COVERED CALIFORNIA BOARD MINUTES
Thursday, September 17, 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 11:20am.

Board Members Present During Roll Call:

Jerry Fleming
Deborah Kelch
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.

Agenda Item III: Board Meeting Action Items

Action –August 20, 2026 Meeting Minutes

Board Comment: None.

Public Comment: None.

Motion/Action: Chairwoman Johnson asked for any public comment of questions or clarifications for the board. Seeing none Chairwoman Johnson called for a motion to approve the August 20, 2026, meeting minutes. The motion was called by Deborah Kelch, and seconded by Chairwoman Johnson.

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

Agenda Item IV: Election of Audit Committee Chairperson

Action – Election of Audit Committee Chairperson

Chairwoman Johnson stated that the Board had established an audit committee consisting of Deborah and Craig and needed to appoint its chair.

Deboarh nominated Craig Cornet as the chair of the audit committee.

Board Comment: None.

Public Comment: None.

Motion/Action: A motion was made to appoint Craig, and Jerry Flemming seconded the motion.

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

Agenda Item V: 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

Jessica Altman, Executive Director, announced that the next Board meeting is scheduled for November 19th. Ms. Altman welcomed Sonia Fernandes as Covered California's new assistant general counsel. She noted that Ms. Fernandes previously served as deputy director of enforcement at the Department of Managed Health Care and has worked closely with Covered California since its inception. Finally, Ms. Altman gave a brief overview of the agenda.

Ms. Altman then provided an update on the CalHEERS system integrator contract for Covered California's core eligibility and enrollment system, which is overseen in partnership with the Department of Health Care Services (DHCS) and the Office of Technology and Systems Integration (OTSI). Ms. Altman noted that OTSI issued the system integrator request for proposal on September 17, 2025. On September 11, 2026, OTSI announced Deloitte as the selected bidder for the five-year, approximately $1.2 billion contract, which includes five optional one-year extensions. Ms. Altman noted that the contract will use outcome-based metrics to track performance and lower the total cost of ownership. Contract execution remains pending approval from Covered California, DHCS, and Centers for Medicare & Medicaid Services (CMS).

Discussion – 2027 Open Enrollment Update

Ms. Altman provided an update on the 2027 Open Enrollment period, which will begin on November 1, 2026. She noted that the evolving healthcare ecosystem required careful planning to reach the appropriate audiences with relevant messages. Ms. Altman introduced Glenn Oyoung, director of Marketing, and Craig Tomoyoshi, director of Communications and Public Relations, who would present on the organization's plans.

Mr.Oyoung noted that Marketing and Communications are working together to build trust and help Californians choose Covered California during open enrollment. He noted that rising costs, policy changes, eligibility confusion, and election-year media pressure are undermining confidence.

Mr. Oyoung outlined a three-phase campaign: build trust (launched in July), educate and engage consumers (underway), then drive action through November and open enrollment. A full-funnel paid-media plan will shift from awareness to education and enrollment action, using “Hope Core” creative that pairs emotional connection with practical supports such as financial help, language access, service centers, and convenient enrollment. Because 99.6 percent of Californians live within 15 minutes of a certified enroller, Outreach will spotlight more than 16,000 certified enrollers, and use billboards, countdowns, community influencers, email, direct mail, and SMS texts to support understanding, renewal, and retention.

Craig Tomiyoshi, Director of the Communications and Public Relations Division, then provided an update on our communications and public relations plans for open enrollment. He noted consumers will be seeking guidance and resources to navigate a challenging environment and make coverage decisions. The strategy is to position Covered California and its agents, navigators, community partners, healthcare leaders, and service center representatives as consumers’ first place to turn for help. He described “connectors to coverage” as the campaign’s strategic theme: people who need coverage, help keeping it, or answers to questions should come to Covered California first.

Mr. Tomiyoshi then announced that CoveredCA.com is being rebuilt from the ground up, with new architecture and technology intended to better serve consumers now and in the future. Mr. Tomiyoshi noted that the redesigned website is intended to guide consumers through a stressful coverage landscape, evolving from an information repository into a hub with tailored journeys for different needs. He highlighted simpler navigation, audience-specific experiences, a situation selector, and a reduction from more than 450 pages to 150 clearer topic pages. The site was designed to feel more approachable and was scheduled to launch in English and Spanish on September 22nd, with additional languages planned soon after. He said the existing site would remain fully updated during the transition to avoid disrupting consumers.

Board Comment: Chairwoman Johnson appreciated the people-centered approach and illustrated support for the community involvement and data driven report.

Ms. Kelch underscored the thoughtfulness, detail, and intentionality behind efforts to ensure coverage works for those who need it. She praised Covered California’s impact, noting that even individuals who do not enroll will better understand their options and may pursue Medi-Cal or employer-sponsored coverage.

Public Comment: None**.**

Discussion – State and Federal Policy/Legislative Update

Ms. Altman reported that California and New York are leading a multi-state lawsuit challenging the U.S. Department of Homeland Security’s final rule expanded the definition of public charge rule noting that the rule is overly vague and could discourage eligible individuals from enrolling in safety-net programs and health insurance coverage.

Ms. Altman provided an update on the CMS final rule prohibiting federal Medicaid and CHIP funds from being used for gender-affirming care for minors. While the rule does

not directly impact marketplace coverage, it creates broader access concerns. Additionally, Covered California partnered with the California Public Employees Retirement System (CalPERS) to submit comments to the Senate Finance Committee supporting policies to lower drug prices, including broader price negotiation and other pricing reforms.

Ms. Altman reported that the 2025–2026 legislative session concluded on August 31 and highlighted two enacted bills. AB 1907 expands Covered California's automatic enrollment process to individuals found ineligible for Medi-Cal coverage, while AB 2066 establishes pregnancy as a qualifying life event for special enrollment. Finally, Ms. Altman noted that the Legislature appropriated $8 million from the Healthcare Affordability Reserve Fund to provide restricted-scope Medi-Cal dialysis services and confirmed submission of the 2027 California Premium Subsidy Program design document to the Joint Legislative Budget Committee as required by law and approved by the Board.

Discussion – Data and Research

Ms. Altman then welcomed Katie Ravel, Director of the Policy, Eligibility, and Research Division (PERD), and noted the two previously presented issue briefs examining the effects of enhanced premium tax credit expiration and upcoming eligibility changes for lawfully present immigrants. Ms. Altman further explained that PERD has now completed a third brief focused on consumers moving to lower-tier, higher-deductible plans, addressing both the scale of this trend and its impact.

Ms. Ravel reported that following the expiration of enhanced premium tax credits, the share of renewing enrollees switching to bronze plans doubled to about 40% in 2026. While state subsidies and federal cost-sharing reductions shielded lower-income enrollees, only 10%–20% of enrollees under 200 percent FPL switched to bronze, largely because they qualified for state premium assistance and generous federal cost-sharing reductions. Those above 400 percent FPL lost financial assistance entirely, facing an average $500 monthly premium increase alongside bronze deductibles of $5,600 and out-of-pocket maximums of $9,800.

Ms. Ravel reported that 80% of surveyed consumers who switched plans considered healthcare stressful, with about 40% anticipating delayed care or financial sacrifices and over 25% expecting to incur debt. She noted ongoing organizational efforts to highlight primary care and generic drug benefits before.

Ms. Altman thanked Ms. Ravel and her team for the briefs, emphasizing that coverage rollbacks impact health and financial security long before disenrollment occurs.

Board Comment: Ms. Kelch thanked staff for documenting the impacts, acknowledging that it is a difficult story to tell but important work.

Regarding the federal and state updates, Chairwoman Johnson noted that the enacted budget includes resources to support state-funded gender-affirming care and said the California Health and Human Services Agency would share more information within 24 hours.

Public Comment: Alicia Emanuel, with the National Health Law Program, welcomed Sonia and thanked the teams for their marketing, communications, website, and policy-reporting work, emphasizing that federal changes are undermining consumer confidence and making clear, accessible support especially important.

Diana Douglas, with Health Access California, congratulated Sonia Fernandes and thanked Covered California for monitoring the uncertainty and anxiety around public charge, supporting continuity of gender-affirming care, and reporting on federal and legislative developments.

Carrie Sanders, with California Pan-Ethnic Health Network, echoed the comments of others, welcoming Sonia Hernandez and praising Covered California's collaboration with other states to challenge federal changes, protect gender-affirming care, support subsidies, and documenting their effects on Californians.

Doreena Wong, with Asian Resources, echoed the sentiments of the other commentors and reaffirmed her commitment to partnering with Covered California to help more Californians obtain coverage.

Agenda Item V: Covered California Policy and Action Items

Action – Audit Committee Charter

Alicia Watts, acting Chief of the Program Oversight & Compliance, presented to the Board the Audit Committee charter. Ms. Watts explained that the Audit Committee charter establishes a statutory governance framework for oversight of compliance, internal controls, and the independence and performance of the Office of Audit Services. She outlined the committee's responsibilities for audit direction and resources, risk and audit results, leadership and quality assurance, and regular reporting to the Board. The charter provides for two Board-appointed members, at least two meetings annually, and executive sessions with the chief audit executive. Ms. Watts requested approval of the charter.

Board Comments: None.

Public Comment: None.

Motion/Action: Chairwoman Johnson called for a motion and a second. Ms. Kelch made a motion and Mr. Flemming seconded.

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

Action – Proposed Emergency Eligibility and Enrollment Regulations

Ms. Ravel, returned to the podium and noted that Bahara Hosseini, Assistant Chief Counsel, Programs, presented the draft regulations in August to codify federal changes into Covered California's eligibility and enrollment rules. She explained that the revisions address H.R. 1's limits on federal financial assistance for some lawfully present enrollees and require premium tax credit recipients to reconcile their credits with the IRS. The regulations would reinstate the failure-to-reconcile process beginning with plan year 2028, preventing future advance premium tax credits for those who do not

reconcile. They would also restore an automatic 60-day extension for submitting income documentation and make other clarifying and typographical corrections. Ms. Ravel requested approval to proceed with filing the regulations with the Office of Administrative Law.

Board Comments: Chairwoman Johnson thanked Ms. Ravel for the presentation and for underscoring these changes are made largely as a result of federal changes.

Public Comment: None.

Motion/Action: Chairwoman Johnson called for a motion and a second. Ms. Kelch made a motion and Mr. Flemming seconded.

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

Discussion – Federal Policy Landscape and Perspectives

Ms. Altman introduced Chris Jennings, Director of Jennings Policy Strategies, and longtime federal policy advisor to Covered California. Mr. Jennings praised Covered California as a national leader through initiatives such as active purchasing, standardized benefit designs, quality and disparities efforts, marketing, auto-enrollment, and fraud prevention. He described widespread public frustration with healthcare costs and complexity, alongside distrust of government and corporate institutions.

Mr. Jennings said affordability is likely to be a central issue in the upcoming election, pointing to Congressional Budget Office projections of 14 million newly uninsured individuals nationally, including 2 million in California, following the expiration of enhanced premium tax credits and federal Medicaid cuts.

Outlining the federal outlook under a potential divided government, Mr. Jennings detailed four strategic avenues: (1) bipartisan initiatives on hospital price transparency and surprise billing; (2) attaching priority items, such as restoration of enhanced premium tax credits, to must pass legislation; (3) cross-party alignment on drug prices, nutrition, and AI regulation; and (4) shaping long-term healthcare policy ahead of the 2028 presidential election.

Board Comments: Chairwoman Johnson thanked Mr. Jennings for his presentation, his recognition of the teams, and his acknowledgment of Covered California's leadership in bringing healthcare policy opportunities before the board. She emphasized the importance of keeping the Board engaged in healthcare negotiations and discussions. She asked where near-term federal opportunities might exist to advance bipartisan priorities such as MAHA and prescription drug cost containment, noting California's work to lower the cost of insulin, albuterol, and naloxone.

Mr. Jennings noted that policymakers could build on Medicare's drug-price negotiations by extending savings measures to commercial coverage, including inflation protections and low or no copay generics. He also suggested lowering barriers for people, especially low-wage workers, to enroll in marketplaces, which could broaden risk pools and help moderate premiums. He cited opportunities for bipartisan action on drug competition, physician payment reform, and surprise billing, while noting that Democrats

may need to use must-pass legislation to secure priorities such as restoring enhanced premium tax credits.

Ms. Kelch thanked Mr. Jennings for a clear, well-structured presentation. She asked him to clarify whether his suggestion to reduce marketplace barriers meant enabling employees to purchase coverage through the marketplace as a response to employers' rising costs.

Mr. Jennings said employers could potentially contribute through payroll to employees' marketplace coverage, including through individual coverage HRAs (ICHRAs), an approach that may attract bipartisan support depending on its design.

Public Comment: None.

Discussion – Overview of HR 1 Medicaid Requirements

Chairwoman Johnson welcomed Yingjia Huang from DHCS to discuss an overview of H.R. 1 Medicaid requirements. Ms. Huang explained that H.R. 1 created a new work and community engagement eligibility requirement for adults in Medicaid's New Adult Group, which includes about 4.8 million Californians. California must implement the requirement by January 1, 2027, and CMS issued an interim final rule in June 2026 to clarify how states should carry it out. Eligible individuals generally must meet a monthly qualifying activity threshold, such as earning at least $580, working or volunteering 80 hours, or attending school. She noted that Covered California is not an alternative for people who lose Medi-Cal eligibility under these provisions. Ms. Huang also highlighted medical frailty exemptions, including for people who are blind, disabled, have serious medical conditions, or have substance use disorders, and said the rule clarified how states should assess them.

Ms. Huang noted that preliminary estimates that 1.1 million enrollees could lose coverage, a figure which is expected to increase after CMS narrowed the medical frailty exemption to conditions significantly impairing work capacity. To minimize coverage disruptions and member burden, DHCS is implementing an automated, three-step eligibility screener using claims data and cross-agency databases to verify exemptions before asking work-related questions. While 2027 will allow self-attestation for exemptions, stricter federal documentation requirements taking effect in 2028 create long-term administrative risks. Additionally, renewals for the New Adult Group will shift to every six months. Supported by $17M in state funding and an 8,000-person Coverage Ambassador network, DHCS mailed an initial notice to 4.8M members in August 2026. Due to the rapid timeline and operational complexity, California and over 20 states filed a federal lawsuit (hearing set for October 2026) while preparing a good-faith waiver request to seek an implementation delay.

Board Comments: Chairwoman Johnson acknowledged the complexity of the changes for both Medi-Cal administrators and members, emphasizing that people will need support to understand what is happening and what actions to take. She highlighted state budget investments, a trusted messenger network, enhanced targeted communications, and philanthropic partnerships to help affected individuals navigate the transition.

Ms. Kelch thanked the presenters for their work and praised collaboration between the two agencies. She warned that added requirements and barriers can make it harder for low-income people, especially those facing illness, mental health challenges, or substance use issues, to maintain coverage, and appreciated efforts to support them.

Public Comment: Ms. Wong, speaking as a Coverage Ambassador, praised DHCS for providing resources tor enrollment assisters and for working to preserve coverage and access amid confusing changes.

Ms. Emanuel thanked DHCS and the eligibility, BenefitsCal, and CalHEERS teams for their work on a fast-changing implementation timeline. She echoed the call to use community-based organizations as trusted messengers and emphasized continued coordination among DHCS, Covered California, and the Health Consumer Alliance to help people reach the appropriate coverage and services.

The meeting adjourned at 2:57pm.