

COVERED CALIFORNIA BOARD MINUTES
Thursday, April 17, 2025
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 10:31 a.m.

Board Members Present During Roll Call:

Craig Cornett
Jerry Fleming
Sumi Sousa
Mayra Alvarez

Board Members Absent During Roll Call:

Kim Johnson

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 matters pursuant to Government Code Section 100500(j).

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

Agenda Item III: Board Meeting Action Items

February 20, 2025 Meeting Minutes

Board Discussion: None.

Motion/Action: Ms. Alvarez called for a motion to approve the February 20, 2025, meeting minutes.

Public Comment: None.

Vote: The motion was approved by Mr. Fleming, Ms. Sousa, and Ms. Alvarez. Mr. Cornett abstained from the vote.

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 expressed her warm welcome to Mr. Cornett and expressed excitement about his contributions as the newest Board member. She shared that the June 26, 2025, Board meeting date was changed to June 3, 2025.

Discussion – State and Federal Policy/Legislative Update

Ms. Altman explained that Assembly Bill 1419 seeks to expand Covered California's authority to automatically enroll consumers found ineligible for Medi-Cal but eligible for Covered California, building on Senate Bill (SB) 260's facilitated enrollment process to better support transitions to coverage. She also noted Covered California's role in tracking SB 548, which aims to reduce addiction-related deaths through a state advisory group, and SB 660, which would establish a new California Health and Human Services Data Exchange Board where Covered California would serve as a non-voting ex-officio member.

Ms. Altman provided the federal update, noting that Congress recently adopted budget resolutions proposing \$880 billion in cuts, with significant implications for Medicaid and Marketplace programs, including the expiration of enhanced premium tax credits unless extended by Congress. She highlighted Covered California's active monitoring of federal developments and her upcoming trip to Washington, D.C., to meet with federal representatives about the importance of Marketplaces and tax credits. Ms. Altman also discussed Covered California's comment letter in response to the proposed Centers for Medicare and Medicaid Services rule, emphasizing concerns about consumer burdens, reduced state flexibility, and misalignment with California values, such as limiting gender-affirming care and reversing eligibility for Deferred Action for Childhood Arrivals (DACA) recipients. Covered California submitted comments voicing concern regarding these changes, underscoring their potential negative impact on enrollment processes and California consumers, while supporting stricter compliance standards for brokers. She expressed gratitude to Covered California staff and partners for their work amidst uncertainty and reiterated the organization's commitment to navigating these challenges collaboratively.

Board Comments: Ms. Alvarez expressed deep appreciation for Ms. Altman's leadership of the Covered California team in championing the belief that health care is a right, not a privilege.

Mr. Cornett praised the letter for its diplomatic yet analytical tone, noting that it effectively supported the final provision in a well-executed manner.

Public Comment: Alicia Emanuel, representing the National Health Law Program and Health Consumer Alliance, welcomed Mr. Cornett to the Covered California Board. She also voiced concerns about proposed federal health care cuts, including impacts to Medicaid and Marketplace coverage, discriminatory provisions, and the potential termination of enhanced federal subsidies.

Christine Smith, representing Health Access, welcomed Craig Cornett to the Covered California Board.

She also highlighted her support for SB 260 and opposition to proposed federal Marketplace rules that create barriers to enrollment, exclude DACA recipients, and restrict gender-affirming care.

Agenda Item V: Covered California Policy and Action Items

Action – 2026 Covered California Dental Benefit Plan Designs

Melanie Droboniku from the Plan Management Division, shared that there were not any proposed changes to the Covered California Dental Benefit Plan Designs and requested approval of the action item.

Ms. Altman provided additional background information explaining that Covered California is the only Marketplace in the nation with standardized benefit designs for all health and dental plans, ensuring consistent cost-sharing across benefit categories. She noted that the health plan designs were approved at the last meeting, while the dental designs, unchanged since the previous discussion, are now being presented for a vote.

Board Comments: None.

Public Comment: None.

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

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

Action – California Enhanced Cost-Sharing Reduction Program Design

Katie Ravel, Director of the Policy, Eligibility & Research Division, provided an overview of Covered California's Cost-Sharing Reduction Program for 2026. She explained that the program originally began as a federal initiative but has since received state funding, including \$82.5 million in 2024 to eliminate deductibles for low-income enrollees and simplify benefit designs. For 2025, the program's budget doubled, allowing for expanded eligibility, the elimination of all deductibles for Silver plans, and reduced out-of-pocket costs, effectively offering Gold-level coverage for a Silver-level premium. She explained that if federal enhanced premium tax credits are extended into 2026, the state's \$165 million allocation will continue to fund these benefits. Ms. Ravel requested Board approval of the program design document for 2026, contingent on the state budget enactment, and noted that adjustments might be needed if Congress does not extend the enhanced premium federal tax credits.

Board Comments: None.

Public Comment: Ms. Emanuel commented that her organization is fully supportive of Covered California maintaining the enhanced cost-sharing reduction program eligibility for 2026.

Ms. Smith expressed appreciation for Covered California's implementation of the enhanced cost-sharing.

Motion/Action: Ms. Alvarez called for a motion to approve this action item. Mr. Cornett moved to approve the action item. The motion was seconded by Ms. Sousa.

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

Action – 2026 California Enhanced Cost-Sharing Reduction Benefit Designs

Ms. Droboniku presented the proposed 2026 California Enhanced Benefit Designs. She highlighted the positive feedback and strong uptake of the benefit designs and requested Board approval for their continuation in 2026.

Ms. Altman clarified the process for establishing benefit designs, noting that the Board previously approved the underlying health plan designs, which comply with federal rules and serve as the foundation for health plans to file their products. She explained that the state-funded benefit designs are layered on top of these federal-compliant plans to enhance affordability, emphasizing the importance of understanding how the designs work together to provide comprehensive affordability in the market.

Board Comments: None.

Public Comment: Ms. Smith expressed support for the proposed 2026 benefit design and appreciation for Covered California's stakeholder engagement. She emphasized the importance of maintaining flexibility to potentially redirect Healthcare Affordability Reserve Funds toward backfilling lost premium subsidies if federal subsidies are not extended.

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

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

Discussion – Proposed Permanent Identity Verification Regulations

Ms. Ravel outlined proposed changes to Covered California's identity verification process and regulations, aimed at improving consumer experience and compliance with updated federal standards. She explained that the current knowledge-based verification method, which relies on credit report-generated questions, is no longer secure and will be replaced by a digital identity verification system using consumer-provided data points, such as name, address, and phone number. For those who fail the initial verification, a secondary process involving a photo ID and selfie comparison will be available.

The new process is expected to reduce consumer friction, streamline the application process, and increase successful verifications, addressing a major point of application abandonment. Additionally, the updated regulations will include new acceptable identity documents, such as United States visas and border crossing cards, while removing outdated methods and specifying consumer consent requirements.

The changes will undergo a public comment period before formal adoption in September, with ongoing updates provided to the Board.

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Board Comments: Ms. Alvarez raised a concern about consumers who may not have smartphones, prompting a discussion about their experience and potential alternatives in the identity verification process.

Ms. Ravel explained that consumers who lack the technology or prefer not to use the digital identity verification process can opt for a visual verification through Covered California's Navigators or agents, a long-standing alternative. Additionally, consumers can complete and sign a paper application, but the website will primarily direct them to community-based assistors for support.

Public Comment: Ms. Emanuel expressed gratitude to Covered California for the opportunity to review the proposed regulation changes and voiced support for transitioning to a risk-based authentication process and expanding acceptable identity verification documents.

The meeting adjourned at 1:27 p.m.