



Executive Director's Report

Jessica Altman, Executive Director
Covered California Board Meeting

May 21, 2026



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
July 16 *
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** Data and Research



State and Federal Policy & Legislative Updates

Jessica Altman, Executive Director

The Governor's May Revision

On May 14, Governor Newsom released the May Revision for the Fiscal Year 2026-27 State Budget. The proposed budget spending is approximately \$394.4 billion in total state funds. The Governor's Budget and May Revision included actions to close an expected \$2.9 billion structural deficit in this fiscal year, balance both the 2026-27 budget and the 2027-28 budget, and contribute to the Budget Stabilization Account to address future shortfalls.

Proposals in the May Revision related to Covered California include:

- 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 Governor's Budget for Covered California 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 \$26.846 million in HCARF funds for the purpose of defrayal of cost for Gender Affirming Care. This is intended to be used in both the 2026 and 2027 plan years and marks an addition from the \$15 million that was originally appropriated for 2026 and the \$15 million that was in the Governor's Budget for the 2027 plan year.

The Governor's May Revision (cont.)

The May Revision also includes notable proposals related to the Medi-Cal program, including:

- Increased monthly premium for adults with unsatisfactory immigration status (UIS) from \$30 to \$50.
- Transition of Individuals with UIS to Fee-for-Service.
- A 9-month delay in transitioning qualified non-citizens from full-scope to restricted-scope Medi-Cal. This transition will begin July 1, 2027, rather than January 1, 2027, as proposed in January.
- Reductions in Medi-Cal spending due to federal changes in lawfully present immigrant eligibility, work and community service requirements, redetermination timelines, and retroactive coverage periods.
- A proposal to seek renewal of the Managed Care Organization (MCO) tax effective January 1, 2027. This extension will need to comply with new federal requirements.

The proposals set forth in the May Revision are subject to negotiation with the California Legislature. The Legislature has until June 15th to pass a balanced budget for the Governor to subsequently act upon.

Federal Update: State-Based Marketplace Network Fly-In

- In April, Covered California joined state-based marketplaces from around the country in a State Marketplace Network Fly-In to Washington, DC.
- Covered California, along with the other state-based marketplaces, met with representatives from Congressional leadership and committees of jurisdiction, as well as federal administration officials representing the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, and the Center for Consumer Information and Insurance Oversight.
- Covered California also met with members of the California Congressional delegation to share the latest updates from California and inform the policy dialogue surrounding health coverage and care.
- Federal officials continue to look to state-based marketplaces as credible, authoritative voices on policy matters related to the marketplaces. As part of the State Marketplace Network, Covered California and other state marketplaces will continue to inform the ongoing federal policy dialogue.

Federal Update: Final 2027 Notice of Benefit and Payment Parameters

- On May 15, the Centers for Medicare & Medicaid Services (CMS) issued the final 2027 Notice of Benefit and Payment Parameters, adopting much of what it proposed earlier this year and finalizing wide-ranging Marketplace and insurance reforms, including provisions tied to H.R. 1 and aspects of the prior Marketplace Integrity and Affordability Rule.
- The final rule expands lower-premium, higher cost-sharing coverage options, tightens verification and related eligibility processes, and makes other changes affecting plan design, consumer protections, and state flexibility; some policies originally proposed for 2027 were delayed until 2028, and some proposals were not finalized.
- At a high level, these changes increase consumer burden and operational complexity and continue a federal shift toward less standardized and less protective coverage options, raising important questions for Marketplaces regarding access, affordability, quality, and market stability.
- Covered California is continuing to analyze the final rule, assess implementation impacts, and work with its partners to support operationally feasible implementation that preserves appropriate state flexibility, advances program integrity without creating unnecessary barriers to coverage, and helps limit harm to consumers and the market.

State Update: Partnering with DMHC on Drug Reporting Requirements

On April 27, Covered California submitted [comments](#) to the Department of Managed Health Care (DMHC) on its proposed regulations implementing prescription drug reporting requirements under SB 17 (Hernandez, Chapter 603, Statutes of 2017). In its letter, Covered California strongly supported the DMHC's transparency objectives and recommended refinements to ensure the reporting is more meaningful for the individual market, specifically:

- Line of business reporting: Requiring plans to report data by line of business, with federal Health Insurance Oversight System (HIOS) IDs, so that individual market products can be distinguished from other commercial coverage.
- Drug costs and rebate methodology: Clarifying that gross drug-level costs have limitations for directly tying drugs to premium impacts and permitting the use of reasonable approximations of net costs when detailed rebate information is not available.



Data and Research

Isaac Menashe, Deputy Director for Evaluation & Research
Policy, Eligibility & Research Division

Special Enrollment Period Enrollment Trends – Early Results

Plan selections under Special Enrollment Period (SEP) during February, March, and April show early affordability trends that are similar to what was observed during the Open Enrollment for 2026:

- Net plan selections during SEP are down by approximately one-third compared to 2025
- Bronze comprises a larger share of new plan selections
- Consumers found eligible are less likely to convert, across both self-enrolling consumers and those who are automatically placed in a lowest-cost silver plan after transitioning from Medi-Cal

None of these trends show for the lowest-income consumers who retain similar affordability to 2025 due to the 2026 state subsidy program.

Special Enrollment Period Enrollment Reduced – Similar to Open Enrollment

Plan selections under SEP during February, March, and April for enrollees with incomes over 138% of the Federal Poverty Level (FPL) have fallen by 26% in 2026 compared to 2025.

Plan Selections during SEP from February through April, by Year and Income as a Percentage of FPL

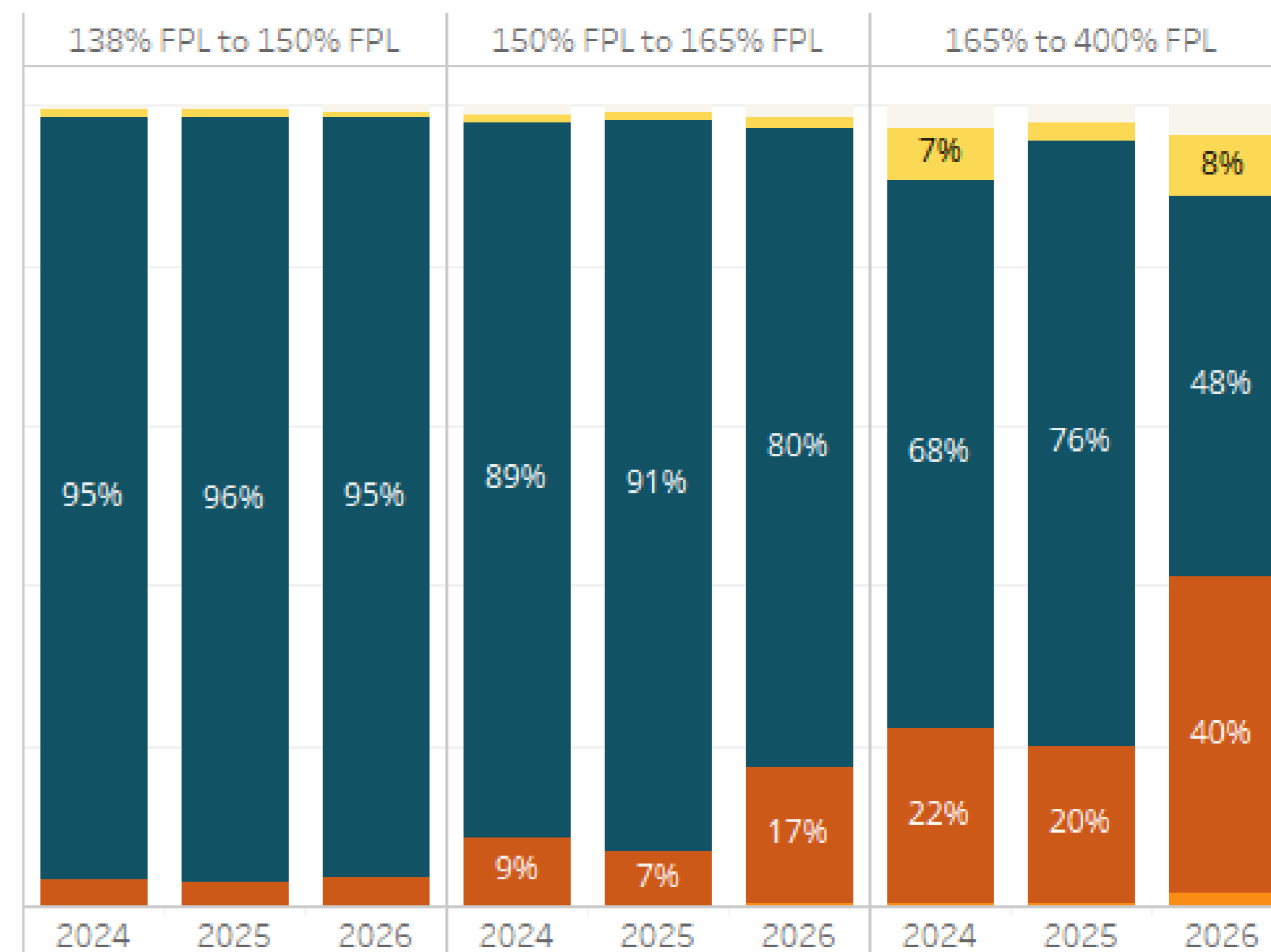
Income	2024		2025		2026		2026 v. 2025	
	Enrollees	Column %	Enrollees	Column %	Enrollees	Column %	Difference	% Change
138% FPL to 150% FPL	15,032	9%	17,501	11%	19,046	17%	1,545	9%
150% FPL to 165% FPL	18,925	12%	16,776	11%	16,404	14%	-372	-2%
165% FPL to 200% FPL	30,125	19%	33,236	22%	21,263	19%	-11,973	-36%
200% FPL to 250% FPL	31,373	20%	25,007	16%	17,181	15%	-7,826	-31%
250% FPL to 400% FPL	43,019	27%	41,947	27%	31,219	27%	-10,728	-26%
400% FPL or greater	19,999	13%	19,950	13%	9,332	8%	-10,618	-53%
Grand Total	158,473	100%	154,417	100%	114,445	100%	-39,972	-26%

Enrollment data as of May 1, 2026. Table excludes consumers with incomes under 138% of the Federal Poverty Level (FPL) or with unknown income.

Special Enrollment Consumers Are Choosing Bronze Plans

- Choice of metal level among SEP sign-ups in February, March, and April of 2026 echo Open Enrollment patterns, showing a shift towards Bronze plans.
- Forty percent of consumers with incomes between 165% and 400% of the FPL chose Bronze plans, twice the rate of 2025.
- However, for those with income between 138% and 150% of FPL who retained enhanced affordability thanks to state subsidies, the shift to Bronze is not evident.

Metal Tier as a Share of Total SEP Plan Selections from February through April, by Year and Income as Percentage of the FPL

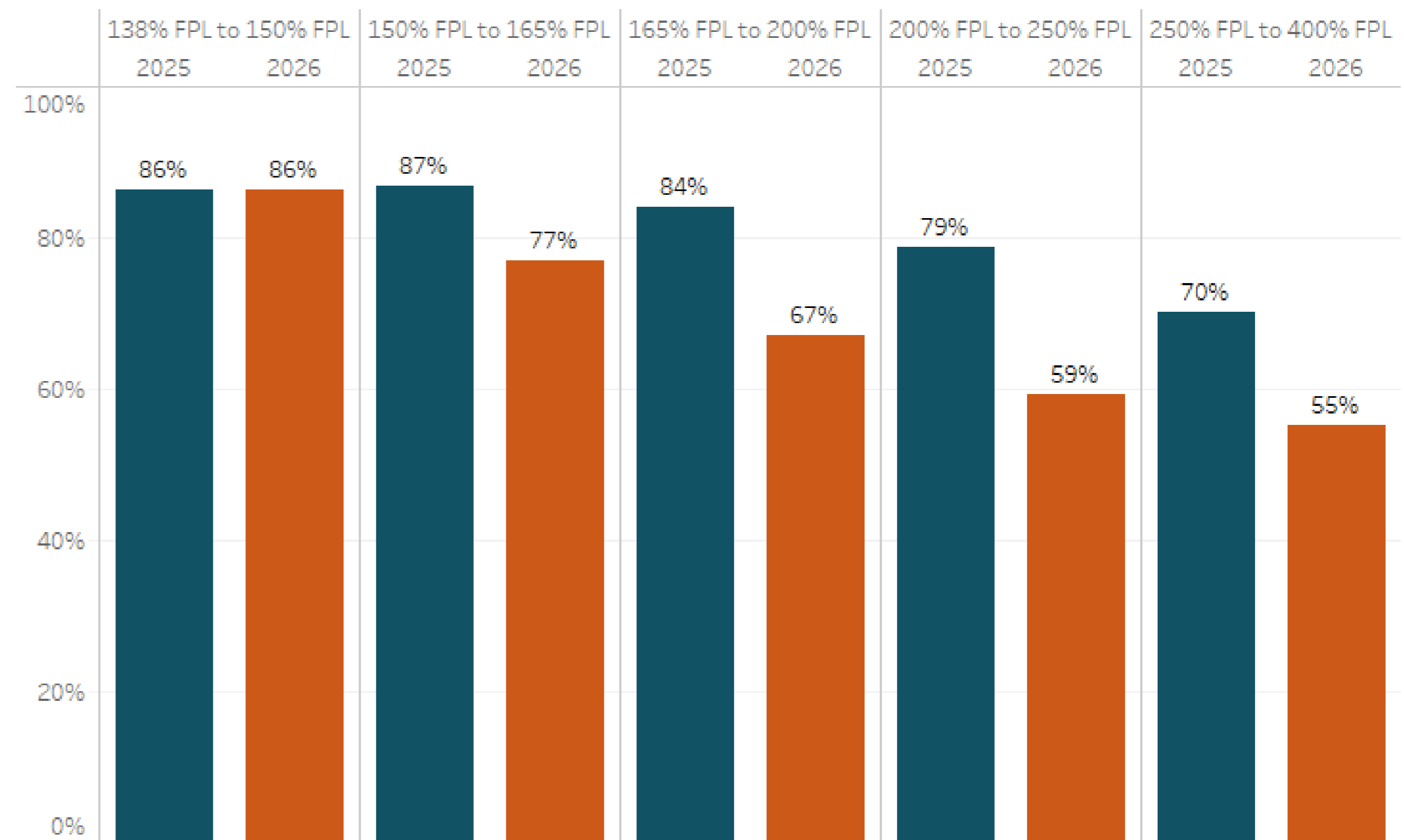


Special Enrollment Period Applicants More Likely to Hesitate After Being Found Eligible for Subsidies

- Among consumers who applied on their own and were found eligible for subsidies through a SEP during February, March, and April – but are not eligible for additional state subsidies – the plan selection rate fell from 76% to 59% overall combined for incomes from 165% to 400% FPL.

Plan Selection Rate during SEP from February through April, by Year and Income

Subsidized individuals who applied without assistance, such as a broker or navigator; income shown as a Percentage of FPL



Affordability for Those Transitioning from Medi-Cal

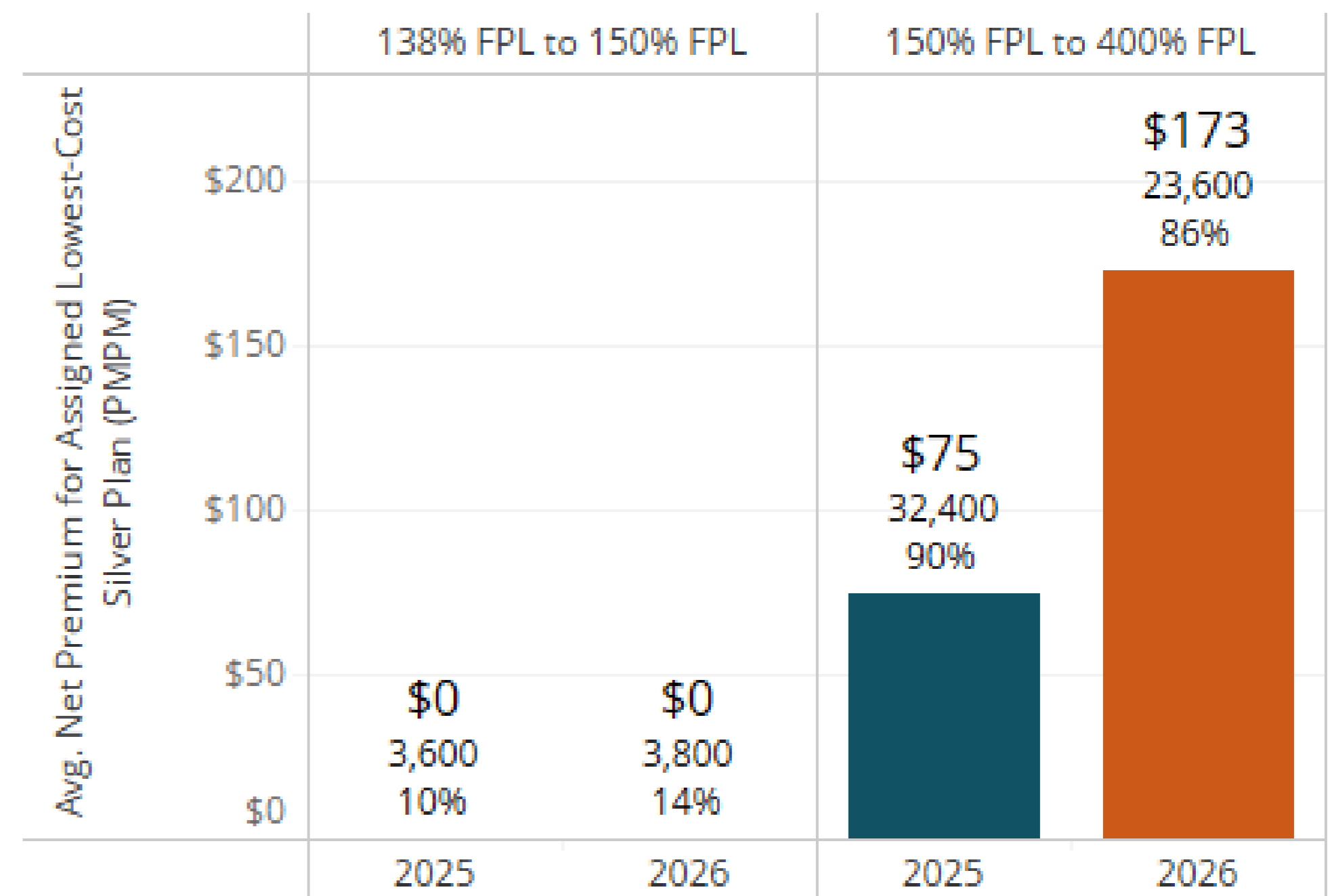
Californians who transition to Covered California after a loss of Medi-Cal undergo automated plan selection into the lowest cost silver plan.

Early results through March demonstrate the affordability challenges for these transitioning consumers to retain continuous coverage:

- Consumers with incomes over 150% of FPL are facing average lowest-cost silver plan premiums of \$174 in 2026, up from \$75 for the same population in 2025.
- Consumers with incomes between 138% and 150% of the FPL at the time of transition and who receive state subsidies that retain the level of affordability seen in 2025 are facing premium costs for their assigned silver plan that are lower (\$9 in 2026 compared to \$18 in 2025).

Premiums for Medi-Cal Transitioners from January through March, By Year and Income

Labels indicate premiums per-member, per month (PMPM) net of subsidies for lowest-cost silver plan, average count of transitioners per month from January through March, and share of consumers by income as a percentage of the FPL for year shown



Data is as of 5/13/2026. Premiums are per member, per month premiums net of tax credit for automatically assigned lowest-cost silver plan for households without an existing enrollment.

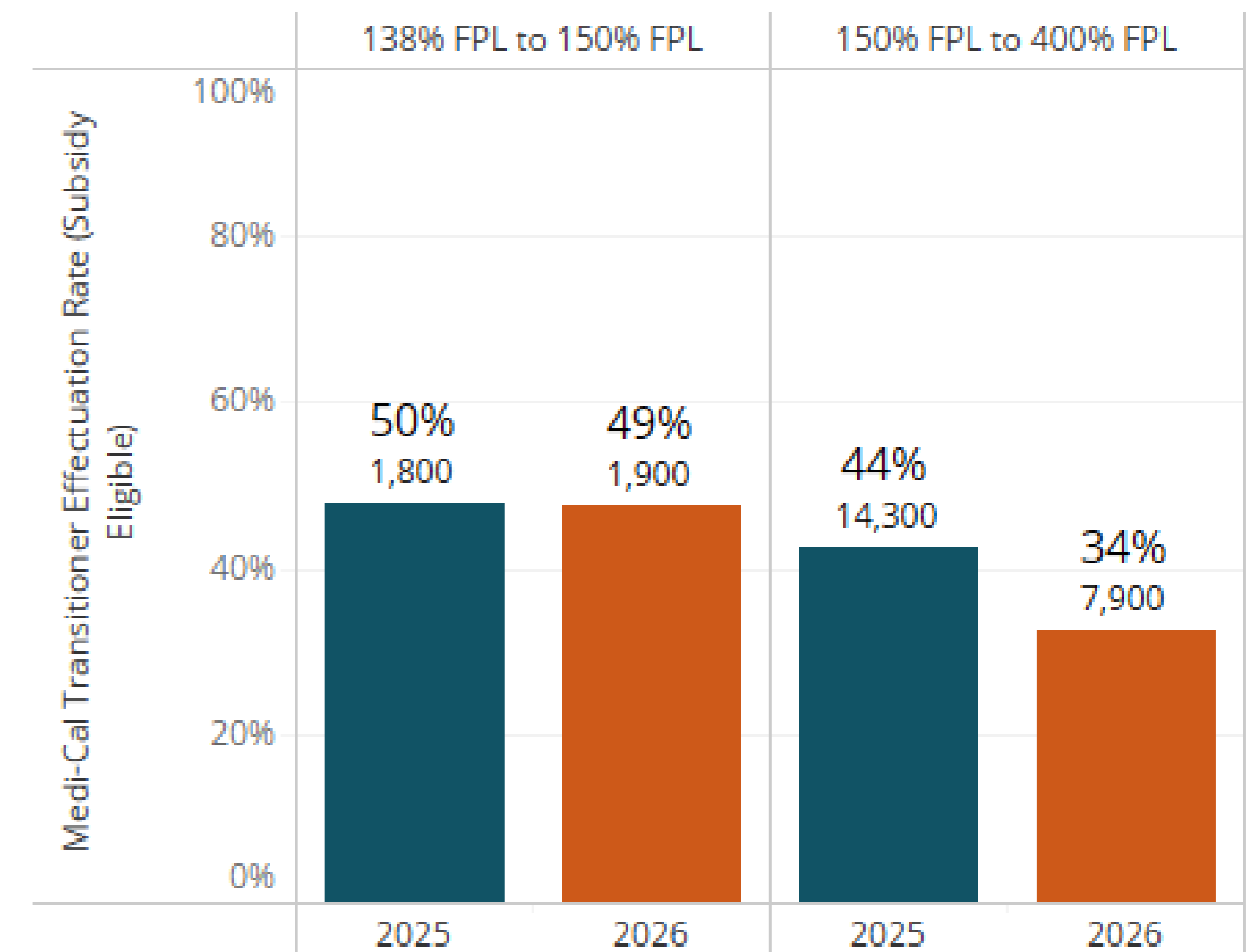
Coverage Continuity for Those Losing Medi-Cal Appears to Be at Risk in 2026

Effectuations among consumers transitioning from Medi-Cal to Covered California have been significantly affected by the expiration of enhanced premium tax credits at the end of 2025. For the first three months of the year:

- Effectuation rates for consumers with incomes over 150% of the FPL have decreased from 44% in 2025 to 34% in 2026.
- Effectuation rates for consumers with incomes between 138% and 150% of the FPL – who retain the level of affordability from 2025 – remain roughly steady, at 49% in 2026 compared to 50% in 2025.

Effectuation Rates for Medi-Cal Transitioners from January through March, By Year and Income

Labels indicate effectuation rate among Medi-Cal transitioners receiving auto plan selection (APS), and average count of effectuating transitioners per month from January through March, by income as a percentage of the FPL.



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

- 01** Service Center Update
- 02** Covered California for Small Business Update
- 04** Outreach and Sales Update



Service Center Update

Comparing April 2026 vs. 2025 call statistics

Year	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
2026	408,513	233,403	9.10%	205,237	0:16:28	0:20:51	11.74%
2025	365,645	225,171	8.23%	203,949	0:07:03	0:20:15	20.80%
Percent Change	12% Increase	4% Increase	11% Increase	1% Increase	134% Increase	3% Increase	44% Decrease

**For 2024, Comparable: Some data may be unavailable due to AWS system transition.*

- ❑ The total Calls Offered increased from 2025 by 4%.
- ❑ Calls Handled increased from 2025 by 1%.
- ❑ The Abandoned % increased from 2025 by 11%.
- ❑ Service Level decreased from 2025 by 44%.

April Weekly Quick Sort Transfers

Week 1	Week 2	Week 3	Week 4	Week 5	Total
04/01 - 04/04	04/05 - 04/11	04/12 - 04/18	04/19 - 04/25	04/26 - 04/30	
496	858	762	1,008	1,048	4,172

April Consortia Statistics

SAWS Consortia	Calls Offered	Service Level %	Calls Abandoned %	ASA
CalSAWS	2,459	89.59%	1.99%	0:00:38

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

Improving Customer Service

- Partnered with Covered California University (CCU) for New Employee Training

Enhancing Technology Solutions

- Partnered with CCIT and Policy, Eligibility, Research Division (PERD) to launch updated Admin Portal page in CalHEERS

Staffing Updates

- Vacancy rate of 5.2 percent (2026) comparable to prior year of 5.96 percent (2025)



Covered California for Small Business Update

Covered California for Small Business

Group Membership & New Sales Updates

Group Membership

- **Total Groups:** 9,646
- **Total Members:** 80,074
- **Member Retention:** 88%
- **Average Group Size:** 8.3 members



Sales Updates

Membership by Health Plans:

- **Blue Shield of California:** 34,889
- **Kaiser Permanente:** 41,826
- **Sharp Health Plan:** 3,359
- **Delta Dental:** 9,150 (*not included in total member count*)

Year-to-Date (YTD) New Sales: 4,862

- *Membership reconciled through 04/15/2026*



Outreach and Sales Update

Uncompensated partners supporting enrollment assistance efforts

Enrollment Assistance Program	Entities	Counselors
Certified Application Counselor	182	1,282
Plan-Based Enroller	11	822
Medi-Cal Managed Care Plan	3	34

Outreach and Sales Non-English Enrollment Support

DATA AS OF MAY 1, 2026

12,398 Certified Insurance Agents

- 20.8% Spanish
- 10.6% Chinese
- 4.1% Vietnamese
- 4.3% Korean
- 21.6% Other Languages

1,253 Navigator: Certified Enrollment Counselors (CEC)

- 31.8% Spanish
- 4.3% Chinese
- 1.5% Vietnamese
- 0.3% Korean
- 3.1% Other Languages

1,282 Certified Application Counselors (CAC)

- 27.7% Spanish
- 1.7% Chinese
- 0.3% Vietnamese
- 0.1% Korean
- 1.3% Other Languages

822 Certified Plan-Based Enrollers (PBE)

- 6.3% Spanish
- 1.1% Chinese
- 0.6% Vietnamese
- 0.4% Korean
- 0.7% Other Languages

34 Certified Medi-Cal Managed Care Plan Enrollers (MMCPE)

- 14.7% Spanish
- 3.0% Chinese
- 3.0% Vietnamese
- 0.0% Korean
- 0.0% Other Languages

