



Covered California Subsidy Expansion and Open Enrollment Update

Kelly Bradfield and Megan Greenwood | January 27, 2020

COVERED CALIFORNIA IN 2020

More committed than ever

To our mission to increase the number of insured Californians, to improve health care quality, lower costs and reduce health care disparities across California

**MORE
THAN 6
MILLION
CONSUMERS
SERVED**

- More than 4 million people have been insured by Covered California since 2014
- More than 6 million people have been insured in the individual market both on and off-exchange
 - More than 3.8 million people are currently enrolled in Medi-Cal because the Affordable Care Act's expansion of Medicaid

Ensuring access to a competitive marketplace in 2020



The overall story is a good one for consumers across California

Peter V Lee

0.8% Statewide Average Premium Increase

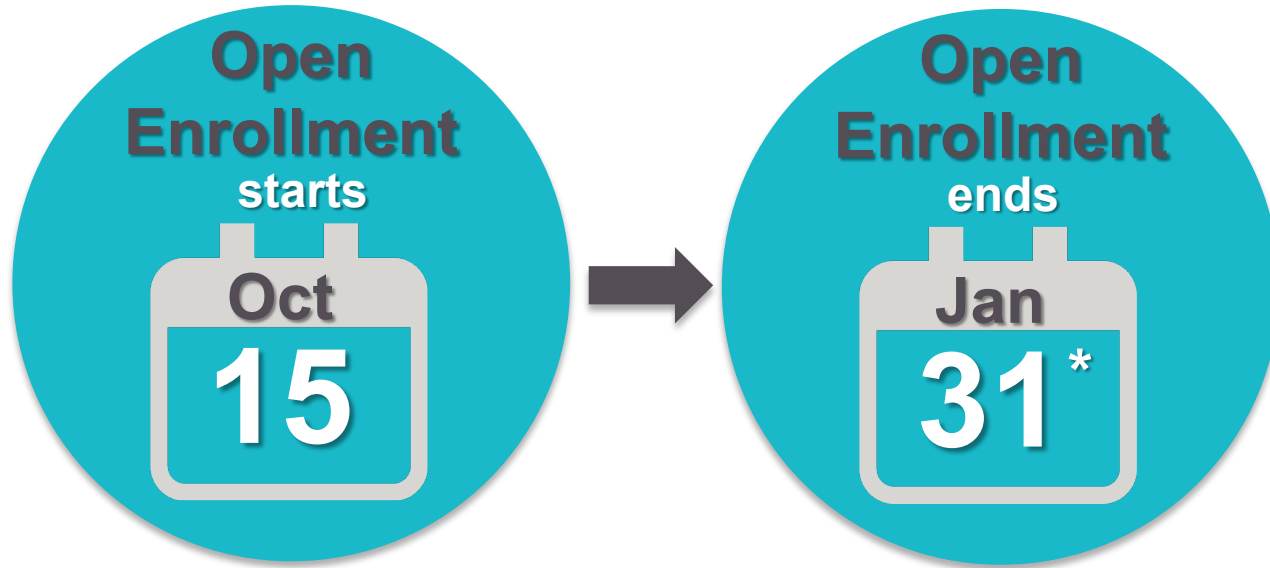
- More than **75%** of consumers will either be able to pay less or see no change in their premiums if they switch plans.
- If consumers change to the lowest-priced plan at the same metal tier, the weighted average change would be a decrease of **-9.0%**

Providing consumers with more health plan options



- All 11 health insurance companies will return to the market
- 3 carriers will be expanding their offerings
- Nearly all Californians will have a choice of 2 carriers
- 87% will have a choice of 3 or more carriers

2020 open enrollment dates



*NEW: Consumers who enroll as late as Jan 31 will have coverage starting Feb 1.

EXPANDED FINANCIAL ASSISTANCE

State and federal updates

California Affordability Programs

In late June, the Governor signed the state's fiscal year 2019-20 budget which:

- Establishes a state subsidy program providing premium subsidies over the next three years for eligible individuals with incomes at or below 138 percent of the Federal Poverty Level (FPL) and above 200 and at or below 600 percent of the FPL.
- Establishes a California individual mandate and penalty starting in 2020 that closely mirrors the federal structure that was in place prior to the penalty being “zeroed out” by Congress.
- Expands state-only, full-scope Medi-Cal to individuals between 19 and 25 years old regardless of immigration status.

2020 Budgeted Subsidies

\$428,629,000
for 2020 plan year

17%

\$72,866,930

FPL 200%-
400%

83%

\$355,762,070

FPL 0%-138%
FPL 400%-600%

2020 Subsidy Projections

922,000

individuals estimated to receive a state subsidy



235,000

are middle-income Californians who don't receive federal financial help



\$172

per household per month average state subsidy for middle-income Californians earning 400-600% FPL



229,000


new enrollments projected due to the mandate and penalty



42,000

projected new consumers enrolling off-exchange directly with carriers

New 2020 FPL chart for the state subsidy program



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%	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)

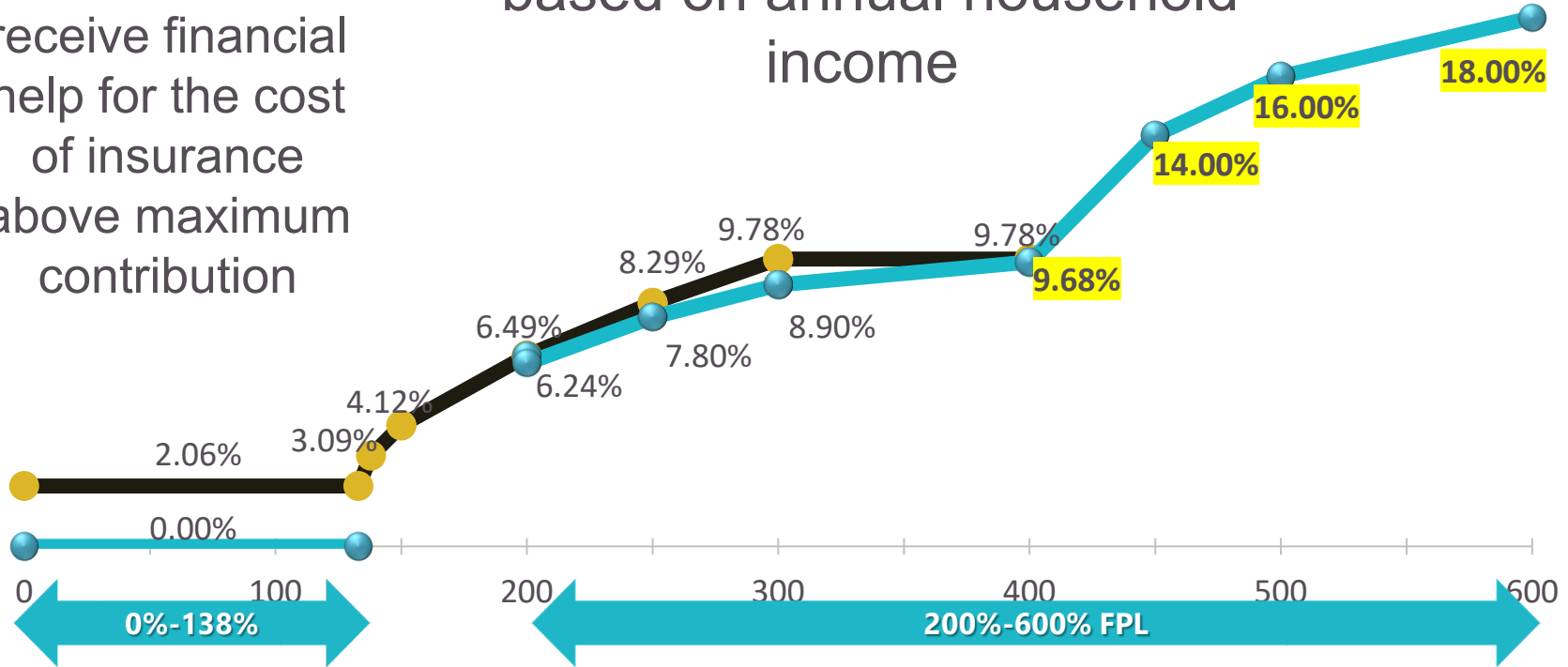
Medi-Cal for Kids (0-18 Yrs.)

County Children's Health Initiative Program

What consumers pay before subsidy kicks in

Consumers receive financial help for the cost of insurance above maximum contribution

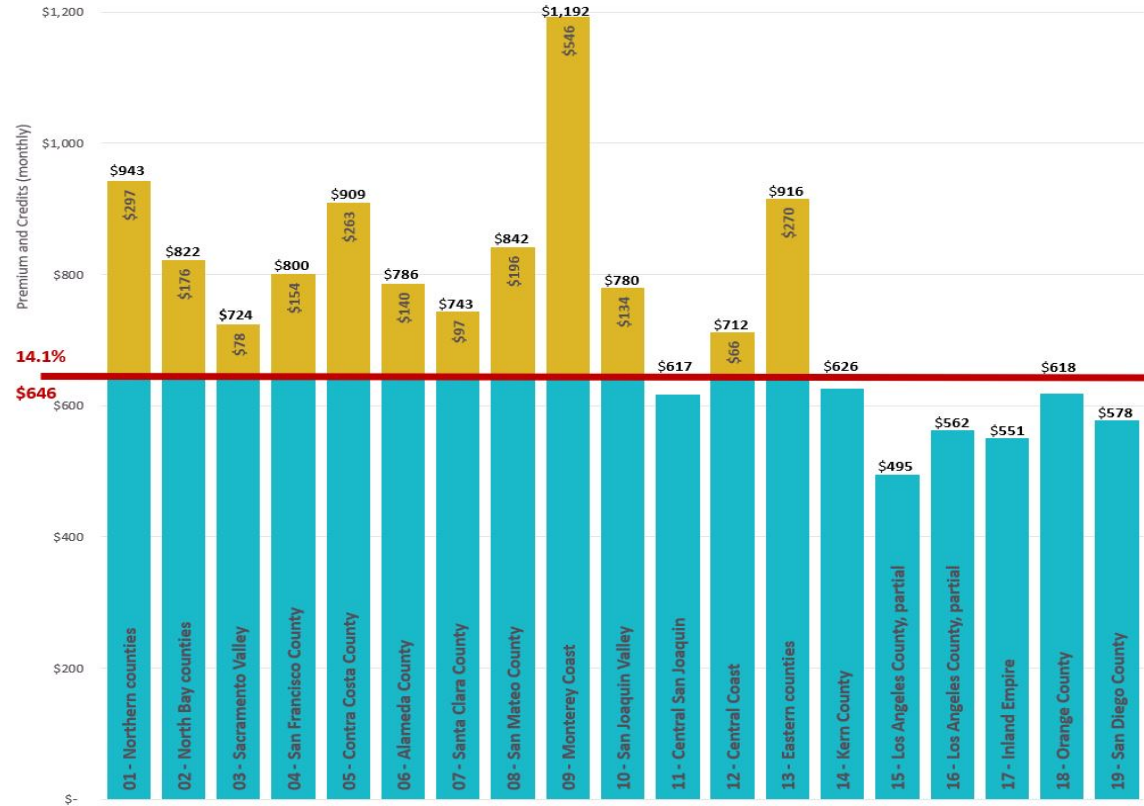
Maximum contribution based on annual household income



State Subsidy Kicks In When Premium is Higher than Individual's Contribution: Example 1

50 YEAR OLD 451% FPL
\$55,000

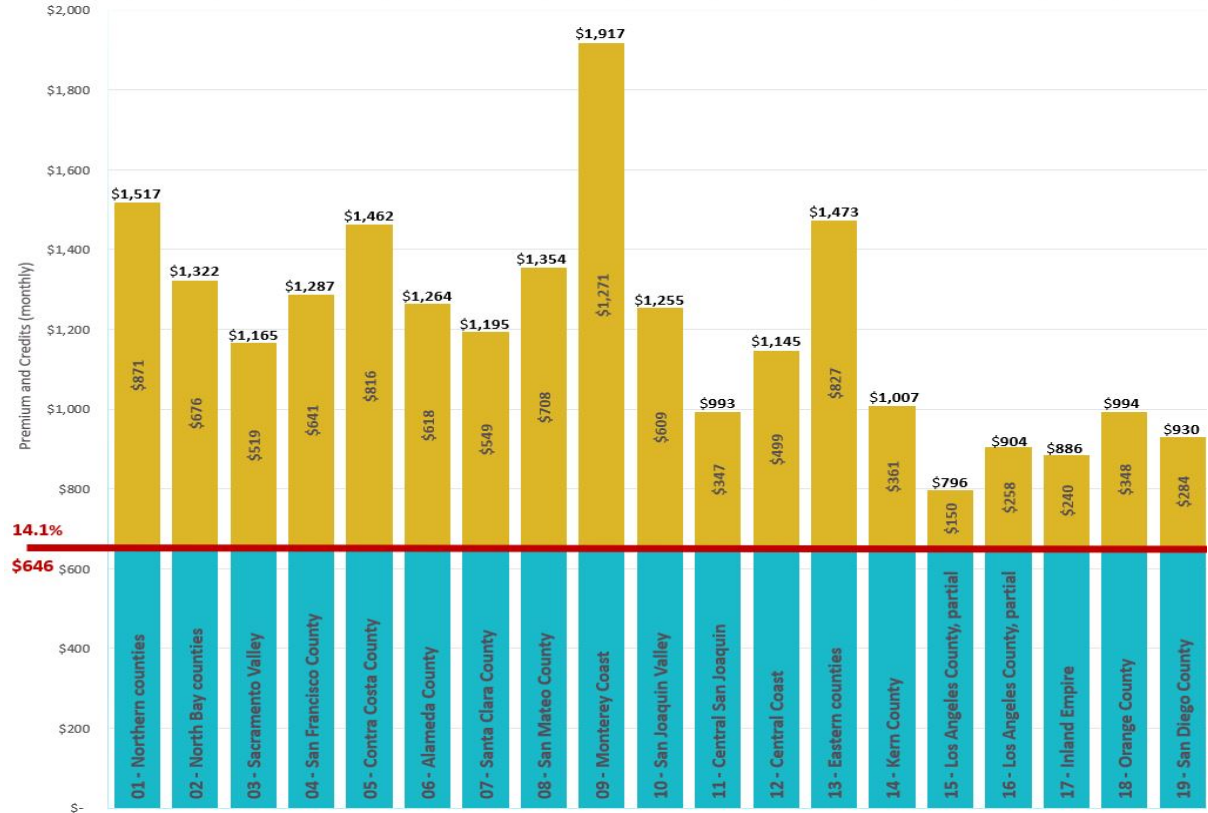
- In many cases, premiums for those over 400% FPL are already below the maximum contribution. At right, we show that some 50 year old consumers at 451% FPL would receive subsidies and some would not.



State Subsidy Kicks In When Premium is Higher than Individual's Contribution: Example 2

62 YEAR OLD 451% FPL
\$55,000

- 62 year old consumers, in this example, who do not have access to benchmark plans for equal to or less than their maximum contribution would receive a state subsidy



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

Covered CA Message Evaluation | July 16, 2019

NEW STATE HEALTH INSURANCE MANDATE

State Individual Mandate and Penalty

- Requires Californians to enroll in minimum essential coverage, receive an exemption or pay a penalty.
- Franchise Tax Board implements and collects penalties



A minimum of \$695 per adult
(\$347 per child)

OR

2.5% of the annual household
income, **whichever is greater**

The penalty is capped
at the amount of the
average cost of a
bronze plan across the
state (up to \$16,980 for
a family of 5).

Exemptions

Exemptions Processed by Covered California

- Religious Conscience Exemption
- Affordability Hardship
- General Hardships, i.e.:
 - Homeless
 - Evicted or facing eviction/foreclosure
 - Utility shut-off
 - Domestic Violence
 - Natural disaster
 - Death of a family member
 - Natural disaster (i.e. fire, flood, or human-caused disaster)

Exemptions claimed on CA Tax Return

- Income is below the tax filing threshold
- Health coverage is considered unaffordable
- Short coverage gap of 3 consecutive months or less
- Certain non-citizens who are not lawfully present
- Citizens living abroad/residents of another state
- Healthcare sharing ministry
- Federally defined American Indian/Alaska Native
- Incarceration
- Enrolled in limited or restricted-scope Medi-Cal

2020 ENROLLMENT UPDATE

2020 Enrollment Update

□ New Plan Selections through Jan. 4, 2020

Enrollment Cohort	Plan Year	Time Period	Number of Plan Selections
Open Enrollment	2019	10/15/2018 - 01/05/2019	227,892
Open Enrollment	2020	10/15/2019 - 01/04/2020	269,741
Percent Difference			+18%

- Open enrollment runs through Jan. 31, leaving 27 days to be counted.
- In the Federally Facilitated Marketplace states (FFM), new sign-ups grew ~3% in 2020 relative to 2019, this in context of dropping over 45% since 2016, including a drop of 15% last year.*

State Subsidy By Income Bracket

- Financial help for those households receiving new state subsidies, by income bracket (including new and renewing consumers through 1/5/2020):

FPL Bracket	Number of Enrollees Receiving State Subsidy	Number of Households Receiving State Subsidy	Average Amount of State Subsidy Received Per Household Receiving
138% FPL or less	8,451	6,048	\$56
200% FPL to 400% FPL	519,794	334,883	\$23
400% FPL to 600% FPL	30,520	17,592	\$469
Total	558,765	358,523	

Enrollment estimates in Alameda County (RATING REGION 6)

AS OF 01/22/2020

	All Enrollees	Enrollees Receiving State Subsidies	Enrollees Receiving State Subsidies and APTC
Total enrollments (with renewals)	76,287	32,074	29,474
New enrollments	16,943	8,562	7,592

- Open enrollment runs through Jan. 31, leaving 11 days to be counted.
- These numbers are preliminary

Open Enrollment Advertising — January



➔ Covered California and FTB mailing to 2 million consumers.



Thank you!

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