Executive Director's Report

Jessica Altman, Executive Director

August 20, 2026 Board 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 on the third Thursday of the month.

January 15
March 19
April 16
May 21
June 18
August 20
September 17
October 15 *
November 19
December 17 *

**Possibly no meeting*

Executive Director’s Report

01 Announcement of Closed Session Actions

02 Executive Director’s Update

03 State and Federal Policy/Legislative Update

04 Appendix

State and Federal Policy & Legislative Updates

Jessica Altman, Executive Director

Federal Update: Court Vacates Provision Prohibiting Coverage of Gender-Affirming Care as an Essential Health Benefit

On August 14, in *California v. Kennedy* (California I), a challenge brought by a coalition of states against the 2025 Marketplace Integrity and Affordability Rule, the federal district court in Massachusetts vacated the essential health benefits (EHB) provision that excluded coverage for certain gender-affirming care.

As previously shared with the board on June 18, this decision follows the June 12 ruling in *City of Columbus v. Kennedy* (Columbus I), in which the court struck down several major provisions of the final rule, including those related to enrollment timing, income-verification standards, premium-payment rules, actuarial value parameters, and certain FFM-specific policies.

Covered California is taking all appropriate steps to respond to the vacated provisions, including the ruling eliminating the EHB exclusion for gender-affirming care. We will work closely with consumer advocates, enrollment partners, and community-based organizations to provide clear guidance, accessible resources, and the assistance consumers need to make informed enrollment decisions.

Federal Update: Court Stays Several Provisions of the 2027 Notice of Benefit and Payment Parameters Final Rule

On July 16, 2026, in City of Columbus v. Kennedy (City of Columbus II), a challenge brought by a coalition of cities, counties and advocacy groups against the 2027 Notice of Benefit and Payment Parameters final rule, the federal district court in Maryland granted a stay of all eight contested provisions preventing them from taking effect while the case proceeds. As a result, the following provisions are stayed pending resolution of the litigation:

- Income verification requirement for applicants with tax data showing income under 100% FPL.
- Income verification requirement when tax data is unavailable.
- Expanded special enrollment period eligibility verification in the Federally Facilitated Marketplace (FFM) and State-based Marketplaces on the Federal Platform (SBM-FPs).
- Failure-to-reconcile (FTR) rules that would trigger loss of APTC for consumers who have not filed tax returns; both the one-year and two-year versions are stayed for 2027.
- Permitting bronze plans to exceed the statutory maximum out-of-pocket limit (MOOP).
- Expanded catastrophic plan eligibility for consumers under 100% FPL or above 250% FPL.
- Loosened network adequacy standards, including changes affecting FFMs, SBM-FPs, and State-based Marketplaces (SBMs).
- Elimination of standardized plan requirements and limits on non-standardized plans in the FFMs and SBM-FPs.

Covered California will continue to monitor developments and operational implications closely.

Federal Update: Public Charge Final Rule Takes Effect September 18

On July 16, 2026, the U.S. Department of Homeland Security (DHS) published a final rule rescinding the 2022 public charge regulations and returning to a broad totality of the circumstances standard; the rule takes effect September 18, 2026.

- Importantly, DHS declines to categorically exempt premium tax credits (PTCs), cost-sharing reductions (CSRs), Medicaid, or other means tested benefits from public charge consideration. PTCs were explicitly exempt in the prior version of this rule issued by the first Trump administration.
- With H.R. 1 substantially narrowing the set of immigrants eligible for PTC, the overlap between PTC eligibility and public charge now affects a much smaller portion of the immigrant population. Even with this reduced overlap, the rule may still create fear and chilling effects in immigrant communities and mixed-status families.
- Covered California is reviewing the final rule and, consistent with its consumer-facing role, is coordinating with the California Health and Human Services Agency (CalHHS) to align messaging and timing across state agencies and to direct consumers with immigration questions to trusted legal resources, while deferring to CalHHS and legal partners on broader immigration policy.

Federal Update: Covered California Comments on the Federal Essential Health Benefits Review

On July 15, 2026, Covered California submitted its comment letter in response to the U.S. Department of Health and Human Services' (HHS) Request for Information on the Essential Health Benefits framework and the "typical employer plan" standard. EHBs are the core set of health care items and services that all non-grandfathered individual and small group health plans must cover, establishing a comprehensive baseline of coverage in those markets. EHBs include 10 benefit categories, and the ACA requires their scope to be equal to the scope of benefits provided under a typical employer plan. The RFI seeks input across seven topic areas, including typicality, benchmark plan selection, affordability and cost, scope of covered benefits, updating EHB, state update processes, and market stability and implementation, to assess whether the current framework continues to reflect market conditions and support affordability and access.

- The comment letter emphasizes preserving state flexibility within the EHB benchmark framework. Covered California notes that states are best positioned to understand their markets and consumers and supports retaining the current benchmark selection and update process, which allows states to tailor benchmark plans within federal guardrails and address coverage gaps by selecting a set of benefits.
- The letter also recommends maintaining the existing two-year implementation timeline if CMS pursues changes to the EHB framework. Covered California underscores the need for adequate notice and clear guidance aligned with rate filing, product development, qualified health plan certification, and consumer communication cycles to ensure states, regulators, issuers, and Marketplaces have sufficient time to prepare and to avoid unnecessary disruption in the individual market.

Federal Update: Partnering to Amplify Our Voice on Health Care Quality and Behavioral Health Policy

- On July 3, 2026, Covered California and CalPERS submitted joint comments to HHS on the Chronic Disease of Addiction. The letter expressed support for coordinated, evidence based federal efforts to strengthen prevention, treatment, data transparency, and public health responses for individuals affected by substance use disorder, mental health conditions, and co-occurring disorders.
- On July 10, 2026, Covered California, the Department of Health Care Services (DHCS), and CalPERS submitted joint comments to the National Committee for Quality Assurance (NCQA) on the proposed 2027 Health Plan Accreditation updates. The letter supported NCQA's targeted burden reduction proposals while emphasizing the need to maintain meaningful oversight of member experience, access, and affordability. It also opposed retiring several renewal and consumer facing standards, including those related to continuity of care, provider directories, claims processing, and personalized member support.
- On July 10, 2026, Covered California, DHCS, and CalPERS submitted joint comments to NCQA on the proposed Advanced Primary Care Accreditation program. The letter recognized the value of a clearer national framework for evaluating coordinated, high quality primary care, and urged NCQA to keep the standards feasible and streamlined, better define and strengthen interoperability and data-exchange expectations, and elevate Continuity of Care as a priority measure.

Federal Update: California's Leadership in Strengthening Marketplace Program Integrity

On July 13, 2026, the U.S. Government Accountability Office (GAO) reported that CMS' existing controls do not adequately prevent unauthorized agent and broker activity in the FFM. GAO found that consent processes are inconsistently applied and do not reliably verify consumer identity, allowing agents and brokers to complete eligibility applications, plan selections, and enrollment changes without proper authorization.

- GAO also observed that certain State-based Marketplaces use stronger consumer protection controls than the FFM, including Covered California's use of one-time passcodes to verify consumer consent before an agent or broker can take action.
- Covered California has detailed its fraud prevention framework in multiple public comment letters, outlining stringent agent delegation and consumer consent requirements; AI driven identity verification and duplicate enrollment monitoring; and direct consumer authorization through portal approval, call center verification, three-way calls, or one-time passcodes. These letters also describe the Agent Agreement and Code of Conduct, graduated enforcement actions up to suspension, termination, and referral to the California Department of Insurance, continuous monitoring of complaint and enrollment trends, and an agency contracting model that holds agencies accountable for the conduct of their agents.

Federal Update: California's Leadership in Providing Technical Assistance on the Consumer Impact of Federal Policies

Using a combination of research from in-depth interviews, survey data collection, and administrative data, Covered California has published two issue briefs detailing the consumer impacts to recent federal marketplace changes. The briefs are available on Covered California's HBEX Data & Research page.

Californians Terminate Marketplace Coverage at Higher Rates Due to Expiration of the Federal Enhanced Premium Tax Credit, Many Going without Health Insurance in 2026

Coverage at Risk: Many of California's Lawfully Present Non-Citizens Will Lose Eligibility for Federal Financial Assistance in 2027

State Budget Action

On June 29, 2026, the Governor signed the following budget-related bills: AB 109 (Gabriel, Chapter 19, Statutes of 2026), SB 111(Laird, Chapter 21, Statutes of 2026) and SB 164 (Committee on Budget, Chapter 27, Statutes of 2026). These bills provided appropriations for Fiscal Year 2026-27 and statutory language needed to effectuate changes in health policy.

There were no changes to the previously proposed appropriations for Covered California. AB 109 and SB 164 provide the following appropriations and statutory language for Covered California's state budget items, including:

- Appropriation of $300 million in Health Care Affordability Funds (HCARF) for the Covered California State Subsidy Program. This is an increase of $110 million from the appropriation for the 2026 plan year with the intention to expand the state premium subsidy program to enrollees up to 200 percent of the Federal Poverty Level.
- Transfer of $20.350 million in funding obligation for the California Premium Credit ($1pmpm) from the General Fund to HCARF.
- Appropriation of an additional $13.424 million in HCARF funds for the purpose of defrayal of cost for Gender Affirming Care in plan year 2026 and a total of $28.424 million for the 2027 plan year.

State Budget

SB 111 included budgetary provisions agreed upon by the Legislature and Governor after the passage of AB 109. However, final decisions regarding other healthcare-related provisions include the following:

- Authorizes DHCS to seek federal approval to continue a federally compliant MCO tax.
- Appropriates funds to enable qualified non-citizens (lawfully present immigrants) to keep full-scope Medi-Cal benefits through July 1, 2027.
- Delays the implementation of Medi-Cal premiums for individuals with Unsatisfactory Immigration Status (UIS), requiring the Governor's 2027-28 May Revision to set the amount of the premium between $30 to $50 per month, effective July 1, 2027.
- Delays the elimination of dental benefits for those with UIS
- Transitions individuals with UIS from managed care to fee-for-service, and appropriates funds for care coordination and other services, as well as care navigation through clinics and community-based organizations.
- Provides approximately $197M in FY 2026-27 for county eligibility workload related to HR 1 implementation.

The Governor and Legislature can continue to enact changes to this budget through additional Budget Bills and Trailer bills until the end of the session on August 31.

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.

Written comments can be submitted to *BoardComments@covered.ca.gov*

Appendix

Appendix: Table of Contents

Service Center Update

Comparing June 2026 vs. 2025 Call Statistics

Year	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
2026	204,837	143,605	1.61%	141,260	0:00:54	0:20:41	71.79%
2025	227,589	154,758	2.67%	150,475	0:01:35	0:21:08	65.34%
Percent Change	10% Decrease	7% Decrease	40% Decrease	6% Decrease	43% Decrease	2% Decrease	10% Increase

- The total Calls Offered decreased from 2025 by 7%.
- Calls Handled decreased from 2025 by 6%.
- The Abandoned % decreased from 2025 by 40%.
- Service Level increased from 2025 by 10%.

June Weekly Quick Sort Transfers

Week 1	Week 2	Week 3	Week 4	Week 5	Total
06/01 – 06/06	06/07 – 06/13	06/14 – 06/20	06/21 – 06/27	06/28 – 06/30	
985	956	817	1,050	599	4,407

**Partial Week – All Covered CA Service Centers were closed Monday, February 16, 2026, in observance of President's Day.*

June Consortia Statistics

SAWS Consortia	Calls Offered	Service Level %	Calls Abandoned %	ASA
CalSAWS	2,594	87.78%	1.89%	0:00:38

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

Improving Customer Service

- OE 2027 Planning efforts in place with focus on forecasting, scheduling, training and ramp up for Surge Vendor

Enhancing Technology Solutions

- Strategic Innovation and Implementation (SI&I) collaborated with CCIT to deploy autogenerated notes within Salesforce

Staffing Updates

- Vacancy rate of 4.8 percent (2026) comparable to prior year of 6.3 percent (2025)

Covered California for Small Business Update

COVERED CALIFORNIA FOR SMALL BUSINESS

Membership Updates – **August 2026**

Group Membership

- **Total Groups**: 9,738
- **Total Members**: 80,518
- **Retention Numbers:** 88%
- **Average Group Size**: 8.3 members

Operational Updates

- **Agents Writing CCSB Business:** 2,575
- **Membership by Health Plans:**
  - **Blue Shield of California:** 35,197
  - **Kaiser Permanente:** 41,970
  - **Sharp Health Plan:** 3,351
  - **Delta Dental:** 9,204 (*not included in total member count*)
- **Year-to-Date (YTD) New Sales**: 7,256
- *Membership reconciled through 07/15/2026*

CCSB Welcomes Back Western Health Advantage for 2027 Plan Year

Western Health Advantage Returns to Covered California for Small Business

- **Expanded Choice and Affordability:** Enhancing access to competitive, quality coverage for small businesses in Sacramento and North Bay regions.
- **Availability Timeline:** Plans available for quoting in October for January 1 effective dates.
- **Looking Ahead:** Excited to deliver added value to brokers and employer groups, with more details about 2027 plans coming soon.

Current CCSB Health Plan Partners

CalHEERS Update

Dotcom | Code Freeze Schedule

Dotcom Code Freeze Rollout

In June, the Digital Experience Team began a phased code and content freeze to support migration, testing, and site stability for the redesigned CoveredCA.com, while keeping the public site available and deferring non-critical changes until after launch.

Phase 1: Soft Freeze — June 16

Routine cosmetic enhancements and other non-essential updates are paused so the team can focus on launch preparation.

Phase 2: Hard Freeze — July 27

Only changes required for launch readiness, legal compliance, or critical business needs will be approved with manager involvement.

Phase 3: Total Freeze — Aug. 17

Changes stop unless urgently needed, helping ensure the current site is stable through launch of new site.

This is being done to maintain consistent consumer support, ensure a clean migration, and reduce risk before go-live.

Outreach and Sales Update

Uncompensated Partners Supporting Enrollment Assistance Efforts

Enrollment Assistance Program	Entities	Counselors
Certified Application Counselor	188	1,332
Plan-Based Enroller	11	835
Medi-Cal Managed Care Plan	3	35

Outreach and Sales Non-English Enrollment Support

DATA AS OF JULY 3, 2026

12,584 Certified Insurance Agents
- 20.8% Spanish
- 10.4% Chinese
- 4.1% Vietnamese
- 4.4% Korean
- 20.6% Other Languages

1,278 Navigator: Certified Enrollment Counselors (CEC)
- 31.0% Spanish
- 4.2% Chinese
- 1.5% Vietnamese
- 0.3% Korean
- 3.1% Other Languages

1,332 Certified Application Counselors (CAC)
- 26.5% Spanish
- 1.7% Chinese
- 0.3% Vietnamese
- 0.1% Korean
- 1.3% Other Languages

835 Certified Plan-Based Enrollers (PBE)
- 6.1% Spanish
- 1.1% Chinese
- 0.6% Vietnamese
- 0.4% Korean
- 0.7% Other Languages

35 Certified Medi-Cal Managed Care Plan Enrollers (MMCPE)
- 14.3% Spanish
- 3.0% Chinese
- 3.0% Vietnamese
- 0.0% Korean
- 2.9% Other Languages