



# 2024 State Enhanced Cost-Sharing Reduction

Assembly Bill (AB) 102 (Ting, Chapter 38, Statutes of 2023) and AB 118 (Committee on Budget, Chapter 42, Statutes of 2023), include action on the Health Care Affordability Reserve Fund (HCARF) and appropriate \$82.5 million to Covered California to provide financial assistance for coverage year 2024.<sup>1,2,3</sup> This policy explainer provides insight on how Covered California administered the California Enhanced Cost-Sharing Reduction (CSR) Program for plan year 2024.

## Background

The Affordable Care Act (ACA) requires qualified health plan (QHP) issuers to reduce out-of-pocket maximums and cost-sharing amounts (such as deductibles and copays) for consumers with household incomes between 100 and 250 percent of the federal poverty level (FPL), inclusive. Eligible individuals access these benefits by enrolling in what are known as CSR plans built on Silver-level coverage. For the lowest-income enrollees, CSR plans provide coverage at or near the Platinum level for Silver premium prices.

Under the ACA, consumers with household income up to 250% FPL\* are eligible for CSR benefits that increase the value of a Silver plan thereby lowering out-of-pocket costs as follows:

- Silver 94 for consumers with household income 100% up to 150% FPL
- Silver 87 for consumers with household income above 150% up to 200% FPL
- Silver 73 for consumers with household income above 200% up to 250% FPL

## Policy and Implementation Activities

Covered California used state funding to lower cost sharing in three CSR plans (see Table 2 for program eligibility) and included the following for people with household incomes at or below 250% FPL who qualify:

- Eliminate deductibles in all Silver CSR plans,
- Revert cost-sharing increases for generic drugs and maximum out-of-pocket in the Silver 87 CSR plan, and
- Increase the value of the Silver 73 CSR plan to approximate the Gold level of coverage by reducing copays for primary and emergency care to Gold levels, reducing the copay for specialist visits and lowering the maximum out-of-pocket amount.

Eligible enrollees who were in Silver CSR plans automatically received the benefits for plan year 2024. Other eligible enrollees were placed into the new plans in certain cases or received outreach material on shopping for plans. For new enrollees, benefits were available for shopping during open enrollment and renewal periods. Further program details, including carrier payment, are specified in the [2024 California Enhanced Cost-Sharing Program Design](#) document<sup>4</sup> adopted by the Board on August 17, 2023.

Key benefits of the design enhancements are shown below in Table 1 comparison chart. Although the actuarial value of the product has increased, consumers continue to see the standard names of Silver 73, 87, and 94. Detailed summary of benefits and coverage is available in the board-approved [2024 Patient-Centered Benefit Plan Designs](#).

\* The ACA also provides [CSRs to American Indian \(AI\)/Alaska Native \(AN\) enrollees](#) that differ from those listed above.

**Table 1. Comparison of Silver CSR Plans with 2024 State Enhanced Cost-Sharing Reductions**

Benefit	Silver 73 Standard CSR Plan	Silver 73 Enhanced CA CSR	Silver 87 Standard CSR Plan	Silver 87 Enhanced CA CSR	Silver 94 Standard CSR Plan	Silver 94 Enhanced CA CSR
Medical Deductible	\$5,400	\$0	\$800	\$0	\$75	\$0
ED Facility Fee	\$450	\$350	\$150	\$150	\$50	\$50
Primary Care Visit	\$50	\$35	\$15	\$15	\$5	\$5
Specialist Visit	\$90	\$85	\$25	\$25	\$8	\$8
Drug Deductible	\$150	\$0	\$50	\$0	\$0	\$0
Tier 1 (Generics)	\$19	\$15	\$6	\$5	\$3	\$3
Maximum-out-of-pocket	\$7,750	\$6,100	\$3,150	\$3,000	\$1,150	\$1,150

**Table 2. Program Eligibility Expanded for Plan Year 2024**

Household Income Eligibility by Percentage of FPL	2024 California Enhanced CSR Program Plan
100% up to 150%	Enhanced Silver 94
Above 150% up to 200%	Enhanced Silver 87
Above 200% up to 250%	Enhanced Silver 73

## Endnotes

1 California Legislative Information. Government Code, § 100800 et seq. Title 25. Individual Market Assistance [100800 - 100825].

[https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=&title=25.&part=&chapter=&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=&title=25.&part=&chapter=&article=)

2 California Legislative Information. Assembly Bill No.102, Ting, Chapter 38, Statutes of 2023.

[https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=&title=25.&part=&chapter=&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=&title=25.&part=&chapter=&article=)

3 California Legislative Information. Assembly Bill No.118, Committee on Budget, Chapter 42, Statutes of 2023.

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB118](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB118)

4 Covered California. August 17, 2023. 2024 California Enhanced Cost-Sharing Reduction Program Design.

[https://board.coveredca.com/meetings/2023/2023.08.17\\_CoveredCA\\_2024\\_Program\\_Design\\_Draft.pdf](https://board.coveredca.com/meetings/2023/2023.08.17_CoveredCA_2024_Program_Design_Draft.pdf)