



July 1, 2025

Dear Members of the California Congressional Delegation:

With today's passage of proposed budget reconciliation legislation by the United States Senate, the House of Representatives is once again positioned to act on proposed policies that will impact the ability of millions of Americans, including potentially hundreds of thousands of Californians, to access affordable health coverage and care. Covered California has been working to inform the policy dialogue surrounding reconciliation, and we aim to provide information, insights and perspectives to help inform impending House deliberations.

Covered California remains deeply concerned with the proposed provisions in the Senate version of the reconciliation bill. According to [updated projections](#) from Congressional Budget Office (CBO), approximately 11.8 million Americans would lose coverage under the Senate version of the bill. Based on previous estimates, this would include approximately 660,000 hardworking Californians - including small business owners, gig workers, early retirees, farmers, and other lower- and middle-income people from all corners of the state - who would lose access to affordable Marketplace coverage and care through Covered California. Combined with the looming expiration of the enhanced premium tax credits, all of Covered California's nearly 2 million consumers would see significantly higher costs beginning in 2026.

The Marketplace provisions in the current version of the reconciliation bill retain proposals that would restrict eligibility, limit enrollment opportunities, and increase administrative burden and costs to consumers. Among its provisions, the bill would:

- ***Unnecessarily increase burden and cost to consumers, leading to eligible consumers becoming uninsured.*** The reconciliation bill would impose onerous eligibility verification processes through new paperwork requirements that will prevent timely access to premium tax credits and cost-sharing support. These impacts are significant and would lead to people who are actually eligible for Marketplace coverage going uninsured as they could not likely afford to enroll in a plan while they deal with paperwork or be removed from their current plan simply due to a change in life circumstances.

Another provision in the reconciliation bill would end the longstanding process of automatic renewal in Marketplaces. Automatic renewal provides a seamless process by which marketplace enrollees keep their coverage from year to year, similar to employer coverage and Medicare. This change would place significant burden on consumers and deter enrollment for consumers that are not only eligible but already enrolled in Marketplace coverage. We would note that for the 2025 coverage year, about 73 percent of renewing enrollees – about 1.2 million individuals – automatically renewed their coverage. Under the reconciliation bill, *all* of these enrollees would have to reapply to continue receiving premium tax credits and cost-sharing support. Enrollees who miss the date to reapply could lose premium tax credits and potentially their coverage due to lack of affordability.

- ***Restrict eligibility for most lawfully present immigrants.*** Today, citizens and lawfully present immigrants are eligible for Marketplace premium tax credits and cost-sharing reductions. The reconciliation bill would strip this eligibility, drastically reducing the number of lawfully present immigrants who qualify for premium tax credit and cost-sharing support and stripping affordable coverage from many enrolled today. Over 90 percent of lawfully present groups that have always been eligible would no longer have access, including those with work and student visas, refugees, asylees, and victims of trafficking.

Covered California's preliminary analysis shows that about 112,600 current enrollees who are lawfully present would lose premium tax credits and cost-sharing support under the bill. This includes more than 35,000 with asylum or pending asylum status, nearly 13,000 enrollees with work or student visas, nearly 1,000 admitted refugees, and more than 500 victims of trafficking. Losing eligibility for premium and cost-sharing support, these enrollees would face an average \$650 monthly premium cost increase likely rendering their coverage unaffordable and spurring them to become uninsured.

The reconciliation bill would impose unnecessary and substantial burdens on consumers; discourage younger, healthier people from enrolling; harm the risk pool and undermine market stability; and drive costs higher for everyone. This will have far-reaching impacts to Marketplaces and the insurance market as a whole.

***The looming expiration of enhanced premium tax credits along with new federal marketplace rules compound the impacts of reconciliation bill.*** In June, the federal administration finalized new marketplace rules that will limit enrollment opportunities through shortened open enrollment and impose new administrative burdens on consumers otherwise eligible for premium tax credits as well as on marketplaces working to serve these consumers.

Moreover, federal enhanced premium tax credits have drastically improved coverage affordability through Marketplaces, making coverage access possible for millions of consumers working hard to meet life's everyday needs. However, unless Congress takes action to extend the enhanced premium tax credits beyond their expiration on December 31, 2025, about 4 million Americans – including approximately 400,000 Californians – could lose coverage. Additionally, about 1.7 million Covered California enrollees would face substantial premium cost increases, jeopardizing their ability to maintain coverage.

It is crucial for policymakers to recognize the compounded effect of the reconciliation bill along with new federal marketplace rules, and the potential expiration of enhanced premium tax credits will have. Combined, these policies could drive millions of eligible consumers into the ranks of the uninsured, destabilize markets and health care systems in California and across the country, and undermine the progress made in ensuring access to affordable coverage.

### ***Conclusion***

Open enrollment is now just four months away, and planning for the 2026 plan year is well underway. Health insurance carriers are preparing and filing rates for 2026, and in a couple of months, Covered California will begin mailing letters to our enrollees informing them of their costs for the coming year. Careful consideration of the significant consequences of the proposed reconciliation bill is merited as the bill threatens to unravel the progress made in ensuring that millions of hardworking consumers have access to affordable and comprehensive health coverage.

Covered California remains committed to working alongside policymakers to protect and strengthen health coverage for consumers. Thank you for your time and attention to our letter. Please let us know if you have any questions or would like additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jessica K. Altman". The signature is fluid and cursive, with a large initial "J" and a stylized "A".

Jessica Altman  
Executive Director