



2025 State Enhanced Cost-Sharing Reduction

Assembly Bill (AB) 107 (Gabriel, Chapter 22, Statutes of 2024), and Senate Bill (SB) 108 (Weiner, Chapter 35, Statutes of 2024) include action on the Health Care Affordability Reserve Fund (HCARF) and appropriate \$165 million for coverage year 2025 and ongoing.^{1,2,3} This policy explainer provides insight on how Covered California administers the California Enhanced Cost-Sharing Reduction (CSR) Program for plan year 2025.

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 uses state funding to lower cost sharing in three CSR plans and include the following:

- 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.
- Program eligibility expanded for 2025 (see Table 2). All enrollees on a subsidized application who are eligible for advanced premium tax credit (APTC) with income above 200% FPL will be eligible for a California Enhanced Silver 73 plan.
- American Indian/Alaska Native members with income above 300% FPL have the California Enhanced Silver 73 design in addition to the limited cost sharing plan.

Eligible enrollees who were in Silver CSR plans automatically received the benefits for plan year 2025. Other eligible enrollees were placed into the new plans in certain cases or will receive 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 [2025 California Enhanced Cost-Sharing Program Design](#) document⁴ adopted by the Board on April 18, 2024.

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 [2025 Patient-Centered Benefit Plan Designs](#).

Table 1. Comparison of Silver CSR Plans with 2025 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	\$1400	\$0	\$0	\$0
ED Facility Fee	\$350	\$350	\$150	\$150	\$50	\$50
Primary Care Visit	\$35	\$35	\$15	\$15	\$5	\$5
Specialist Visit	\$85	\$85	\$25	\$25	\$8	\$8
Drug Deductible	\$350	\$0	\$350	\$0	\$0	\$0
Tier 1 (Generics)	\$20	\$15	\$8	\$5	\$3	\$3
Maximum-out-of-pocket	\$7,350	\$6,100	\$3,050	\$3,000	\$1,300	\$1,150

Table 2. Program Eligibility Expanded for Plan Year 2025

Household Income Eligibility by Percentage of FPL	2025 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
Above 250%	Enhanced Silver 73
American Indian/Alaska Native Above 300%	Enhanced Silver 73

Endnotes

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

https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=&title=25.&part=&chapter=&article=

2 California Legislative Information. Assembly Bill No.107, Gabriel, Chapter 22, Statutes of 2024.

https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB107

3 California Legislative Information. Senate Bill No.108, Weiner, Chapter 35, Statutes of 2024.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB108

4 Covered California. May 16, 2024. 2025 California Enhanced Cost-Sharing Reduction Program Design.

https://board.coveredca.com/meetings/2024/May%2016,%202024/2024.05.16_California_Enhanced_Cost-Sharing_Reduction_Program_Design.pdf