



Notice of Intent to Apply for a State Innovation Waiver under Section 1332 of the Affordable Care Act

The State of California's State-based Marketplace, Covered California, intends to apply for a State Innovation Waiver under Section 1332 of the Affordable Care Act (ACA), which allows a state to apply for the waiver of certain ACA requirements for plan years beginning on or after January 1, 2017. Covered California is requesting a waiver of Section 1311(d)(2)(B)(i) of the Affordable Care Act, which prohibits Exchanges from making available any health plan that is not a Qualified Health Plan (QHP). Covered California seeks to waive this provision in order to offer new health insurance options, called California Qualified Health Plans (CQHPs), to individuals ineligible to purchase Qualified Health Plans (QHPs) because of their immigration status. The waiver of this provision is necessary due to the requirement that QHPs are only available to Qualified Individuals (Section 1312(a)), a term that can only refer to a "citizen or national of the United States or an alien lawfully present in the United States" as specified in Section 1312(f)(3) of the Affordable Care Act.

CQHPs will be mirror plans to the QHPs currently offered through Covered California, with the same issuers providing the same benefits, cost sharing, and networks, and meeting all of the same requirements as the QHPs. Enrollees in CQHPs will not be eligible to receive Advanced Payments of Premium Tax Credits (APTCs) or Cost Sharing Reductions (CSRs). The full cost of the CQHP plan will be paid by the consumer.

California's proposal meets all of the Section 1332 waiver parameters:

- **Equivalent or greater scope of coverage:** Covered California's proposal will increase the current scope of coverage in California by allowing undocumented immigrants the opportunity to purchase unsubsidized coverage through the State-based Marketplace.
- **Equivalent or greater affordability of coverage:** Covered California's proposal will not impact affordability of coverage.
- **Equivalent comprehensiveness of coverage:** Covered California's proposal will provide coverage that is as comprehensive as that available in the absence of the waiver.
- **Deficit neutral:** Covered California's proposal will not increase the federal deficit. Federal subsidies will not be offered to consumers under the waiver program, and administrative costs will be paid by Covered California.

- **No impact on federal administrative functions:** Because Covered California is a State-based Marketplace, this proposal will not impact the Federally-facilitated Marketplace or other functions operated by the Centers for Medicare & Medicaid Services or the Department of Treasury.

Public input on waiver proposals consistent with the statutory provisions of Section 1332 and regulations at 31 CFR 33.112 and 45 CFR 155.1312 require states to provide a public notice and comment period for a waiver application sufficient to ensure a meaningful level of public input prior to submitting an application.

In keeping with these regulations, Covered California seeks public comment on this proposal. California's waiver application can be found on the [Covered California 1332 State Innovation](#) website.

A Public Hearing will be held during the Covered California Board meeting on August 18, 2016 from 12:00 – 3:00 pm at 1601 Exposition Blvd. Sacramento, CA 95815. You may join this meeting in person or by calling the number listed on the [Agenda](#).

Written comments on the proposal are due September 6, 2016 by 5:00pm PST. Written comments should be sent via email to 1332@covered.ca.gov or by mail to Mandy Garcia at 1601 Exposition Blvd. Sacramento, CA 95815. Comments received will be posted to the Covered California website for viewing by 5 pm on September 16, 2016. If you need special accommodations to participate in the public hearing, please e-mail 1332@covered.ca.gov.