UPDATE: CMS FINAL RULE

- ❑ The Final Rule adopts policy changes CMS believes will strengthen consumer protections, ensure Marketplace integrity, and address purported fraud, waste, and abuse. Though many provisions from the proposed rule were modified to allow for delayed implementation, sunseting timeframes, and increased state flexibility, deeply concerning provisions remain.
- ❑ Key finalized provisions impacting State-based Marketplaces (SBMs) include:
 - Shortening the open enrollment period to nine weeks, beginning with the 2027 coverage year.
 - Excluding DACA recipients from Marketplace eligibility, effective August 25, 2025.
 - Eliminating the monthly special enrollment period (SEP) for individuals below 150% of the federal poverty level (FPL), effective August 25, 2025.
 - Tightening income verification requirements, effective August 25, 2025 and sunseting after 2026.
 - Eliminating the automatic 60-day extension for resolving income inconsistencies, effective August 25, 2025.
 - Allowing issuers to require consumers pay past-due premiums before enrolling in new coverage, effective August 25, 2025.
 - Requiring consumers to pay at least 95% of premiums owed, effective August 25, 2025 and sunseting after 2026.
 - Prohibiting coverage of gender-affirming care as part of essential health benefits, effective January 1, 2026.
 - Updating premiums and plan design requirements, effective for 2026.
 - Reducing the Failure to Reconcile period for advanced premium tax credits (APTC) to one year, effective for 2026 and reverting to two years for 2027.

FEDERAL UPDATE: CMS FINAL RULE, CONT.

- ❑ Relative improvements from the proposed rule, mitigating some of the impact for SBMs and their consumers, include:
 - Not requiring SBMs to verify 75% of all new special enrollment period selections. (The Federally-facilitated Marketplace (FFM) and SBMs operating on the Federal Platform (SBM-FP) still must comply beginning 2026, though the requirements sunset after 2026.)
 - Preserving SBMs' ability to continue affordability crosswalk policies, including those to automatically enroll consumers from Bronze to Silver plans and consumers with \$0 premiums. (The FFM and SBM-FPs are still prohibited from implementing these policies beginning 2026.)
 - Delaying the shortened open enrollment period to 2027 and securing an additional two weeks.
- ❑ Additionally, on July 17, California Attorney General Rob Bonta, together with the attorneys general of Massachusetts and New Jersey, led a multistate coalition in filing a lawsuit challenging the Final Rule in the U.S. District Court for the District of Massachusetts. The coalition is also seeking preliminary relief and a stay to block the implementation of the certain portions of the rule in the plaintiff states before its August 25 effective date.

FEDERAL UPDATE: RECONCILIATION BILL

- ❑ The enacted reconciliation bill introduces health care provisions aimed at reducing federal spending on Medicaid and Marketplaces.
- ❑ Key provisions include:
 - Ending premium tax credit (PTC) eligibility for lawfully present individuals who are ineligible for Medicaid due to immigration status with household incomes below 100% FPL.
 - Removing caps on excess APTC repayment, effective 2026.
 - Eliminating income-based SEP, effective 2026.
 - Restricting PTC eligibility to certain "eligible aliens," meaning only lawful permanent residents, Cuban and Haitian entrants, and Compact of Free Association migrants, effective 2027.
 - Imposing pre-enrollment verification requirements and ending automatic re-enrollment, effective 2028.
- ❑ Notably, earlier proposals to incorporate the CMS Final Rule provisions into the law and appropriate funding for cost-sharing reduction payments beginning in 2026, with restrictions on funds for plans covering certain abortion services, were not included in the final version.
- ❑ Covered California participated in a recent [webinar](#) led by California Health and Human Services Agency, which provides further explanation of the bill's marketplace impacts in addition to impacts to Medicaid and SNAP programs.

FEDERAL UPDATE: NAVIGATING FEDERAL POLICY CHANGE AND PROTECTING CONSUMERS

- ❑ Covered California has been actively working to analyze and assess the new marketplace policies in the reconciliation bill and final rule, as well as the continued uncertainty with regard to enhanced premium tax credit expiration, and making efforts to ensure effective operations and consumer engagement:
 - Covered California staff continue with contingency planning relative to the 2026 plan year, including continued work to negotiate rates, maximize state-funded affordability assistance, and plan for continued fiscal stability.
 - Robust enrollee retention planning is well-underway with particular focus on increased consumer costs potential loss of enhanced premium tax credits. Retention efforts include a multi-pronged focus including direct-to-enrollee engagement to support and inform them about potential changes as a result of federal policy; keeping partners informed, engaged, and mobilized; media planning and engagement; and timely and informative website updates; and other efforts.
- ❑ In the coming weeks and months, Covered California will continue robust engagement related to enhanced premium tax credit extension, including ongoing partnership with state-based marketplaces, stakeholders, media, and partners to highlight the need to extend the tax credits and ensure we are informing any federal policy discussion.

FEDERAL UPDATE: DACA UNWIND

- ❑ As finalized in the CMS Final Rule, beginning August 25, 2025, DACA recipients will no longer be considered “lawfully present” under federal law for the purpose of eligibility through Covered California.
- ❑ Approximately 2,400 DACA recipients are currently enrolled in or eligible for coverage through Covered California. Their coverage will end on August 31, 2025. Consumers may continue to use services until that date.
- ❑ CalHEERS will run the disenrollment process for DACA recipients by July 31, 2025, to ensure timely notice and allow consumers sufficient time to understand their options and prepare for the upcoming coverage termination.
- ❑ Covered California is taking the following actions to communicate the federal policy change to DACA recipients:
 - **Consumer notification:** A Notice of Determination will be issued once a DACA recipient is found ineligible, accompanied by an insert explaining that coverage is ending due to a federal policy change.
 - **Phone Outreach:** Service center representatives and certified agents (when applicable) will directly contact affected individuals to explain the change and confirm the coverage end date.
 - **Electronic Outreach:** Targeted email outreach is in development to ensure timely, clear communication.
 - **Covered California Website:** CoveredCA.com/DACA now reflects the updated policy and provides direct links to consumer assistance.
 - **Off-Exchange Coverage Option:** DACA recipients losing Covered California coverage will be informed of their option to purchase health plans directly from carriers. The Covered California termination notice can be used as proof of loss of coverage to access a Special Enrollment Period (SEP) through October 30, 2025.

FEDERAL UPDATE: HOUSE ENERGY AND COMMERCE INQUIRY

- ❑ On June 17, Covered California received an inquiry from the House of Representatives, Energy and Commerce Committee regarding the potential disclosure of consumer information through website analytics and advertising platform tools. The Committee requested specified information and records related to Covered California's past and current data management practices, policies, and technical safeguards.
- ❑ On July 1, Covered California provided an initial response to the Committee and is continuing to compile additional information to ensure a full, transparent, and comprehensive reply to all questions.
- ❑ Ongoing, Covered California is actively investigating this matter with the support of outside privacy counsel and an independent forensic investigation firm.
- ❑ At this time, there are no investigatory findings that the privacy or security of Californian's information has been compromised, nor that the consumer information was used for any unintended purpose. If the third-party forensic analysis concludes differently, Covered California will take all appropriate actions.
- ❑ Covered California remains committed to conducting a thorough investigation of this matter, being transparent with our findings as they become available, and continuing to keep consumer privacy and security at the core of our work.

FEDERAL UPDATE: CMS FOCUS ON DUPLICATE MEDICAID AND MARKETPLACE ENROLLMENT

- ❑ On July 17, the Centers for Medicare & Medicaid Services issued a press release on duplicate enrollment, stating that they found 2.8 million Americans potentially enrolled in Medicaid or the Children's Health Insurance Program (CHIP) in multiple states or simultaneously enrolled in both Medicaid/CHIP and a subsidized Marketplace plan in 2024.
- ❑ Covered California actively monitors and addresses cases of duplicate subsidized enrollment within Covered California and between Covered California and Medi-Cal. Covered California's 2025 data shows that less than 1% of individuals have duplicate enrollment across subsidized coverage.
- ❑ When duplicate enrollment is identified, Covered California sends a notice to the consumer and provides 30 days for the consumer to take action. After 30 days, Covered California will take corrective action on any unresolved cases to remove financial assistance from the duplicative case.
- ❑ CMS's press release notes their intention to share state-specific data on duplicate enrollments. Covered California will actively engage with CMS to identify and respond to any data discrepancies and to share Covered California best practices for addressing duplicate cases.

FEDERAL UPDATE: COMMENT LETTERS AND OTHER ACA LITIGATION

- ❑ Drawing on our extensive experience as a SBM and our commitment to advancing accessible, high-quality, and equitable health care for all, Covered California submitted multiple comment letters to help shape federal policy:
 - On June 9, Covered California [submitted comments](#) on proposed refinements from the Partnership for Quality Measurement. We urged a shift from burdensome, process-based metrics to outcomes-focused, evidence-based measures that improve cost efficiency, close care gaps, and drive equitable performance improvement.
 - On June 16, Covered California [responded](#) to an HHS Request for Information RFI on health technology infrastructure. We applauded CMS's efforts to strengthen the digital health ecosystem and advance value-based care, while recommending a rigorous review of digital health tools based on efficacy and patient outcomes. We also encouraged models that reward comprehensive, patient-centered care over coding-based funding.
- ❑ Finally, on June 27, in the *Braidwood* case, the U.S. Supreme Court upheld the Affordable Care Act's preventive services mandate, which requires health plans to cover preventive services without cost-sharing. In its 6-3 decision, the Court affirmed the constitutionality of the U.S. Preventive Services Task Force's (USPSTF) role in making coverage recommendations that must be covered by most private health plans without cost-sharing.

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.