COVERED CALIFORNIA BOARD MINUTES
Thursday, June 18, 2026
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 11:30 a.m.

Board Members Present During Roll Call:

Craig Cornett
Jerry Fleming
Deborah Kelch
Mayra Alvarez
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 and personnel matters pursuant to Government Code Section 100500(j), and 11126(a).

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

At this time, Chairwoman Johnson left the meeting.

Agenda Item III: Board Meeting Action Items

Action – May 21, 2026 Meeting Minutes

Board Comment: None.

Public Comment: None.

Motion/Action: Ms. Alvarez called for a motion to approve the May 21, 2026, meeting minutes. Mr. Cornett moved to approve the meeting minutes. The motion was seconded by Ms. Alvarez.

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

Action – Board Committee Appointments: Personnel Committee and Audit Committee

Ms. Alvarez stated that, with Ms. Kelch joining the Board, two committees needed to be updated because each currently had only one member. She proposed to appoint Ms. Kelch to the Personnel Committee to serve alongside Ms. Alvarez and to the Audit Committee to serve alongside Mr. Cornett.

Board Comment: None.

Public Comment: None.

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

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

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 personnel and contracting. There were no items to report.

Discussion – Executive Director's Update

Ms. Altman welcomed Ms. Kelch to the Board and expressed appreciation for her willingness to serve. She recognized Kevin Patterson, Executive Director of Connect for Health Colorado, who was attending to learn more about Covered California and observe how the Board process operates. Ms. Altman also announced that Doug McKeever, Chief Deputy Executive Director of Program had formally shared his retirement plans and noted that he would remain with the organization through the end of the year.

Ms. Altman announced that the next Board meeting is scheduled for August 20th.

Next, Ms. Altman explained that a new pilot program, United for San Diego, was created through a partnership with the Price Philanthropies Foundation to provide a six-month premium credit for the rest of the 2026 plan year in the San Diego region. She noted the program is intended to lower costs for former Covered California enrollees who were in active care in 2025 but became uninsured in 2026 following the expiration of the enhanced premium tax credits and noted that outreach is already underway.

Discussion – State and Federal Policy/Legislative Update

Ms. Altman explained that the Legislature had passed Assembly Bill (AB) 109, adopting the $356 billion state budget which included the funding anticipated for Covered California consumer assistance programs under the Governor's May Revision. She noted that other Covered California-related budget items remained level funded and unchanged.

Ms. Altman reported that Covered California had provided technical assistance on AB 1907, which would expand the Senate Bill 260 auto-enrollment process to include individuals who are evaluated for Medi-Cal and found ineligible, in addition to those losing Medi-Cal eligibility. She explained that the measure would allow those individuals to transition to Covered California through the same streamlined and supported process.

Ms. Altman further reported that Covered California would be joining marketplace leaders from across the country at the State Marketplace Network Summer Forum to discuss evolving federal policy, operational decisions, and implementation issues. She outlined several recent federal developments, including the expiration of the enhanced premium tax credits, provisions in House Resolution (H.R.) 1, and two separate Centers for Medicare & Medicaid Services (CMS) regulations affecting the 2026 and 2027 plan years. She explained that a recent court ruling vacated portions of the 2025 Marketplace Integrity and Affordability final rule, including the provision that would have required State-based Marketplaces to shorten open enrollment to no longer than nine weeks ending by December 31st. Ms. Altman indicated that Covered California now expects to return to a full three-month open enrollment period for 2027 rather than a shortened two-month period. She added that the court also vacated other provisions related to more burdensome verification requirements and consumer enrollment processes, although the full effect remains uncertain because many similar provisions were also included in the 2027 Notice of Benefit and Payment Parameters.

Ms. Altman summarized the finalized 2027 Notice of Benefit and Payment Parameters final rule as containing broad policy and operational changes, including stricter verification requirements, higher out-of-pocket costs for some consumers, greater encouragement of less generous plan options such as catastrophic coverage, and a new annual State Exchange Improper Payment Measurement process. She noted that Covered California had helped pilot that payment accuracy process and is prepared for its implementation, while also monitoring related litigation that could affect whether some provisions take effect for plan year 2027. Finally, she highlighted a new CMS request for information (RFI) on the Essential Health Benefits framework, explaining that California would closely monitor how the federal government may reconsider benchmark standards because of the potential implications for consumer benefits in California and nationwide.

Board Comment: Mr. Cornett asked whether the recent court ruling might affect enrollment modeling, broader timelines, or budget assumptions.

Ms. Altman replied that Covered California had not developed a specific estimate of enrollment loss tied solely to a shortened open enrollment period, given the number of overlapping federal and operational changes, but indicated that preserving the longer open enrollment period would be beneficial.

Mr. Cornett asked whether an expected appeal might still be resolved in time to affect the 2027 open enrollment period.

Ms. Altman responded that an appeal is expected, but Covered California does not anticipate a ruling on appeal in time to affect the 2027 open enrollment period.

Ms. Kelch asked whether Covered California anticipates submitting comments on the Essential Health Benefits RFI.

Ms. Altman confirmed that Covered California does plan to submit comments.

Discussion – Data and Research

Emory Wolf, Assistant Deputy Director of the Policy, Eligibility & Research Division, presented that Covered California plans to publish a data product on its website by the end of the month summarizing disenrollment volumes and termination rates across demographic categories. She explained that, while administrative data shows how many members leave coverage, survey data is needed to understand what coverage status consumers have afterward and how termination affects affordability and access to care. Focusing on members who ended coverage at the close of the 2025 plan year, she reported that 22 percent were uninsured by spring, about double prior years' rate, and estimated that roughly 82,000 of the approximately 300,000 disenrolled members were now uninsured.

Ms. Wolf further explained that uninsured former members reported significant barriers to care, with many indicating they would skip preventive services, screenings, or even urgent care because of cost. She stated that healthcare expenses were a source of financial stress for a large majority of these consumers, and that many expected to sacrifice basic household needs or take on debt to pay for medical care while uninsured. She also emphasized that about three-quarters of uninsured former members indicated they would have remained enrolled if premiums had stayed closer to the prior year's levels.

Ms. Altman expressed appreciation to the team for helping capture the human impact behind the coverage data, emphasizing that this work is essential to understanding the realities facing consumers.

She noted that, while the uninsured figures are difficult, conditions would be worse without the steps California has taken to protect coverage and affordability. Ms. Altman also pushed back on the national narrative that marketplace coverage losses are primarily the result of removing ineligible enrollees, stressing that the survey responses reflect real people experiencing real harm due to affordability challenges.

Board Comment: Ms. Kelch commended the team for highlighting the real-world impact of coverage loss and emphasized the importance of this work. Ms. Kelch noted that, while California remains ahead of where it had been in the past, the trends represent a troubling step backward. She added that this type of information is essential both to counter misinformation and to humanize the consequences facing affected consumers.

Mr. Cornett emphasized that, while the data is critically important, the fuller human story behind the numbers is even more powerful. He noted particular concern about the finding that 30 to 40 percent of affected individuals may forgo needed care. Mr. Cornett further observed that some of those individuals may ultimately turn to emergency rooms for care and expressed concern that hospitals may increasingly begin to see and report those impacts.

Public Comment: Cary Sanders, representing the California Pan-Ethnic Health Network, stated that the survey findings were heartbreaking and underscored the real harm caused by H.R. 1 and the loss of enhanced subsidies, particularly for consumers with complex health needs who can no longer afford coverage.

Christine Smith, representing Health Access California, expressed support for the pilot partnership with the Price Philanthropies Foundation.

Doreena Wong, representing Asian Resources, Inc., aligned her remarks with the previous comments. Ms. Wong also expressed strong support for the return to a three-month open enrollment period.

Agenda Item V: Covered California Policy and Action Items

Action – Covered California's Proposed Fiscal Year 2026-2027 Budget

Jim Watkins, Chief Financial Officer and Director of the Financial Management Division, presented the proposed fiscal year 2026–2027 budget. He explained that Covered California moved beyond its traditional incremental budgeting approach and undertook a six-month strategic review of every line item, including elements of zero-based budgeting in some divisions. As a result of that review, the proposed budget reflects baseline adjustments of approximately $22 million and an overall year-over-year decrease of about 2.8 percent.

Mr. Watkins also described Covered California's fund structure, revenue model, and reliance on enrollment forecasting to support budget development as an enterprise-funded organization. He noted that most operating revenue comes from participation fees on the individual and small business markets, with additional revenue from interest earnings, and emphasized that enrollment, premiums, and participation fees all affect projected revenues. He outlined multiple forecast scenarios reflecting the expiration of enhanced subsidies, implementation of H.R. 1, and federal regulatory changes, while noting significant uncertainty due to ongoing litigation and evolving policy assumptions. He further stated that, despite projected enrollment declines and reduced member months, Covered California does not face insolvency under any of the forecast scenarios reviewed over the five-year period.

Mr. Watkins reported that the proposed budget totals approximately $482.3 million, including a technical adjustment of about $1 million for retirement-related compensated absences and about $8 million in budget augmentations for items such as vendor transitions, strategic planning, marketing analysis, a new Data and Insights Office, service center hearing costs, and legal software. He concluded by recommending Board approval of the operating and capital budget, authorization for the Executive Director to make adjustments within the approved expenditure authority, and adoption of participation fees for plan year 2027 of 1 percent for individual market qualified health and dental plans and 4.25 percent for Covered California for Small Business plans.

Board Comments: Ms. Alvarez thanked Mr. Watkins for his detailed presentation and expressed appreciation for his efforts to make the budget information manageable for the Board.

Mr. Cornett thanked Mr. Watkins for the presentation. He stated that the team had done a strong job under difficult circumstances and had presented the budget in a thoughtful, analytically sound, and supportable manner.

Ms. Kelch echoed the appreciation expressed for Mr. Watkins's work and noted that, as a new Board member, she was grateful for his willingness to walk her through the budget.

She expressed appreciation for both the quality of the analysis and the attention given to the participation fee, noting that even a relatively small reduction can still meaningfully affect affordability.

Public Comment: Ms. Sanders expressed appreciation for the work reflected in the proposed budget and voiced support for investments in communications, policy research, marketing, the service center, and outreach and sales during a particularly confusing and rapidly changing period.

Ms. Smith stated that Health Access California supports the proposed Covered California budget and the proposed subsidy program based on increased Health Care Affordability Reserve Fund (HCARF) investment.

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

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

Action – 2027 State Premium Subsidy Program Design

Katie Ravel, Director of the Policy, Eligibility, and Research Division, presented the proposed 2027 Premium Subsidy Program and noted that, with the pending $300 million appropriation from the HCARF, Covered California would be able to preserve Inflation Reduction Act-level premium assistance for Californians with incomes up to 150 percent of the federal poverty level (FPL), allowing them to continue accessing Silver-tier plans at zero premium. She further explained that the program would increase premium assistance for individuals between 150 and 165 percent of the FPL and expand eligibility for state subsidies to individuals with incomes up to 200 percent of the FPL. Ms. Ravel noted that the program is intended to build on the 2026 design by minimizing enrollment loss, maximizing the equitable impact of funding, and promoting year-over-year stability.

Ms. Ravel also highlighted the projected consumer benefits of the proposal, stating that more than 500,000 consumers are expected to receive assistance in 2027.

She added that the program is projected to reduce average premiums for newly eligible consumers from about $130 per month to just under $100 and to prevent approximately 90,000 individuals from dropping coverage. She explained that the subsidy would be implemented by reducing required benchmark plan contributions, including setting the required contribution at zero percent for individuals under 150 percent of the FPL and reducing it by 1.5 percentage points for individuals between 150 and 200 percent of the FPL.

Ms. Ravel further explained that the program is formalized through a program design document, which outlines enrollee contribution amounts, eligibility rules, the subsidy calculation methodology, reconciliation procedures with the Franchise Tax Board, and key definitions. She stated that staff were seeking Board approval of the proposed design document and direction to finalize it after adoption of the state budget and release of final federal required contribution figures for 2027. She concluded that, once finalized, the design would be submitted to the Joint Legislative Budget Committee, posted publicly, and implemented for the 2027 coverage year.

Board Comments: Ms. Kelch expressed appreciation for the high quality of the analysis, noting that it provided a strong foundation for decision-making on an issue that is both emotional and politically fluid. She stated that the use of solid analysis and scenario-based thinking was especially valuable in navigating the topic.

Public Comment: Ms. Sanders expressed strong support for the proposal and appreciation for the additional funding, noting that it would have an important impact.

Motion/Action: Ms. Alvarez called for a motion to approve the action item. Ms. Kelch 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.

Action – Revised 2027 Standard Benefit Designs

David Bishop, Deputy Director of the Plan Management Division, provided an update on the revised 2027 Standard Benefit Designs, noting that since the Board's approval in April, federal guidance required several technical adjustments. He explained that following the final Notice of Benefit and Payment Parameters, Covered California reduced the catastrophic maximum out-of-pocket limits from $15,600 to $12,000 for an individual and from $31,200 to $24,000 for a family. He also noted that updated Internal Revenue Service guidance for 2027 high-deductible health plans required further reductions to the maximum out-of-pocket limits from $8,800 to $8,700 for an individual and from $17,600 to $17,400 for a family.

Mr. Bishop further stated that a small revision was made to the Bronze 60 and catastrophic plans to make them eligible for health savings accounts under H.R. 1. He concluded by noting that no other changes were proposed beyond those included in the Board packet and that staff was requesting formal Board approval of the revised 2027 Patient-Centered Benefit Designs.

Board Comments: None.

Public Comment: None.

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

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

Action – Proposed Enrollment Assistance and Certified Application Counselor Permanent Regulations

Robert Kingston, Director of the Outreach and Sales Division, presented that the proposed regulatory changes are intended to support tribal sponsorship by allowing tribal organizations that also serve as Covered California certified enrollment partners to make premium payments on behalf of consumers, accept premium payments from consumers, and enter that payment information into the system. He noted that Covered California developed the changes in collaboration with the Tribal Advisory Workgroup, tribal organizations, and urban Indian certified enrollers, and he expressed appreciation for staff who conducted statewide outreach on the issue.

Mr. Kingston also stated that the regulatory package includes revisions to make the regulations gender neutral. He reported that the proposed regulations were discussed at the March Board meeting and that no public comments were received during the 45-day public comment period. He concluded by requesting formal Board adoption of the regulation package so it could be transmitted to the Office of Administrative Law.

Board Comments: Mr. Cornett expressed support for the item and stated that he had no concerns. He then asked for clarification on whether Covered California has greater permanent rulemaking flexibility under state law than other entities.

Brandon Ross, General Counsel, confirmed that Covered California's enabling statute provides somewhat different regulatory authority than that of other entities. He explained that Covered California has limited authority to adopt emergency regulations but must proceed through the full permanent rulemaking process once the emergency period has passed.

Public Comment: None.

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

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

The meeting adjourned at 2:05 p.m.