



**COVERED
CALIFORNIA**



Overview and Updates for 2020

AGENDA

- I. The Affordable Care Act and Covered California**
- II. Eligibility and Enrollment**
- III. Health Reform Impact**
- IV. New Opportunities to Cover More Californians**
- V. Products Offered through Covered California**
- VI. Casework Overview**

THE AFFORDABLE CARE ACT AND COVERED CALIFORNIA

FEDERAL REFORMS UNDER THE AFFORDABLE CARE ACT

Health Benefit Exchanges and Federal Subsidies:

Federal and state-based marketplaces to buy health insurance and receive financial assistance.

Insurance Market Reforms:

Guaranteed issue and renewal; no annual or lifetime limits; coverage for essential health benefits; and dependent coverage up to age 26

Medicaid Expansion:

Inclusion of low-income childless adults.

Individual/Employer Mandate:

Most U.S. citizens and legal residents required to have health coverage.

*Beginning in 2019, the individual mandate tax penalty was reduced to \$0.

ESTABLISHMENT OF THE CALIFORNIA HEALTH BENEFIT EXCHANGE (COVERED CALIFORNIA)

- California was first state in nation to enact legislation creating a health benefit exchange under the Affordable Care Act:
 - Assembly Bill 1602 (Pérez, 2010) - California Patient Protection and Affordable Care Act in California
 - Senate Bill 900 (Alquist, 2010) established structure and requirements for the state's health benefit exchange
- Independent public entity, governed by a five-member Board:
 - Two members appointed by the Governor
 - One member appointed by Senate Rules Committee
 - One member appointed by Speaker of the Assembly
 - Secretary of the California Health and Human Services Agency - ex-officio, voting member
- Self-sustaining entity – no monies for administration from the state General Fund

COVERED CALIFORNIA'S CORE PRINCIPLES AS A STATE-BASED EXCHANGE

- State-based exchange where eligible Californians can compare and shop for health insurance plans on the individual market.
- The only place where eligible Californians can receive federally-funded financial assistance to help pay for health plan premiums and out-of-pocket costs. And, beginning in 2020, state-funded premium assistance will also be available to help eligible consumers pay for health plan premiums.
- Fosters a competitive marketplace by selective contracting with health insurance carriers to offer coverage through Covered California.
 - Negotiates with carriers on rates
 - Establishes patient-centered benefit designs
 - Through contract requirements, drives value, payment and delivery system reform, quality improvement, addresses health disparities and health equity
- Operates the state's public small business exchange called Covered California for Small Business.

ELIGIBILITY AND ENROLLMENT



Who is Eligible?

Who is:

- **Legal California residents**

Who's not:

- **Undocumented immigrants**
- **Currently incarcerated individuals**



ENROLLMENT WINDOWS

Open Enrollment:

Specific time windows in which eligible Californians can sign-up for Covered California. Unless qualified for “special enrollment,” individuals and families cannot enroll outside of the open enrollment period.

Special Enrollment:

Short time window in which eligible Californians can sign-up for Covered California. Special Enrollment can only be triggered by a change of coverage status (loss of employment, marriage, birth, relocation, etc...)

SPECIAL ENROLLMENT EXAMPLES



• **Marriage or domestic partnership**



• **Number of people in household changes**



• **Move to California or to another area in California**



• **Loss of health coverage**



• **Income change: Newly eligible or ineligible for premium assistance**



• **New Citizen or Newly Lawfully Present**



• **Misinformation, Misrepresentation, or Inaction**



• **American Indian or Alaskan Native may enroll or change once a month**

HELPING CONSUMERS ENROLL

▶ One application for Covered California or Medi-Cal

www.CoveredCA.com

ONLINE



Service Center
(800) 300-1506

PHONE



or



MAIL OR FAX



Certified
Insurance
Agent

IN-PERSON



Certified
Enrollment
Counselor

IN-PERSON

Local county
human or social
services office

IN-PERSON

COVERED CALIFORNIA AVAILABLE DATA

- The Active Member Profile shows counts of enrollees who have paid and have effective coverage through Covered California during the reporting month.
- Data is available through multiple cross sections including ethnicity, age, product, health plan, county, zip code, congressional and legislative districts.

Visit: <http://hbex.coveredca.com/data-research/>

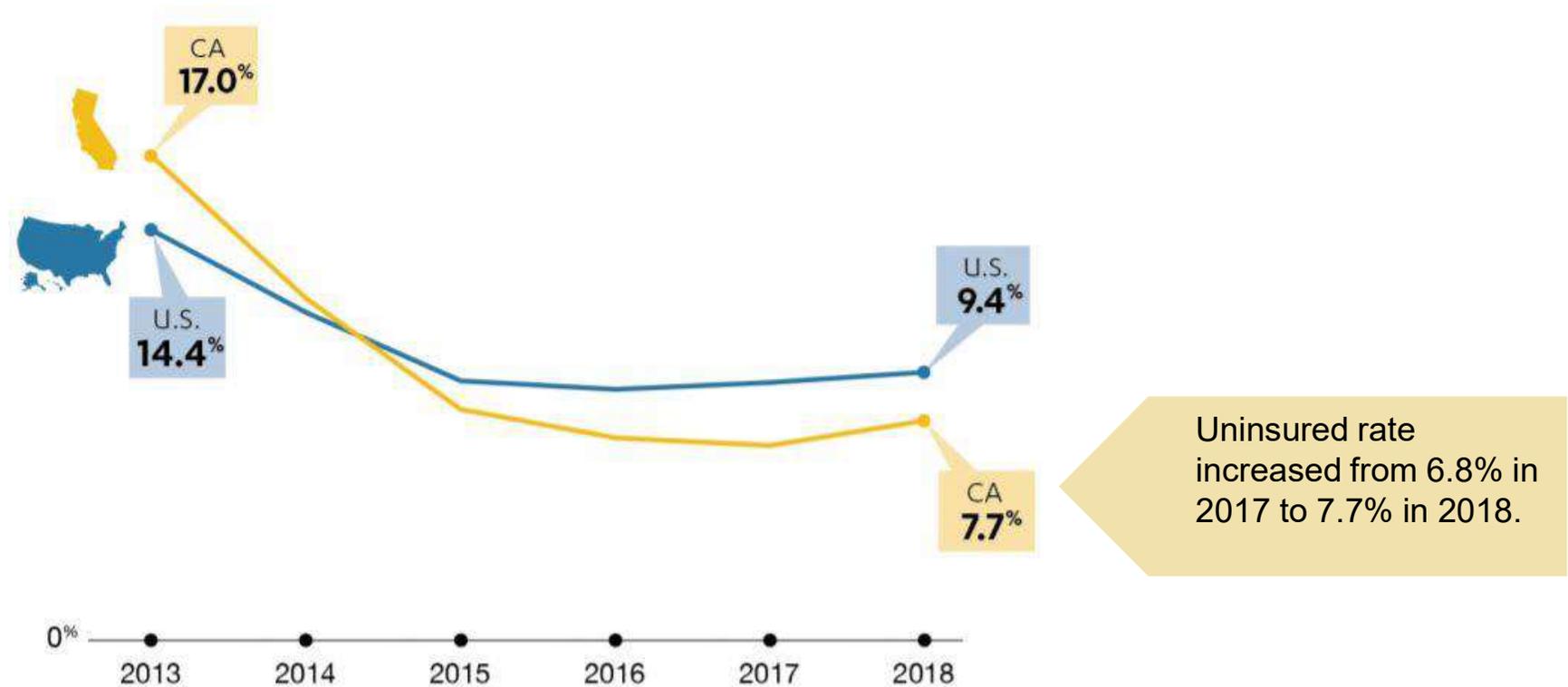
HEALTH REFORM IMPACT

COVERAGE EXPANSION HAVING DRAMATIC EFFECTS IN CALIFORNIA

The Affordable Care Act has dramatically changed the health insurance landscape in California with the expansion of Medicaid, Covered California and new protections for all Californians.

Covered California has served more than **4 million** Californians since 2014.

As of June 2018, Covered California had approximately 1.4 million members who have active health insurance.



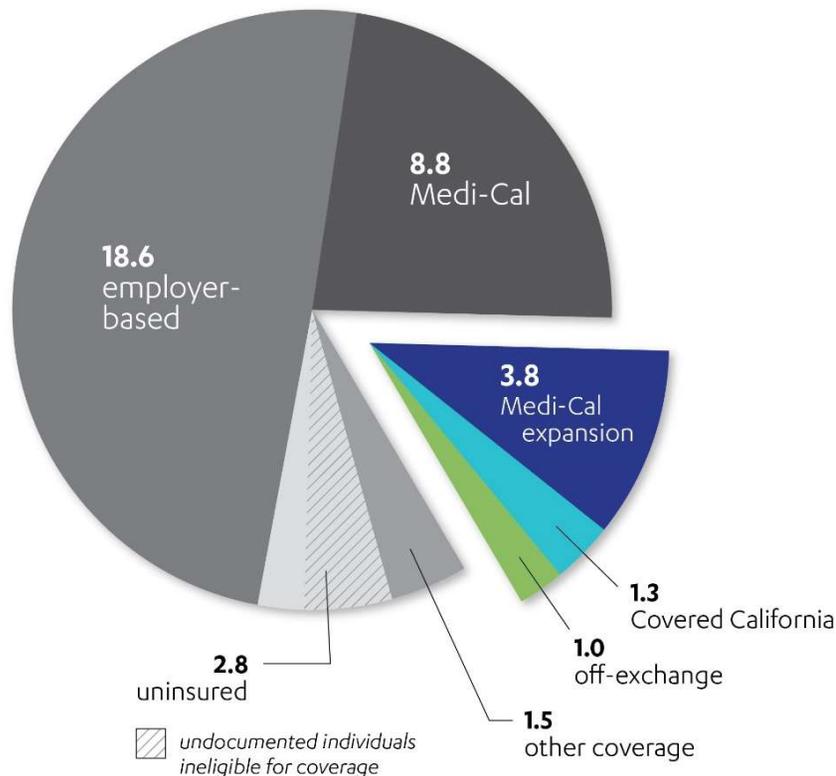
Source: U.S. Centers for Disease Control and Prevention's National Health Institute Survey

CALIFORNIANS' SOURCES OF COVERAGE

From 2013 to 2017, the U.S. Census Bureau states California cut its uninsured rate by 58 percent. Accounting for those ineligible because of their immigration status, California's eligible uninsured population is 1 million.

California's 2017 Health Care Market

(in millions — ages 0-64)

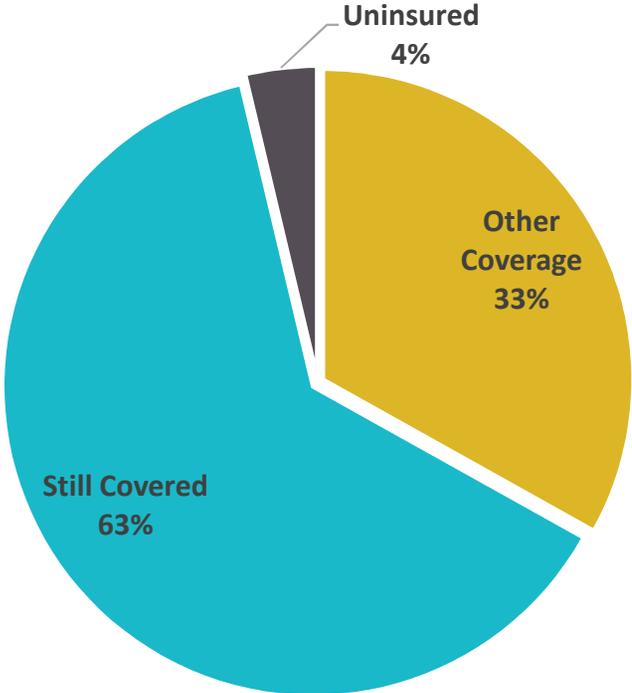


- **More than 3.8 million people are currently enrolled in Medi-Cal because the Affordable Care Act's expansion of Medicaid.**
- **Millions more have purchased coverage off exchange.**
- **Consumers in the individual market (off-exchange) can get identical price and benefits as Covered California enrollees.**

INDIVIDUAL MARKET TURN OVER

While Covered California’s consumers experience a high level of coverage transitions, approximately 90 percent of those who leave Covered California report transitioning to other coverage.

California’s Health Care Coverage Transitions:
Current Source of Coverage for Disenrolled Members
(2018 Survey)



Estimated from Covered California’s enrollment data and March 2018 Member Survey (n=1,283).

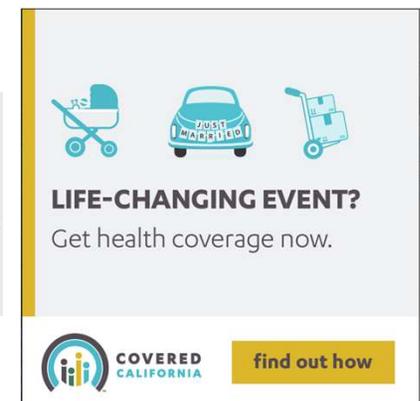
- Prior to 2014, Covered California forecasted that about one-third of enrollees would leave coverage on an annual basis.
- During 2015, Covered California covered 1.6 million unique members for at least one month.
- By early 2016, approximately 40% of those 1.6 million (over 600,000) had ‘disenrolled’.
- Of those who left Covered California, most went to employer-based coverage (50%).

MARKETING MATTERS: LESSONS FROM CALIFORNIA TO PROMOTE STABILITY AND LOWER COSTS IN NATIONAL AND STATE INDIVIDUAL INSURANCE MARKETS

- Marketing and outreach are crucial investments to promote enrollment in the individual health insurance market.
- Selling health insurance is uniquely difficult. While sick people are motivated to buy health insurance, healthier people need to be reminded, nudged and encouraged; they need to be convinced of the value of having health care coverage.



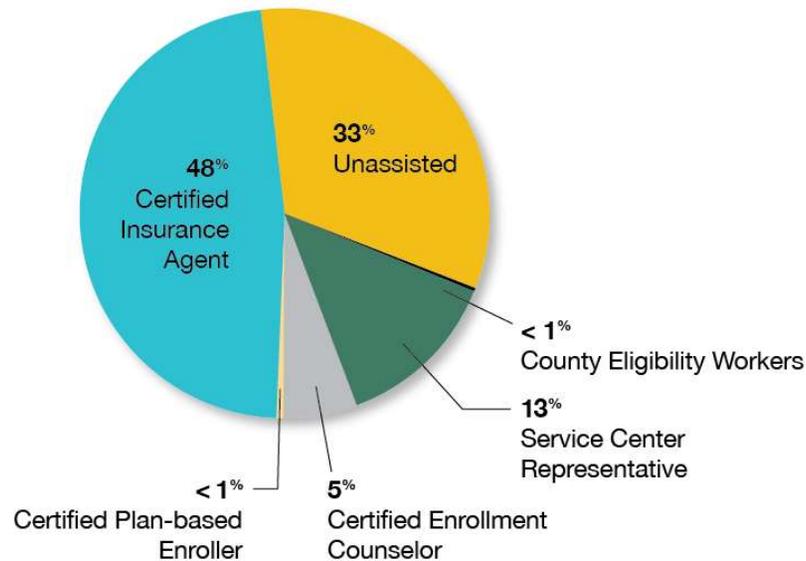
**IT'S MORE THAN
JUST HEALTH CARE.
IT'S LIFE CARE.**



EFFECTIVE MARKETING AND OUTREACH

Multi-channel marketing and multiple service channels consumers can use for enrollment assistance.

2018 Enrollment by Service Channel



- Investments for sixth open enrollment meant **nearly every Californian was exposed to one of our TV, radio, print, billboards or digital ads on average 72 times**, generating nearly 2.2 billion impressions.
- Continued investments for 2019 of over \$121 million.



NEW OPPORTUNITIES TO COVER MORE CALIFORNIANS

TWO FORMS OF FINANCIAL ASSISTANCE

1. PREMIUM ASSISTANCE

Reduces Premium

(The amount you pay per month to be a member of your health plan)

Two forms for eligible consumers:

Federal Premium Tax Credit and as of January 1, 2020, New State Premium Subsidies

2. COST-SHARING ASSISTANCE

Reduces Your Out-of-Pocket Cost

(The amount you pay for a health care service)

Depending on income, an individual can qualify for both forms of financial assistance

CALIFORNIA'S NEW LAWS TO PROTECT AND BUILD ON THE AFFORDABLE CARE ACT

- In late June, the Governor signed the state's fiscal year 2019-20 budget which:
 - Restores the California individual mandate and penalty starting in 2020.
 - Establishes a state subsidy program providing premium subsidies over the next three years for eligible individuals with incomes at or below 138 percent of and above 200 and at or below 600 percent of the FPL (incomes of \$75,000 for individuals and \$150,000 for families of four).

KEY ELEMENTS OF CALIFORNIA'S INDIVIDUAL MANDATE AND PENALTY

- California residents are required to enroll in and maintain minimum essential coverage, receive an exemption, or pay a penalty.
- The individual mandate and penalty closely mirrors the federal structure that was in place prior to the penalty being “zeroed out” by Congress, with adjustments for California’s filing threshold and other adjustments needed for a state-level penalty.
- Covered California would grant exemptions year-round for hardship and religious conscience; Franchise Tax Board would grant additional exemptions (e.g., low income, unaffordability of coverage, short-term gaps in coverage) through the filing process.
- Penalty is greater of \$695 per adult (\$347 per child) or 2.5% of annual household, income above the tax filing threshold.
- Revenues generated from the penalty would partially offset expenditures for new state subsidies.

COST SHARING ASSISTANCE AND PROGRAM ELIGIBILITY

Program Eligibility by Federal Poverty Level for 2020

Medi-Cal and Covered California have various programs with overlapping income limits.



SEE NOTE BELOW FOR INCOMES IN THIS RANGE

California State Subsidy

Federal Tax Credit

American Indian / Alaska Native (AIAN) Zero Cost Share

AIAN Limited Cost Share

Silver 94 (100%-150%)

Silver 87 (>150%-200%)

Silver 73 (>200%-250%)

% FPL	0%	100%	138%	150%	200%	Silver 94 (100%-150%)			Silver 87 (>150%-200%)			Silver 73 (>200%-250%)		
						213%	250%	266%	300%	322%	400%	600%		
Household Size	1	\$0	\$12,490	\$17,237	\$18,735	\$24,980	\$26,604	\$31,225	\$33,224	\$37,470	\$40,218	\$49,960	\$74,940	
	2	\$0	\$16,910	\$23,336	\$25,365	\$33,820	\$36,019	\$42,275	\$44,981	\$50,730	\$54,451	\$67,640	\$101,460	
	3	\$0	\$21,330	\$29,436	\$31,995	\$42,660	\$45,433	\$53,325	\$56,738	\$63,990	\$68,683	\$85,320	\$127,980	
	4	\$0	\$25,750	\$35,535	\$38,625	\$51,500	\$54,848	\$64,375	\$68,495	\$77,250	\$82,915	\$103,000	\$154,500	
	5	\$0	\$30,170	\$41,635	\$45,255	\$60,340	\$64,263	\$75,425	\$80,253	\$90,510	\$97,148	\$120,680	\$181,020	
	6	\$0	\$34,590	\$47,735	\$51,885	\$69,180	\$73,677	\$86,475	\$92,010	\$103,770	\$111,380	\$138,360	\$207,540	
	7	\$0	\$39,010	\$53,834	\$58,515	\$78,020	\$83,092	\$97,525	\$103,767	\$117,030	\$125,613	\$156,040	\$234,060	
	8	\$0	\$43,430	\$59,934	\$65,145	\$86,860	\$92,506	\$108,575	\$115,524	\$130,290	\$139,845	\$173,720	\$260,580	
add'l add	\$0	\$4,420	\$6,100	\$6,630	\$8,840	\$9,415	\$11,050	\$11,758	\$13,260	\$14,233	\$17,680	\$26,520		



Medi-Cal for Adults

Medi-Cal for Pregnant Women

Medi-Cal Access Program (for Pregnant Women)

Medi-Cal for Kids (0-18 Yrs.)

County Children's Health Initiative Program

Note: Most consumers up to 138% FPL will be eligible for Medi-Cal. If ineligible for Medi-Cal, consumers may qualify for a Covered California health plan with financial help including: federal tax credit, California state subsidy, Enhanced Silver plans and AIAN plans.

Covered California Programs

Covered California uses FPL limits from the prior year to determine eligibility for its programs as required by regulation. The unshaded columns are associated with Covered California eligibility ranges:

California State Subsidy	0%–138% FPL / over 200%–600% FPL
Federal Tax Credit	100%–400% FPL
Enhanced Silver Plans	100%–250% FPL
• Silver 94	100%–150% FPL
• Silver 87	over 150%–200% FPL
• Silver 73	over 200%–250% FPL
AIAN Zero Cost Share	100%–300% FPL
AIAN Limited Cost Share	all income levels

The unshaded columns display 2019 FPL values to determine eligibility for premium tax credits and cost sharing reductions for health plans effective in 2020. The unshaded columns, including the 100% column, display 2019 FPL values as published by the [Department of Health and Human Services](#).

Medi-Cal Programs

Medi-Cal uses FPL limits of the current year to determine eligibility for its programs. The column headings shaded in purple are associated with eligibility ranges for Medi-Cal programs:

Medi-Cal for Adults	up to 138% FPL
Medi-Cal for Children	up to 266% FPL
Medi-Cal for Pregnant Women	up to 213% FPL
MCAP	over 213%–322% FPL
CCHIP	over 266%–322% FPL

The shaded columns display 2019 FPL values according to the [Department of Health Care Services](#) (see annual values on page 4) which administers the Medi-Cal program.

IMPROVING AFFORDABILITY FOR CALIFORNIANS

- California is the first state in the nation to provide premium subsidies for middle-class consumers with incomes between 400 and 600 percent of the Federal Poverty Level (FPL).
- Covered California enrollees, who currently receive federal financial help could be eligible for additional state subsidies helping to make their premium costs even more affordable.
- To receive state subsidies, individuals must purchase coverage through Covered California and otherwise meet eligibility requirements for federal premium subsidies, except for the income requirements for the 400 to 600 percent FPL population.

CALIFORNIA SUBSIDY SCENARIO

Erin and Francis 62 years old Live in a high cost region Income: \$72,000 425% FPL <i>Based on the second-lowest Silver (SLS) plan offered in Oakland, CA.</i>		Affordable Care Act Baseline	New California State-Based Subsidies
	Monthly Premium (SLS)	\$2,414	\$2,414
	Net Premium	\$2,414	\$714
	Net Premium Income Share	40.3%	11.9%
	Federal Premium Subsidy	\$0	\$0
	New California Premium Subsidy	\$0	\$1,700
	Silver Plan Medical Deductible – (family)	\$5,000 NO deductible for out-patient care	\$5,000 NO deductible for out-patient care

SUBSIDY RECONCILIATION

- Federal premium subsidies are reconciled at year end through the IRS.
- State premium subsidies will be reconciled at year end through the Franchise Tax Board.
- Reconciliation adjusts consumers' final premium subsidy based on their year end income compared to the income they projected when they applied for coverage.

PRODUCTS OFFERED THROUGH COVERED CALIFORNIA

2020 QUALIFIED HEALTH PLANS



DENTAL AND VISION



California Dental Network

A DentaQuest company

ESSENTIAL HEALTH BENEFITS

Regardless of the plan selected, the following essential benefits are covered:

- Outpatient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorder services
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services

HOW ARE RATES DETERMINED?

Rates are based on:

- Age
- ZIP code
- Household size and income (to determine eligibility for premium assistance or Medi-Cal)
- Health plan and benefit level selected

Rates are NOT based on:

- Health status
- Gender
- Pre-existing conditions
- Tobacco usage

PRICING REGIONS



Pricing Region 1
Alpine, Del Norte, Siskiyou, Modoc, Lassen, Shasta, Trinity, Humboldt, Tehama, Plumas, Nevada, Sierra, Mendocino, Lake, Butte, Glenn, Sutter, Yuba, Colusa, Amador, Calaveras, Tuolumne

Pricing Region 2
Napa, Sonoma, Solano, Marin

Pricing Region 3
Sacramento, Placer, El Dorado, Yolo

Pricing Region 4
San Francisco

Pricing Region 5
Contra Costa

Pricing Region 6
Alameda

Pricing Region 7
Santa Clara

Pricing Region 8
San Mateo

Pricing Region 9
Santa Cruz, Monterey, San Benito

Pricing Region 10
San Joaquin, Stanislaus, Merced, Mariposa, Tulare

Pricing Region 11
Fresno, Kings, Madera

Pricing Region 12
San Luis Obispo, Ventura, Santa Barbara

Pricing Region 13
Mono, Inyo, Imperial

Pricing Region 14
Kern

Pricing Region 15
Los Angeles (partial)
The county of Los Angeles is made up of two pricing regions by ZIP code (Regions 15 and 16).

Pricing Region 16
Los Angeles (partial)
The county of Los Angeles is made up of two pricing regions by ZIP code (Regions 15 and 16).

Pricing Region 17
San Bernardino, Riverside

Pricing Region 18
Orange

Pricing Region 19
San Diego

COVERED CALIFORNIA PROVIDES CONSUMERS WITH TOOLS TO MAKE INFORMED CHOICES

Key Consumer Factors in Choosing a Plan:

- Monthly Premium
- Estimated Total Costs (with out-of-pocket)
- Maximum-Out-of-Pocket
- Amount of Federal and State Support
- Plan Quality
- Doctor in Plan
- Hospital in Plan
- Drugs Covered

Plan Name	Monthly Premium	After Savings	Primary Care	Generic Drugs	Yearly Deductible	Total Expense Estimate	Quality Rating
Bronze 60 HMO	\$212.63	after \$108.21 monthly savings	You pay \$65	You pay \$18	\$6300 / \$500 (May Not Apply)	Lower	★★★★★
Bronze 60 HDHP HMO	\$196.91	after \$108.21 monthly savings	You pay 0%	You pay 0%	\$6900 (May Not Apply)	Lower	★★★★★
Silver 70 HMO	\$289.54	after \$108.21 monthly savings	You pay \$40	You pay \$16	\$4000 / \$300 (May Not Apply)	Lower	★★★★★

“Default” display of plans is from lowest to highest by total cost (including premium and likely out-of-pocket costs).

Plans are rated on overall quality based on feedback from Covered California members.

Consumers can search to see if a desired physician is in the plan’s network.

COVERED CALIFORNIA 2020 PATIENT-CENTERED BENEFIT DESIGNS

In California, standard benefit designs allow apples-to-apples plan comparisons and seek to encourage utilization of the right care at the right time with many services that are not subject to a deductible. All health plans offer identical patient-centered benefit designs.

Coverage Category	Minimum Coverage	Bronze	Silver	Enhanced Silver 73	Enhanced Silver 87	Enhanced Silver 94	Gold	Platinum
Percent of cost coverage	Covers 0% until out-of-pocket maximum is met	Covers 60% average annual cost	Covers 70% average annual cost	Covers 73% average annual cost	Covers 87% average annual cost	Covers 94% average annual cost	Covers 80% average annual cost	Covers 90% average annual cost
Cost-sharing Reduction Single Income Range	N/A	N/A	N/A	\$24,981 to \$31,225 (>200% to ≤250% FPL)	\$18,736 to \$24,980 (>150% to ≤200% FPL)	up to \$18,735 (100% to ≤150% FPL)	N/A	N/A
Annual Wellness Exam	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Primary Care Visit	After first 3 non-preventive visits, full cost per instance until out-of-pocket maximum is met	\$65*	\$40	\$35	\$15	\$5	\$30	\$15
Urgent Care		\$65*	\$40	\$35	\$15	\$5	\$30	\$15
Specialist Visit	Full cost per service until out-of-pocket maximum is met	\$95*	\$80	\$75	\$25	\$8	\$65	\$30
Emergency Room Facility		40% after deductible is met	\$400	\$400	\$150	\$50	\$350	\$150
Laboratory Tests		\$40	\$40	\$40	\$20	\$8	\$40	\$15
X-Rays and Diagnostics		40% after deductible is met	\$85	\$85	\$40	\$8	\$75	\$30
Imaging		\$325	\$325	\$100	\$50	\$275 copay or 20% coinsurance***	\$75 copay or 10% coinsurance***	
Tier 1 (Generic Drugs)	Full cost per script until out-of-pocket maximum is met	\$18**	\$16**	\$16**	\$5 or less	\$3 or less	\$15 or less	\$5 or less
Tier 2 (Preferred Drugs)		40% up to \$500 after drug deductible is met	\$60**	\$55**	\$25**	\$10 or less	\$55 or less	\$15 or less
Tier 3 (Non-preferred Drugs)			\$90**	\$85**	\$45**	\$15 or less	\$80 or less	\$25 or less
Tier 4 (Specialty Drugs)		20% up to \$250** per script	20% up to \$250** per script	15% up to \$150** per script	10% up to \$150 per script	20% up to \$250 per script	10% up to \$250 per script	
Medical Deductible	N/A	Individual: \$6,300 Family: \$12,600	Individual: \$4,000 Family: \$8,000	Individual: \$3,700 Family: \$7,400	Individual: \$1,400 Family: \$2,800	Individual: \$75 Family: \$150	N/A	N/A
Pharmacy Deductible	N/A	Individual: \$500 Family: \$1,000	Individual: \$300 Family: \$600	Individual: \$275 Family: \$550	Individual: \$100 Family: \$200	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	\$8,150 individual only	\$7,800 individual \$15,600 family	\$7,800 individual \$15,600 family	\$6,500 individual \$13,000 family	\$2,700 individual \$5,400 family	\$1,000 individual \$2,000 family	\$7,800 individual \$15,600 family	\$4,500 individual \$9,000 family

Drug prices are for a 30 day supply.

* Copay is for any combination of services (primary care, specialist, urgent care) for the first three visits. After three visits, future visits will be at full cost until the medical deductible is met.

** Price is after pharmacy deductible amount is met.

*** See plan Evidence of Coverage for imaging cost share.

CASEWORK

ExternalAffairs@covered.ca.gov

ESCALATING CONSTITUENT ISSUES

If your office needs assistance with Covered CA casework, you can email externalaffairs@covered.ca.gov.

It is helpful to include the following information in your email to help us research the case:

- Constituent's Name,
 - Constituent's Telephone Number and Email Address
 - Case # or Application ID # (optional),
 - Constituent's Date of Birth, and
 - Description of the issue.
-
- **DO NOT INCLUDE** a consumer's Social Security Number

External Affairs will work with the appropriate Covered California program to attempt to resolve the case as quickly as possible and provide your office with updates.

**FOR QUESTIONS OR TO REQUEST
MORE INFORMATION CONTACT:**

EXTERNALAFFAIRS@COVERED.CA.GOV