Policy and Action Items

April 16, 2026 Board Meeting

2027 Standard Benefit Designs

David Bishop, Deputy Director, Plan Management Division

2027 Standard Benefit Designs

One update is made to the Patient Centered Benefit Designs presented at the March Board Meeting

- Addition of endnote to the Medical designs:
  - 33. HSA-eligible plans may offer telehealth and other remote care services on a pre-deductible basis consistent with 26 U.S.C. Section 223.

Requested Action: 2027 Standard Benefit Designs

- There are no additional changes to the Patient Centered Benefit Designs
- Staff request that the Board formally adopt the 2027 Patient Centered Benefit Designs
- There are no additional changes to the Dental designs
- Staff request that the Board formally adopt the 2027 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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2027 Planning

Emory Wolf, Assistant Deputy Director, Policy, Eligibility & Research Division
Kelly Green, Director, External Affairs and Community Engagement
Craig Tomiyoshi, Director, Communications and Public Relations
Katie Ravel, Director, Policy, Eligibility & Research

2027 Policy Planning

Emory Wolf, Assistant Deputy Director for Evaluation and Research
Policy, Eligibility & Research Division

Looking Ahead to 2027

Covered California is actively planning for significant federal and state policy implementations in 2027. This presentation previews the anticipated policy changes and provide insights into Covered California's planning efforts, as follows:

- Two federally-mandated changes will restrict eligibility for financial assistance and make it more difficult to sign up for Marketplace coverage:
  - Loss of eligibility for federal APTC for lawfully present immigrants
  - Shortened Open Enrollment Period
- Contingent on the state FY 26-27 budget, state affordability programs (including the California Premium Subsidy Program) are expected to continue for plan year 2027.

Data to Inform Planning Work

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Current Enrollment by Immigration Status

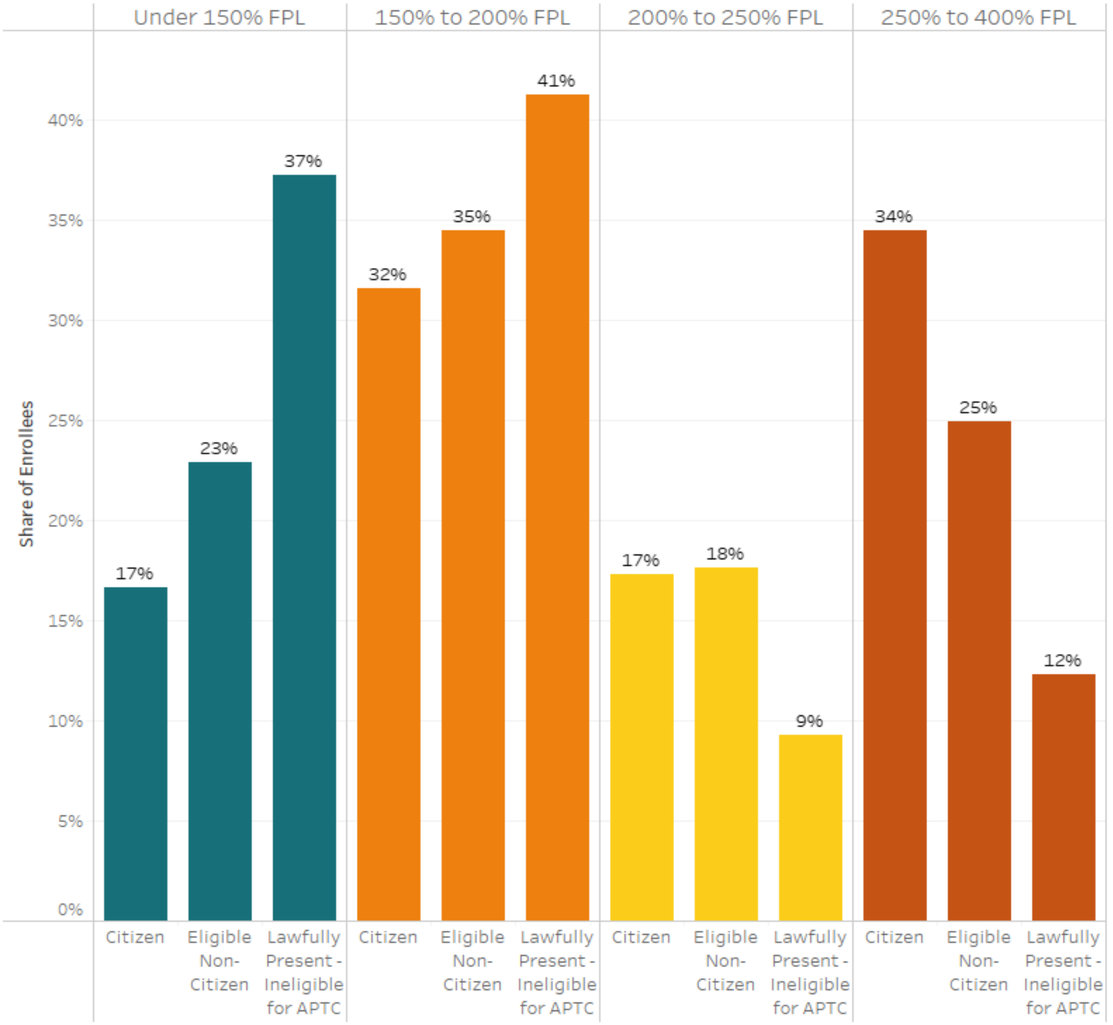
- Currently, more than 140,000 enrollees are considered lawfully present who will lose eligibility for federal financial assistance in 2027 under changes from H.R.1. More than 94% are currently receiving financial assistance today.
- The impacted subsidy-receiving enrollees include more than 45,000 with asylum or pending asylum status, nearly 1,000 admitted as refugees, and more than 500 victims of tracking, domestic violence, and other serious crimes, in addition to nearly 10,000 enrollees with work or student visas.

	Citizen		Eligible Non-Citizen		Lawfully Present Ineligible for APTC in 2027		Total	
Subsidy Status	Enrollees	% of Total	Enrollees	% of Total	Enrollees	% of Total	Enrollees	% of Total
Receiving Subsidies	1,158,290	80%	214,780	91%	132,580	94%	1,505,650	82%
Unsubsidized	295,030	20%	19,960	9%	8,940	6%	323,930	18%
Grand Total	**1,453,320**	**100%**	**234,750**	**100%**	**141,530**	**100%**	**1,829,600**	**100%**

Immigration Status by Income Level

Nearly 80% of lawfully present enrollees who will lose eligibility for APTC in 2027 have incomes under 200% of FPL ($31,300 for an individual, $64,300 for a family of four), compared to 58% of eligible non-citizens and 49% of citizens.

Nearly nine in ten of lawfully present individuals are eligible for additional financial assistance through cost-sharing reduction plans.



Source: Covered California February 2026 subsidized effectuated enrollment. Data as of April 1,2026. Enrollment data may not yet be settled and may be revised in final enrollment reporting.

Immigration Status by Race/Ethnicity

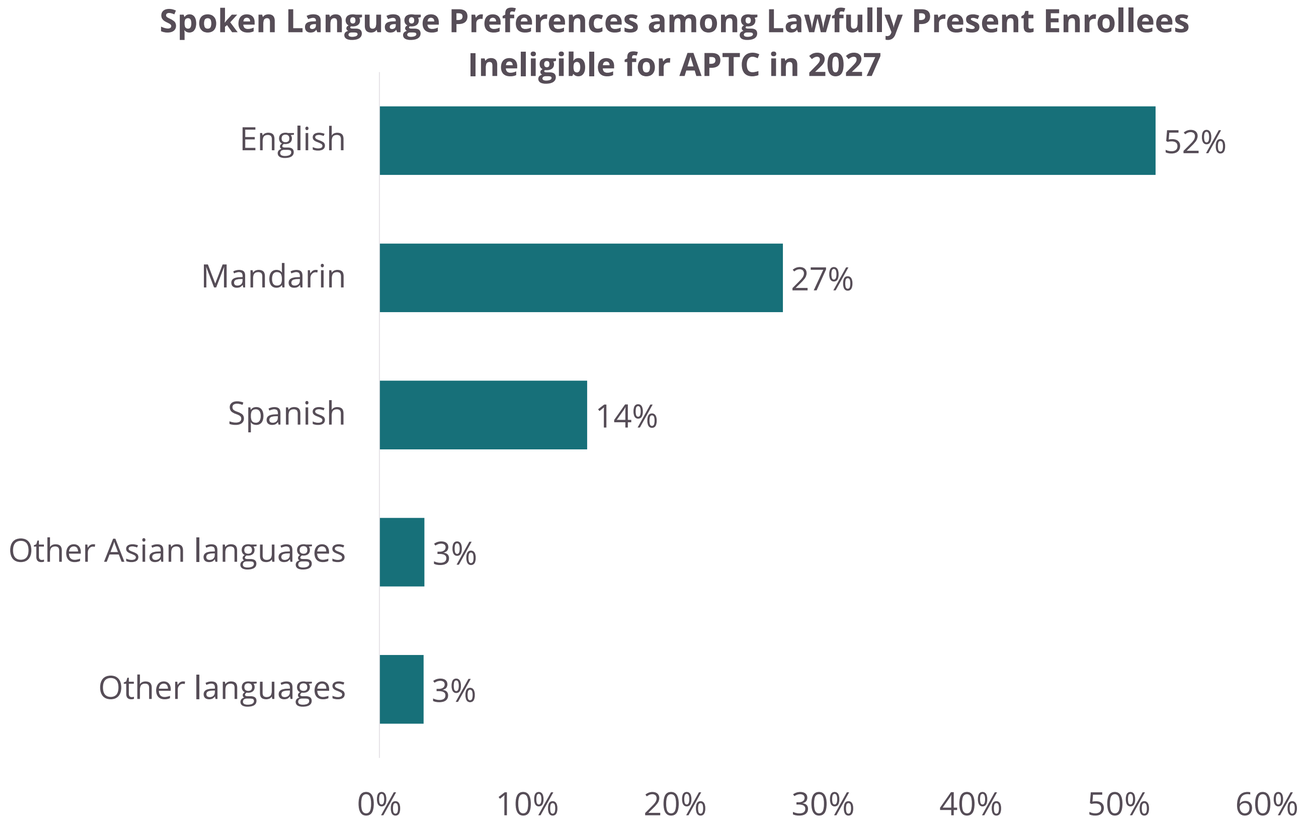
Enrollees who identify as Asian or Pacific Islander comprise more than 70% of lawfully present enrollees losing eligibility for APTC, compared to 49% of eligible non-citizens and 18% of citizens. Enrollees who identify as Chinese comprise more than half of the Asian lawfully present enrollees.

	Citizen		Eligible Non-Citizen		Lawfully Present Ineligible for APTC		Total	
Race/Ethnicity	Enrollees	Column %	Enrollees	Column %	Enrollees	Column %	Enrollees	Column %
American Indian or Alaska Native	3,260	0%	40	0%	30	0%	3,330	0%
Asian American	172,090	18%	92,360	49%	80,740	70%	345,190	28%
Black or African American	31,190	3%	1,110	1%	600	1%	32,900	3%
Latino	301,650	32%	69,670	37%	16,390	14%	387,710	31%
Multiple Races	31,080	3%	2,050	1%	1,170	1%	34,300	3%
Native Hawaiian or Other Pacific Islander	1,170	0%	50	0%	<10	0%	1,230	0%
Other	67,410	7%	12,380	7%	10,640	9%	90,430	7%
White	340,000	36%	11,300	6%	6,440	6%	357,740	29%
Total	**947,850**	**100%**	**188,960**	**100%**	**116,020**	**100%**	**1,252,830**	**100%**
(nonrespondents)	212,100	18%	25,840	12%	16,570	12%	254,510	17%

Source: Covered California February 2026 subsidized effectuated enrollment. Data as of April 1,2026. Enrollment data may not yet be settled and may be revised in final enrollment reporting.

Immigration Status by Spoken Language

- Nearly half of lawfully present enrollees ineligible for APTC in 2027 speak a language other than English, compared to 20% of overall enrollment.
- More than a quarter of lawfully present enrollees speak Mandarin, compared to 6% of overall enrollment.
- An additional 14% of lawfully present enrollees are Spanish speakers.



Source: Covered California February 2026 subsidized effectuated enrollment. Data as of April 1,2026. Enrollment data may not yet be settled and may be revised in final enrollment reporting.

Immigration Status by Service Channel

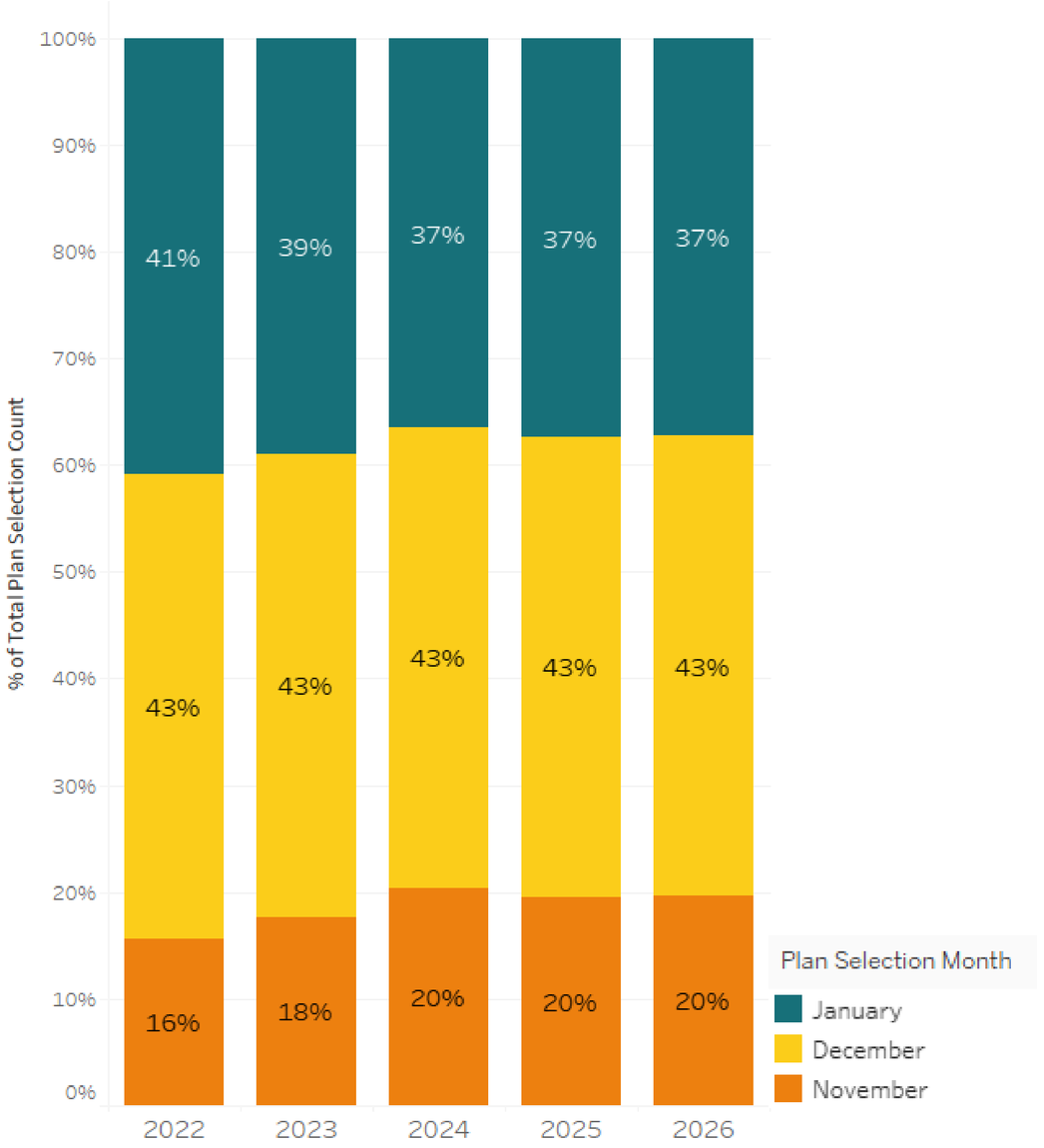
Nearly 90% of lawfully present enrollees ineligible for APTC in 2027 are agent-assisted, compared to 60% of Covered California's overall enrollment. Fewer than one in ten enrolled unassisted.

	Citizen		Eligible Non-Citizen		Lawfully Present - Ineligible for APTC		Total	
Service Channel	Enrollees	Column %	Enrollees	Column %	Enrollees	Column %	Enrollees	Column %
Certified Enrollment Counselor	24,910	2%	11,550	5%	2,630	2%	39,090	3%
Certified Insurance Agent	636,140	55%	146,380	68%	115,960	87%	898,480	60%
Certified Plan-based Enroller	27,410	2%	3,470	2%	900	1%	31,780	2%
County Eligibility Worker	170	0%	40	0%	20	0%	230	0%
Service Center Representative	36,540	3%	7,380	3%	1,660	1%	45,580	3%
Unassisted	434,790	37%	45,980	21%	11,430	9%	492,200	33%
Grand Total	**1,159,960**	**100%**	**214,800**	**100%**	**132,600**	**100%**	**1,507,360**	**100%**

Source: Covered California February 2026 subsidized effectuated enrollment. Data as of April 1,2026. Enrollment data may not yet be settled and may be revised in final enrollment reporting.

Shortened Open Enrollment Period

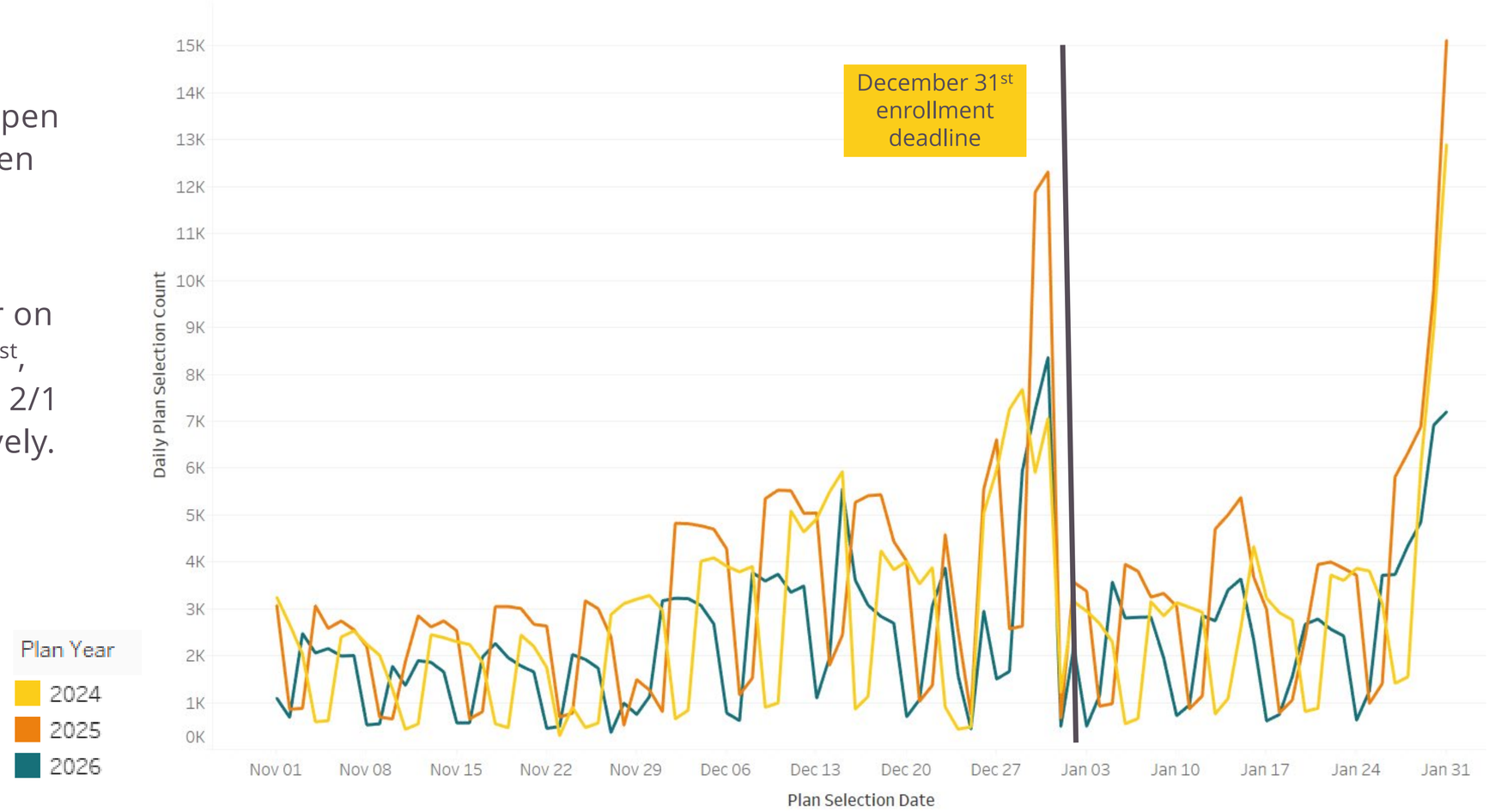
- As finalized by the CMS 2025 Program Integrity Rule, marketplaces must establish an Open Enrollment Period that starts on or before November 1st and concludes by December 31st.
- The total duration may not exceed nine weeks, and coverage must begin on January 1st. This rule change goes into effect for the 2027 plan year.
- Historically, Covered California's Open Enrollment Period has run through January 31st. Data has shown that over the past five Open Enrollment cycles, more than a third of those who picked a plan did so in January.
- The following slides highlight demographics among 2026 new consumers based on their first plan selection date.



Consumers are Deadline Motivated

The largest daily volumes of Open Enrollment plan selections often occur during the month of December.

Spikes in plan selections occur on December 31st and January 31st, marking deadlines for 1/1 and 2/1 coverage start dates, respectively.



2026 Plan Selection Timing by Age Bracket

Younger consumers (ages 26 to 34) make up a greater share of January plan selections, whereas older consumers (ages 55 to 64) are more likely to enroll earlier in Open Enrollment.

	November		December		January		Total	
Age Bracket	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Age 17 or less	2,970	7%	8,120	9%	6,890	9%	17,980	8%
Age 18 to 25	5,690	13%	12,920	14%	11,520	14%	30,130	14%
Age 26 to 34	9,020	21%	21,160	23%	20,130	25%	50,310	23%
Age 35 to 44	7,490	18%	17,610	19%	15,760	19%	40,850	19%
Age 45 to 54	7,190	17%	15,390	16%	12,550	16%	35,130	16%
Age 55 to 64	9,860	23%	17,910	19%	13,400	17%	41,170	19%
Age 65+	480	1%	790	1%	640	1%	1,910	1%
Total	**42,690**	**100%**	**93,890**	**100%**	**80,890**	**100%**	**217,480**	**100%**

2026 Open Enrollment plan selections, regardless of effectuation status. Individuals who enrolled via SB260 or another qualifying life event during Open Enrollment are excluded.

2026 Plan Selection Timing by Income Level

Enrollment by income level was consistent during the three month of Open Enrollment in 2026.

	November		December		January		Total	
FPL	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Under 150% FPL	6,810	16%	13,760	15%	11,730	15%	32,300	15%
150% FPL to 200% FPL	11,610	27%	24,000	26%	21,710	27%	57,320	26%
200% FPL to 250% FPL	6,050	14%	12,080	13%	11,040	14%	29,170	13%
250% FPL to 400% FPL	11,630	27%	26,250	28%	21,260	26%	59,140	27%
Over 400% FPL	3,300	8%	8,480	9%	6,570	8%	18,350	8%
FPL Unavailable	3290	8%	9,330	10%	8,580	11%	21,200	10%
Total	**42690**	**100%**	**93,900**	**100%**	**80,890**	**100%**	**217,480**	**100%**

2026 Open Enrollment plan selections, regardless of effectuation status. Individuals who enrolled via SB260 or another qualifying life event during Open Enrollment are excluded.

2026 Plan Selection Timing by Race/Ethnicity

Among enrollees who self-report race or ethnicity, Latinos make-up a third of plan selections in January, compared to 27% earlier in Open Enrollment. Asian Americans make up a larger share of early plan selections in November.

	November		December		January		Total	
Race/Ethnicity	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Asian American	9,970	29%	18,970	25%	14,190	22%	43,130	25%
Black or African American	1,130	3%	2,570	3%	2,760	4%	6,460	4%
Latino	9,740	28%	20,560	27%	21,590	33%	51,890	30%
Native Hawaiian or Other Pacific Islander	40	0%	100	0%	110	0%	250	0%
Other	3,740	11%	8,360	11%	6,970	11%	19,070	11%
White	9,750	28%	24,690	33%	19,880	30%	54,320	31%
Total (respondents)	**34,370**	**100%**	**75,250**	**100%**	**65,500**	**100%**	**175,120**	**100%**
(nonrespondents)	*8,320*	*19%*	*18,640*	*20%*	*15,400*	*19%*	*42,360*	*19%*

2026 Open Enrollment plan selections, regardless of effectuation status. Individuals who enrolled via SB260 or another qualifying life event during Open Enrollment are excluded.

2026 Plan Selection Timing by Service Channel

Similar shares of agent-assisted consumers enroll in December and January, while the largest share of unassisted consumers enroll in November.

	November		December		January		Total	
Service Channel	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Certified Enrollment Counselor	1,320	3%	1,640	2%	1,740	2%	4,700	2%
Certified Insurance Agent	23,090	54%	59,460	63%	50,180	62%	132,730	61%
Certified Plan-based Enroller	1,670	4%	2,320	2%	2,120	3%	6,110	3%
County Eligibility Worker	20	0%	70	0%	60	0%	150	0%
Service Center Representative	2,710	6%	4,430	5%	4,370	5%	11,510	5%
Unassisted	13,880	33%	25,970	28%	22,430	28%	62,280	29%
Total	**42,690**	**100%**	**93,890**	**100%**	**80,890**	**100%**	**217,470**	**100%**

2026 Open Enrollment plan selections, regardless of effectuation status. Individuals who enrolled via SB260 or another qualifying life event during Open Enrollment are excluded.

Marketplace Eligibility Changes for Lawfully Present Immigrants

Kelly Green, Director, External Affairs and Community Engagement

Eligibility Changes For Lawfully Present Immigrants

- Starting in 2027, federal policy changes will terminate eligibility for federal financial assistance for many lawfully present immigrants enrolled in Covered California. Over 130,000 consumers are expected to be impacted.
- Impacted enrollees include individuals with asylum or pending asylum status, refugees, victims of trafficking, domestic violence, and other serious crimes, as well as those with work or student visas.
- California LPI consumers receive more than $660M in federal premium tax credits. When those tax credits are removed, they may face an average premium increase of approximately $500 per member per month.
- These changes affect more than 90% of immigration categories that have historically been eligible for Marketplace financial assistance.

Covered California's Strategic Framework

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An organization-wide strategy that spans:

Public Education & Awareness

Informs and educates LPI consumers, stakeholders, and the public about changes to LPI eligibility.

Partner & Stakeholder Support

Provides support and resources to internal and external partners on the front lines of service to this population (Service Center Representatives, enrollment partners, stakeholders, policymakers).

Consumer Transition Support

Supports impacted LPI consumers with clear, timely information, education, support and resources to help them navigate their eligibility transition.

Operational Readiness

Ensures smooth and effective operational readiness.

Strategic Workstream Pillars

Covered California is preparing an enterprise-wide response to support impacted consumers and ensure readiness for implementation.

Operational Readiness

Ensure operational readiness and preparedness to implement eligibility policy changes for LPI consumers

- Develop policy guidance, system updates and consumer notices
- Prepare internal teams and service channels for implementation
- Coordinate across divisions, DHCS and other state partners on readiness, messaging and policy alignment

Consumer Support, Resources, and Referral

Provide guidance, resources, and support to help consumers navigate their options.

- Develop consumer guidance, support tools and referral resources
- Equip Agent and Navigator partners to support impacted consumers through trainings, roundtables and partner materials
- Identify coverage, care and community-based support pathways for impacted consumers

Communications and External Partnership

Ensure coordinated messaging and strong engagement with trusted partners and stakeholders.

- Develop messaging, outreach materials and stakeholder communications
- Engage advocates and stakeholders
- Support community-level outreach, education and partner engagement to help inform and prepare communities

Timing and Next Steps

Now Through Early Summer

- Finalize strategy, messaging, and partner engagement approach
- Continue engagement with advocates, enrollment partners, and stakeholders
- Develop consumer support tools, technical assistance, and partner-facing materials

Summer to Fall and through Renewal and Open Enrollment

- Launch consumer communication cadence to keep impacted consumers engaged
- Equip agents, navigators, and community partners with outreach tools and resources
- Continue coordination with DHCS, carriers, and internal teams

Shortened Open Enrollment Period

Craig Tomiyoshi, Director, Communications and Public Relations

A shortened enrollment window requires earlier action

9-week enrollment window

Shifts when and how Californians enroll

How we are delivering

Inform and Educate Consumers
- Launch early awareness tied to the new timeline
- Deliver clear calls to action before November 1
- Reinforce affordability, value, and available support

Activate Enrollers and Community Partners
- Equip navigators, agents, and CBOs with simple guidance
- Align partner messaging with state-led communications
- Expand community-based engagement to drive early action

Mitigate Impact and Maximize Enrollment
- Reduce friction across shopping, enrollment, and renewal
- Strengthen digital and service pathways during peak demand
- Create more opportunities to explore and enroll earlier

Ensure Enterprise Readiness
- Align teams, systems, and workflows to a compressed window
- Coordinate cross-functional execution in real time
- Prepare service channels to handle concentrated demand

Progress underway

- Early planning and cross-functional alignment in motion
- Partner and enroller engagement strategies in development
- Initial timeline and system coordination workstreams activated

Three priorities to deliver an effective enrollment experience

Drive early action

- Clear, consistent messaging across channels
- Focus urgency before November 1
- Reinforce affordability and value
- Integrated campaigns across paid, earned, owned, and partner channels

Simplify enrollment

- Translate policy changes into simple guidance
- Reduce friction across digital and service
- Align every consumer touchpoint
- Consumer-ready tools and content that simplify eligibility and plan selection

Scale readiness

- Align systems, service center, partners
- Equip enrollers and navigators
- Coordinate workflows in real time
- Aligned staffing, training, and digital capacity for peak demand

A single, coordinated system across the communications, policy, and operations workstreams to drive earlier action and seamless enrollment

Execution focus: align timing, reduce friction, manage risk

Coordination across the organization to deliver one unified experience

Align the Enrollment Timeline

- Shift to November 1 through December 31 enrollment period
- Establish October as consumer preparation and “window shopping” phase
- Identify and target January-heavy enrollers earlier in the cycle
- Create earlier decision triggers across communications and partners

Coordinate Systems and Policy

- Align CalHEERS updates and change requests to new timeline
- Synchronize rate approvals and system readiness milestones
- Simplify renewal pathways to reduce disruption for existing members

Scale Operations and Support

- Align service center, CCU, and partner capacity to compressed demand
- Expand training and readiness for navigators and enrollment partners
- Ensure digital experience reflects updated enrollment journey
- Stand up cross-functional issue management team for real-time response

Reduce Risk and Ensure Continuity

- Activate enterprise risk management across workstreams
- Identify and prioritize highest-risk friction points across policy, systems, and service
- Align messaging and operational touchpoints across divisions
- Establish rapid escalation and resolution protocols across divisions
- Ongoing performance tracking

A seamless consumer experience under compressed timelines, with reduced drop-off and sustained enrollment performance

2027 State Affordability Planning

Katie Ravel, Director, Policy, Eligibility & Research

Governor's FY 26-27 Budget and Covered California Affordability Programs

The Budget includes the following appropriations for Covered California with no changes from the 2025-26 Budget:

- $190 million from the Health Care Affordability Reserve Fund (HCARF) for a program of financial assistance.
- $20.35 million from the General Fund to fund the California Premium Credit, which is a credit of $1 per member/per month to provide abortion coverage.
- $15 million from HCARF to provide payments to QHP issuers to defray the cost of providing Gender Affirming Care for Covered California enrollees.
- $2 million from HCARF for the striking worker benefit program, with authorization to increase the funding by an additional $3 million if needed.

The Governor's Budget also includes a scheduled loan repayment of $200 million from the General Fund to HCARF, stemming from a $600 million loan negotiated in the 2023 State Budget. Two additional payments of $200 million each are scheduled for the 2027 and 2028 fiscal years.

History of California's Investment in Marketplace Affordability

- The Affordable Care Act (ACA) included a requirement that individuals maintain health insurance coverage or pay a penalty. Federal law was later amended to set the penalty amount to $0 beginning in 2019.
- In 2019, California law enacted an individual mandate and penalty that mirrored the prior federal structure. The mandate became effective for tax year 2020 and is permanent.
- Also in 2019, California appropriated funds to implement a financial assistance program through Covered California for the 2020 coverage year.
- Covered California used the state appropriation to implement the California Premium Subsidy Program, becoming the first state in the nation to provide premium assistance to middle-income individuals making more than 400% FPL who were not eligible for the federal premium tax credit. Assistance was also provided to individuals under 400% FPL.
- California's state subsidy program ran until the enactment of enhanced federal tax credits under the American Rescue Plan in 2021. The enhanced federal tax credit was extended through the 2025 plan year, by the Inflation Reduction Act (IRA).
- Later state action established the Health Care Affordability Reserve Fund (HCARF) into which penalty revenue is deposited and from which appropriations are made to provide financial assistance for Covered California enrollees beginning in coverage year 2024 and ongoing.
- For plan years 2024 and 2025, HCARF dollars funded the California Cost Sharing Reduction Program.
- Following the expiration of the enhanced premium tax credit at the end of 2025, $190 million was appropriated from HCARF to reinstate the California Premium Subsidy Program. The California Cost Sharing Reduction Program is not in effect for 2026.

The 2026 California Premium Subsidy Program

The 2026 California Premium Subsidy preserves IRA-level premium subsidies for the lowest-income Covered California enrollees up to 150 percent FPL, meaning they can choose from two Silver-tier plans for $0 premium. The program also lowers the required for individuals with income between 150% and up to 165% FPL.

The program was designed to minimize enrollment loss forecast due to the expiration of the federal enhanced premium tax credit ; maximize the equitable impact of program funding; and promote year-over-year stability in the program design.

Percent of household income enrollees pay for a benchmark Silver plan (also referred to as required contribution)

Percent of FPL	2026 California Premium Subsidy Program	2026 Affordable Care Act	ARPA/IRA in effect between 2021 and 2025
Under 138%	0.0%*	2.10%	0%
138% – Under 150%	0.0%*	3.14% – 4.19%	0%
150% – At or Below 165%	3.19% – 3.91%*	4.19% – 4.91%	0% – 0.6%
Above 165% FPL, there is no additional state premium help, resulting in 2026 ACA percentages only			
Above 165% – Under 200%	N/A	4.91% – 6.6%	0.6% – 2.0%
200% – Under 250%	N/A	6.6% – 8.44%	2.0% – 4.0%
250% – Under 300%	N/A	8.44% – 9.96%	4.0% – 6.0%
300% – 400%	N/A	9.96%	6.0% – 8.5%
Over 400%	N/A	Not eligible for federal APTC	8.5%

Current Enrollees Receiving State Premium Subsidies

- As of February, nearly 375,000 enrollees are receiving state premium subsidies.
- More than 211,000 are under 150% FPL, receiving an average of $60 per member per month, maintaining the same level of affordability as under the enhanced tax credits.
- Among consumers submitting applications for coverage, plan selections are lower compared to 2025. However, for consumers eligible for state subsidies, take-up remains equivalent to 2025.

	Enrollees Receiving State Subsidy	State Subsidy Amount (PMPM)	Net Premium Amount (PMPM)
Under 150% FPL	211,500	$60	$45
150-165% FPL	163,200	$26	$84
Total	**374,700**	**$45**	**$62**

Counts reflect a snapshot of February effectuated enrollment as of April 1, 2026.

Next Steps for Developing the 2027 California Premium Subsidy Program

- Based on recent legislative hearings related to the state budget, Covered California is anticipating possible forthcoming requests for potential technical assistance related to the 2027 program design.
- The 2026 California Premium Subsidy Program will be used as the base for initial estimates for the 2027 program, pending any modifications proposed for the FY26-27 State budget.
- Covered California staff will present any required changes to the 2027 California Premium Subsidy Program based on 2027 enrollment projections. *Likely for discussion in May.*
- Covered California will request Board adoption of 2027 California Premium Subsidy Program Design Document contingent on the enacted FY 26-27 State budget. *Likely for action in June.*

PUBLIC COMMENT
Call: (877) 336-4440
Participant Code: 6981308

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