

Article	Section #	Comment	Covered CA Response
2 - Eligibility and Enrollment	2.1.2.c) Reconciliation Process	Please confirm that Covered CA is proposing to replace the monthly process with weekly pre-audit. If so, this could require significant effort to support. What is the level of specificity requested in the weekly file recon (field by field data compare...)? Plan staff will require draft companion guide language to evaluate the impact. Can this be provided?	This update intended to clarify the expectation that Contractor should leverage the existing Weekly Audit File to reconcile enrollment prior to the monthly Reconciliation Process. Since these procedures are detailed in the "Covered California Reconciliation and Dispute Process Guide", the Contract will reference the Guide rather than repeat them.
2 - Eligibility and Enrollment	2.1.2.c) Reconciliation Process	Please confirm that the changes to this section are indicating that the monthly Reconciliation Process will be changing to weekly starting in PY 2028 - or if it is just clarifying that carrier should be leveraging the existing weekly audit file to reconcile enrollment prior to the monthly Reconciliation Process that happens today.	This update intended to clarify the expectation that Contractor should leverage the existing Weekly Audit File to reconcile enrollment prior to the monthly Reconciliation Process. Since these procedures are detailed in the "Covered California Reconciliation and Dispute Process Guide", the Contract will reference the Guide rather than repeat them.
3 - Promoting Enrollment	3.2 Marketing and Enrollment	Based on our May discussion with Covered California and the August Marketing Contract Direction call, we understood that qualifying marketing activities would include activities supporting enrollment, retention, utilization, and engagement. We request that the contract expressly reflect this broader scope, including activities serving Californians who use the joint Covered California and Medi-Cal eligibility application. This approach better supports Covered California's mission and recognizes investments that help individuals obtain, retain, and use coverage.	Currently, the proposed contract language reflects the broader scope discussed with Contractors. Section 3.2.1 c) vi. includes other enrollment-support activities designed to promote enrollment in QHPs offered through Covered California or to support Covered California Enrollee retention, utilization, or engagement. Accordingly, an activity involving the joint Covered California and Medi-Cal eligibility application may qualify when it meets that standard. No change will be made.
3 - Promoting Enrollment	3.2 Marketing and Enrollment	We respectfully request that Covered California clearly identify the effective plan year, initial submission date, review schedule, and timing of all updates for the Marketing Investment Plan and related reports including a sample timeline and allow carrier review and feedback before these requirements are codified so issuers have adequate time to evaluate performance and develop the applicable plan-year strategy.	Covered California is planning to provide a review and feedback period to Contractors ahead of finalizing the initial timing and submission instruction details for the Marketing Investment Plan and related reports for the first effective plan year. Once finalized for the first effective plan year and for subsequent plan years, these details will be available in the "Contract Reporting Requirements" tables posted on the Contractor extranet website.
3 - Promoting Enrollment	3.2.1 Enrollment and Marketing Coordination and Cooperation	d) Qualifying Marketing Activities do not include: i. General corporate or health plan brand advertising that primarily promotes Contractor's corporate or health plan brand and is not reasonably designed to promote Covered California enrollment, retention, utilization, or Enrollee engagement; ii. Marketing ~~for~~ exclusively for Contractor's other lines of business, including Medicare, Medi-Cal, and ESI, except where the activity maximizes smooth transitions and facilitates coverage for Enrollees to and from Covered California and other health coverage programs as specified in Section 3.1 of this Agreement; or	The proposed changes do not add sufficient clarity and are not necessary to define the activities excluded from Qualifying Marketing Activities. No change will be made.
3 - Promoting Enrollment	3.2.1 Enrollment and Marketing Coordination and Cooperation	Ensure we're clear that anything co-branded would count. Should we include broker-related expenses? Broker Commissions - Would/could Broker commissions count as a co-branded enrollment/marketing expense? Inside Sales Reps - Would/should their Inside Sales Reps' compensation be included as a co-branded enrollment expense? Member Materials including Renewal Kits and New Member Welcome Kits - Would/should co-branded Renewal and Enrollment kit costs count toward co-branded enrollment and marketing spend?	Agent commissions, bonuses, and other payments for new sales are not included as Qualifying Marketing Activities under Section 3.2.1. Inside sales representatives' compensation is not included as a co-branded enrollment or marketing expense. Co-branded member materials—including Renewal Kits and New Member Welcome Kits—may qualify when the materials are designed to promote enrollment in Covered California Qualified Health Plans or support Covered California Enrollee retention, utilization, or engagement.

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3 - Promoting Enrollment	3.2.1 c) Qualifying Marketing Activities	Please confirm if broker bonuses (payments for new sales in addition to commissions) are included in iv/ Community, Agent and assister engagement activities.	Agent commissions, bonuses, and other payments to Agents for new sales are not Qualifying Marketing Activities under Section 3.2.1 c). The underlying community, Agent, or assister engagement activity may qualify only if it independently meets the applicable criteria for a Qualifying Marketing Activity.
3 - Promoting Enrollment	3.2.1 d) Qualifying Marketing Activities do not Include	Please clarify if Medi-Cal advertising with a link to Covered California for eligible enrollees is included as a qualifying marketing activity. These campaigns directly align with the intent of SB 260 and assisting Medi-Cal transitioners.	Medi-Cal advertising that directs eligible individuals to Covered California—for example, through a link or other clear pathway to Covered California enrollment—is a Qualifying Marketing Activity when it meets the criteria in Section 3.2.1 c). These activities support the transition of eligible individuals into Covered California coverage.
3 - Promoting Enrollment	3.2.1.2 Contractors Activities to Promote Enrollment	Is this meeting to discuss the Contractor's marketing investment plan new?	Yes. The annual meeting is a new requirement and intended to provide an opportunity to discuss the Contractor's Marketing Investment Plan and Actual Marketing Investment Report, share information, and facilitate collaboration regarding <u>Qualifying Marketing Activities</u> .
3 - Promoting Enrollment	3.2.1.2.k) Participate in an Annual Meeting	We respectfully request correction of the cross-references in §3.2.1.2(k) on page 35. The subsection identifies the Marketing Investment Plan as §3.2.2.2(b) and the Actual Marketing Investment Report as §3.2.2.2(c), while the clean draft places those items in §3.2.2.2(c) and §3.2.2.2(d), respectively.	These references will be corrected, thank you!
3 - Promoting Enrollment	3.2.2.2 Marketing Materials that must be submitted to Covered CA	Have our marketing plans and reports met the need historically? We are happy to continue reporting as we have.	The new reporting requirements are intended to provide information that was not consistently captured in prior plans and reports, including information needed to support collaboration and discussion with Covered California. Covered California plans to provide templates separately for Contractors to complete. The applicable submissions are the Marketing Investment Plan described in Section 3.2.2.2(c) and the Actual Marketing Investment Report described in Section 3.2.2.2(d).
3 - Promoting Enrollment	3.2.2.2 Marketing Materials that must be submitted to Covered CA	Yes, we can upload our OEP key performance outcomes & lessons learned. Ideally we'd upload the OEP Recap Report in March for the previous PY's OEP. We'd upload our SEP recap report around Dec/Jan following the close of SEP.	The submission timing and reporting instructions will be provided in the "Contract Reporting Requirements" table posted on the Contractor extranet website.. The Marketing Investment Plan will be submitted initially, and the Actual Marketing Investment Report will be submitted after all Qualifying Marketing Activities for the year have been completed. Any separate OEP or SEP recap timing will be governed by the reporting instructions posted in that table.
3 - Promoting Enrollment	3.2.2.2 c) Marketing Investment Plan	We recommend including flexibilities for activities to be added or removed in the Actual Marketing Investment Report, after the initial Marketing investment plan is presented. Some of the qualifying activities listed in 3.2.1 c) will not be identified or planned early in the calendar year and will be added or determined closer to open enrollment depending on the needs or performance of the population.	Covered California recognizes that activities identified in the initial Marketing Investment Plan may change during the plan year based on population needs, campaign performance, or other operational considerations. The Marketing Investment Plan is intended to reflect planned activities, while the Actual Marketing Investment Report will reflect the Qualifying Marketing Activities completed and the actual investment for the prior year.
3 - Promoting Enrollment	3.2.2.2 d) Actual Marketing Investment Report	Please describe what key performance outcomes will be expected to be reported. For example, click through rates, event attendance etc? Note, not all qualifying activities will be able to have a measurable performance outcome that can be tied back to enrollment or retention directly.	Contractors should identify the key performance outcomes that are most appropriate for the activities reported, and those outcomes may vary by activity. Depending on the activity, examples may include click-through rates, reach or engagement, event attendance, website traffic, applications, enrollment, or other relevant measures. Not every Qualifying Marketing Activity will have a performance outcome that can be directly tied to enrollment or retention. Contractors should use their judgment to report meaningful outcomes, results, and lessons learned.

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3 - Promoting Enrollment	3.3 b) Compensation Methodology	1. Commission scope: Does the minimum/aggregate include admin fees/overrides, or just base commission? 2. Bonuses: Do incentives count in "aggregate compensation" parity? 3. Agency fees: Are agency admin/overrides allowed if agent commission meets parity? 4. Agent definition: Does it cover only external certified agents, not internal staff? 5. Timing: When will CCA post Minimum Commission Guidance with lead time.	1 & 2. The minimum commission rate applies to the base commission rate. Admin fees, overrides, bonuses, and other compensation is additive and does not count for meeting the minimum commission expectation. 3. Agency admin/overrides are allowed, but do not apply to the minimum commission rate for the producing agent. 4. The commission rate only applied to Certified Insurance Agents, not Plan Based Enrollers or health plan staff. 5. Covered California will publish any changes to minimum commission guidance at least one year prior to the change taking effect.
3 - Promoting Enrollment	3.3 b) Compensation Methodology	We respectfully request that Covered California retain the existing requirement to pay a "reasonable commission" and withdraw the proposed annual minimum commission. The PY2028 minimum of \$17 PMPM would impose a significant, ongoing cost without adequate justification. A uniform floor does not account for differences in product design, premiums, enrollment mix, service areas, distribution strategies, or broker arrangements, and could increase affordability pressure while limiting issuer flexibility.	Covered California declines to make the requested change because the Plan Year 2028 guidance establishes \$17 Per Member Per Month (PMPM) as a base minimum for all Qualified Health Plan products while allowing performance tiering, different new and renewal rates and bonuses so long as base compensation equals or exceeds the minimum. The standard removes the ambiguity of what can be interpreted as "reasonable" by providing a consistent floor while preserving Contractor flexibility. The level of the floor was carefully considered to address the gap in commission increases and inflation over time. The impacts of H.R.1 related workload increases for Agents strongly influences the need for this change to be included for Plan Year 2028. For these reasons, the request is not adopted and the PY 2028 minimum commission standard will be retained. No change will be made.
3 - Promoting Enrollment	3.3 b) Compensation Methodology	We believe that each carrier should be allowed to set broker commission levels based on their position in the market and their marketing and cost/pricing strategy. All carriers compete on multiple factors, some will choose to compete less on broker compensation and more on the quality and value of service to the member. Forcing higher broker channel costs will cause harm to the consumer by pushing up prices. There is no evidence that paying at the current broker compensation level is seriously harming enrollment results. If there was we should be seeing an erosion of the % of our enrollment coming via this channel. The opposite is true, with brokered share of enrollments steadily rising.	Agent commissions have not kept pace with inflation. H.R.1 dramatically increases the workload for Agents. A minimum commission standard that addresses the gap in commission increases and inflation over time and removes the ambiguity of what can be interpreted as "reasonable" is necessary for Plan Year 2028. No change will be made.
4 - QHP Issuer Program Requirements	4.3.3 c) Network Disruptions	We respectfully request correction of an apparent cross-reference error on page 55. The first sentence refers to notice "as defined in §3.3.3(c)(i)," while the next sentence refers to §4.3.3(c)(i), and §3.3.3 does not appear in the document.	These references will be corrected, thank you!
5 - Advancing Equity, Quality, and Value	5.4 Transparency and Quality Reporting	We respectfully request correction of the numbering in §5.4 on page 83. The two existing paragraphs are redesignated from (a) and (b) to (e) and (f), but no paragraphs (a) through (d) are added.	These references will be corrected, thank you!
6 - Financial Provisions	6.1.3 c) Participation Fee	We respectfully request that Covered California withdraw the proposed increase to the Participation Fee in §6.1.3(c) from 1.0% to 2.5% of gross premium and maintain the current 1.0% rate. A 150% increase would add substantial cost, place upward pressure on premiums, and divert resources from care management, member services, enrollment, and retention efforts. It could also discourage issuer participation and reduce consumer choice.	The Participation Fee amount in the proposed 2028 QHP Amendment, Section 6.1.3(c), will be corrected to accurately reflect the current 2027 percentage of 1.0%. Covered California did not increase its participation fee rate for 2027 from 1.0% to 2.5%. On June 18, 2026, the Covered California Board of Directors approved the lowering of the participation fee rate for 2027 from 2.5% to 1.0%. See the Covered California Board of Directors' Resolutions from their June 18, 2026, meeting, slide 31 of the Board Meeting materials.

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11 - Recordkeeping	11.5 Examination and Audit Results a)	We request that the final survey or exam reports from state regulators be sent to Covered California within 5 business days at minimum. 2 business days is not enough time to allow for internal communication/distribution and accounting for scheduling conflicts, etc.	This reporting expectation (as well as 1.5 General Duties of Contractor, e) and 1.15 Fraud, Waste and Abuse; Ethical Conduct, c) for alignment) will be updated to five (5) business days.
11 - Recordkeeping	11.5 Examination and Audit Results a)	Recommend extending the reporting requirement from two (2) business days to five (5) business days following receipt of a final audit/review report. A two-business-day turnaround may be operationally challenging due to internal review and staffing availability (e.g., PTO, holidays, unforeseen absences) and may create unnecessary compliance risk without providing a material benefit to Covered California.	This reporting expectation (as well as 1.5 General Duties of Contractor, e) and 1.15 Fraud, Waste and Abuse; Ethical Conduct, c) for alignment) will be updated to five (5) business days.
11 - Recordkeeping	11.5 Examination and Audit Results d)	We respectfully request that Covered California retain the 160-day best-efforts resolution standard and the issuer's right to appeal a management decision to the Executive Director. These provisions are essential safeguards for timely resolution, transparency, and meaningful senior-level review of disputed audit findings. A flexible corrective-action period does not replace dispute, escalation, appeal, and cure rights. Covered California should not remove these protections without a clear justification and equivalent replacement procedures. Any revised language should preserve comparable due-process protections and be provided for carrier review before adoption.	Covered California has removed the proposed 6-month implementation period for corrective actions in response to an audit/review finding. Covered California instead proposes to allow for implementation of corrective actions "within an agreed upon timeline," based on the complexity of the findings and necessary actions. In addition, Contractors may continue to pursue the existing Dispute Resolution safeguards in Section 13.1, and Covered California will include a reference to this section for clarity.