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# California's Policies: Making a BIG Difference

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ITUP 2020 Conference

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# Covered California's First Five Years



## ACA Core Principles:

- Meaningful Coverage for Everyone
- Address Consumer Affordability
- Foster Consumer Choice
- Hold Health Plans and Marketplaces Accountable

## Covered California's Approach

- Create an effective consumer-driven marketplace
- Hold Health insurers accountable for quality and for advancing delivery reform
- Align efforts to foster systemic change
- Use data and evidence to drive continuous improvement

[Covered California's First Five Years: Improving Access, Affordability and Accountability](#) (Covered California)

# Covered California Holding Health Plans Accountable

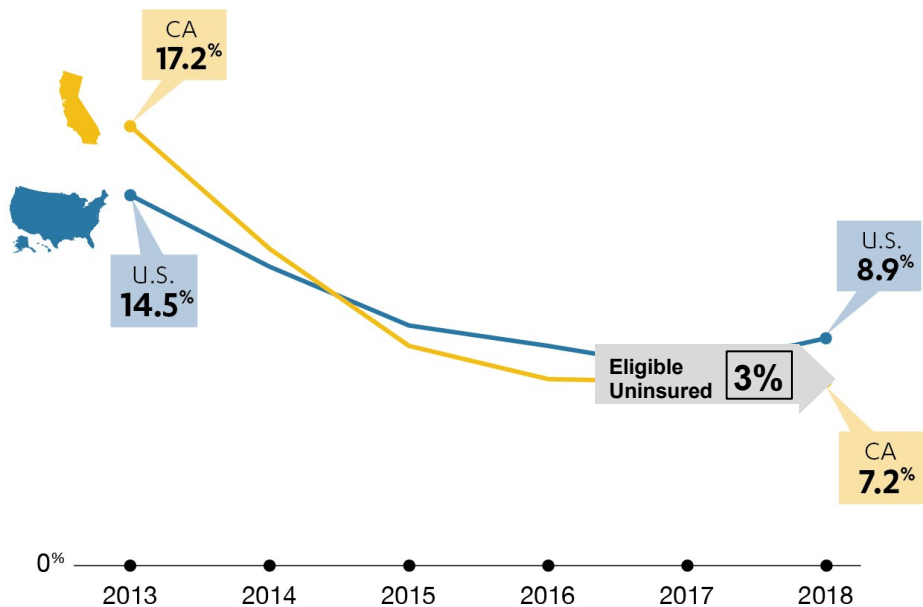


## Covered California – Major Impacts on Affordability and Accountability

- Lower Costs
- Satisfied Consumers
- Great Quality for Many with Wide Variation for Others
- Health Disparities Getting Needed Attention
- Collaboration and Alignment
- Requirements to change delivery are making a difference
- Protecting and Building on the ACA

[Covered California Holding Health Plans Accountable for Quality and Delivery System Reform](#) (Covered California)

# Coverage Expansion Having Dramatic Effects in California

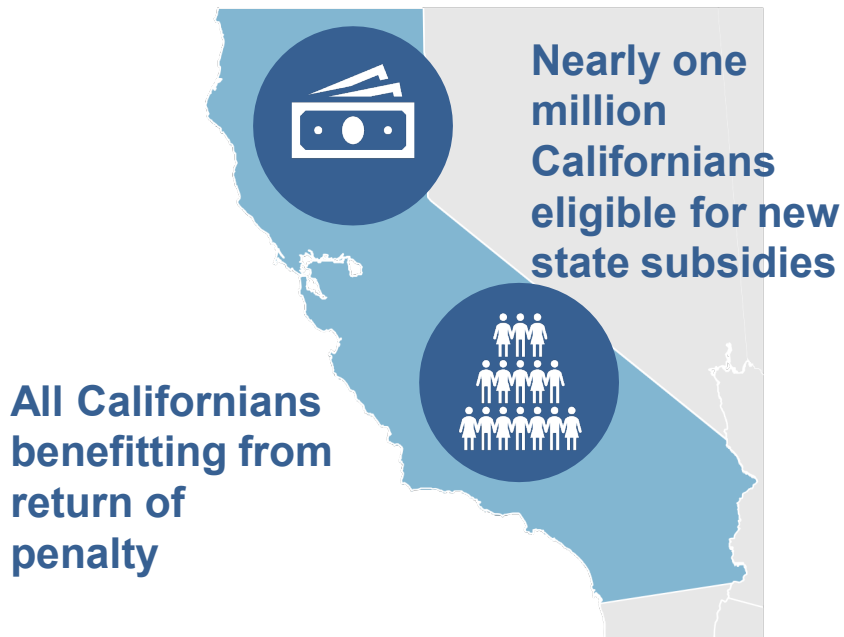


Source: U.S. Census Bureau: Health Insurance in the United States: 2019

- More than 3.7 million Californians have gained health care coverage since 2013.
- When you exclude individuals who are ineligible for coverage, California's "eligible uninsured" rate is roughly 3 percent.
- California's drop of 10 percentage points since 2013 is the largest of any state in the nation.

# CALIFORNIA'S NEW INITIATIVES FOR 2020 BUILD ON THE SUCCESS OF AFFORDABLE CARE ACT

## California's 2020 Health Care Affordability Programs



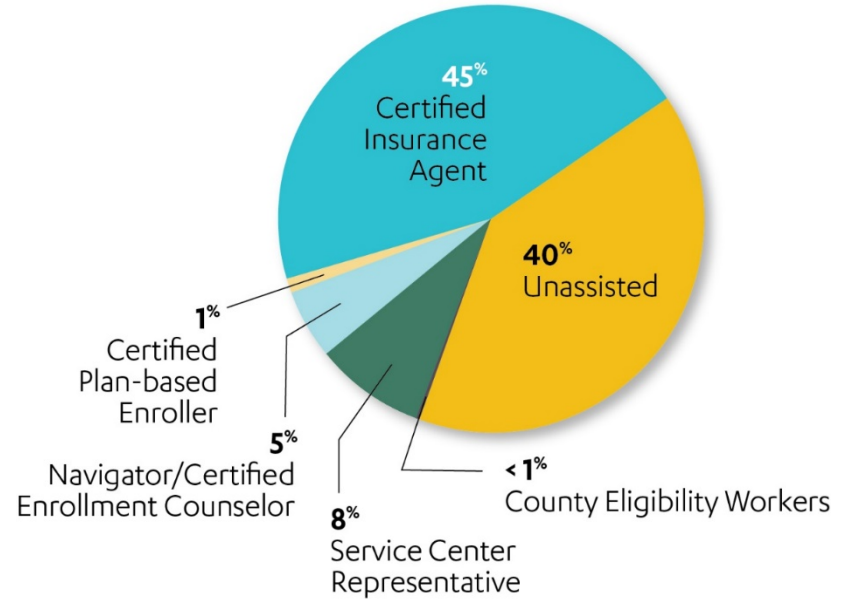
- The restoration of the penalty and new state subsidies contributed to the lowest rate change in Covered California's history at 0.8 percent.
- The new policies helped drive 418,052 people to newly sign up for coverage, an increase of 122,072 or 41 percent, compared to 2019.
- The new state subsidies lowered costs for 625,000 consumers.
- Over 590,000 low-income consumers, earning between 200 to 400 percent of the federal poverty level, will receive an average of \$25 per month per household in addition to their federal tax credits.
- California's first-in-the-nation program will help 32,000 middle-income consumers, earning from 400 to 600 percent of the federal poverty level — with an average state subsidy of \$504 per month per household.

# Effective Marketing and Outreach: Multi-Channel Marketing and Multiple Service Channels

- Investments for 2020 of over \$120 million, including \$47 million for advertising including \$7 million for March/April.
- Investments for open enrollment mean **nearly every Californian is exposed to one of our TV, radio, print, billboards or digital ads on average 89 times**, from nearly 2.7 billion impressions – a 29% increase over 2019.

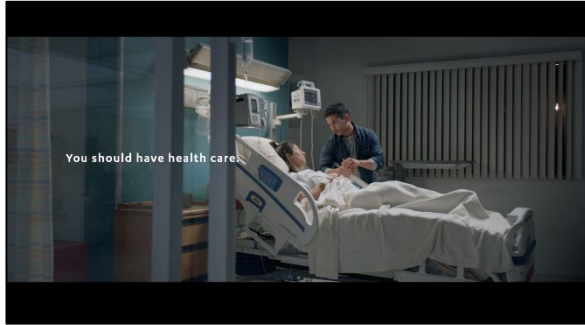


Service Channel Preferences in Fourth Open Enrollment



# California 2020 Open Enrollment Advertising

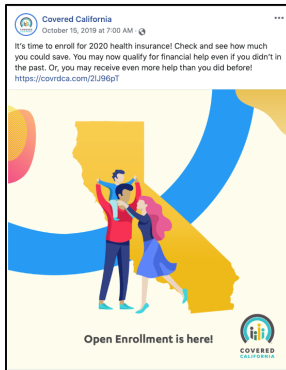
## Brand TV



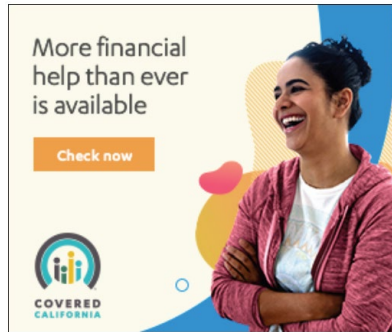
## DRTV



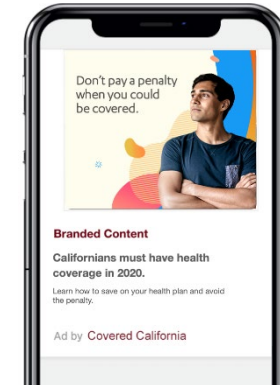
## Social Media



## Digital Banners

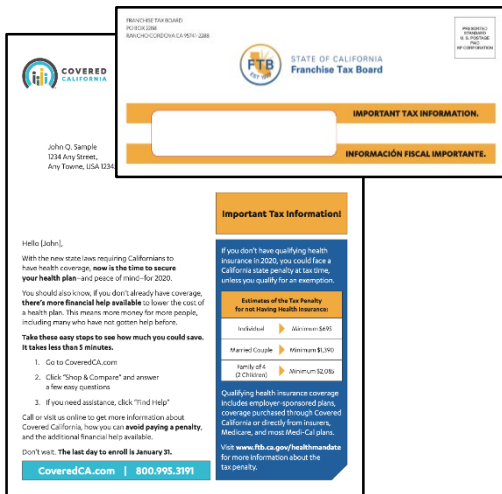


## Mobile Banners



# California 2020 Open Enrollment Mailings and Other Outreach

## Direct Mail



**COVERED CALIFORNIA**

John G. Sample  
1234 Any Street,  
Any Town, USA 12345

REVENUE TAX BOARD  
PO BOX 206  
SACRAMENTO, CA 95831-0206

STATE OF CALIFORNIA  
Franchise Tax Board

IMPORTANT TAX INFORMATION.  
INFORMACIÓN FISCAL IMPORTANTE.

Hello [John],

With the new state laws requiring Californians to have health coverage, **now is the time to secure your health plan**—and peace of mind—for 2020.

You should also know, if you don't already have coverage, **there's more financial help available** to lower the cost of a health plan. This means more money for more people, including many who have not gotten help before.

**Take these easy steps to see how much you could save. It takes less than 5 minutes.**

1. Go to CoveredCA.com
2. Click "Shop & Compare" and answer a few easy questions
3. If you need assistance, click "Find Help"

Call or visit us online to get more information about Covered California, how you can **avoid paying a penalty**, and the additional financial help available.

Don't wait. **The last day to enroll is January 31.**

**CoveredCA.com | 800.995.3191**

**Important Tax Information!**

If you don't have qualifying health insurance in 2020, you could face a California state penalty at tax time, unless you qualify for an exemption.

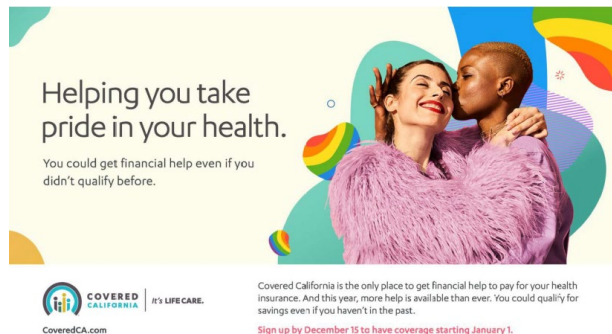
**Estimate of the Tax Penalty for not having health insurance:**

Individual	Minimum \$495
Married Couple	Minimum \$1,090
Family of 4 (2 Children)	Minimum \$2,085

Qualifying health insurance coverage includes employer-sponsored plans, coverage purchased through Covered California or directly from insurers, Medicare, and most Medi-Cal plans.

Visit [www.ftb.ca.gov/healthmandate](http://www.ftb.ca.gov/healthmandate) for more information about the tax penalty.

## Print



Helping you take pride in your health.

You could get financial help even if you didn't qualify before.

**COVERED CALIFORNIA** | IT'S LIFECARE.

Covered California is the only place to get financial help to pay for your health insurance. And this year, more help is available than ever. You could qualify for savings even if you haven't in the past.

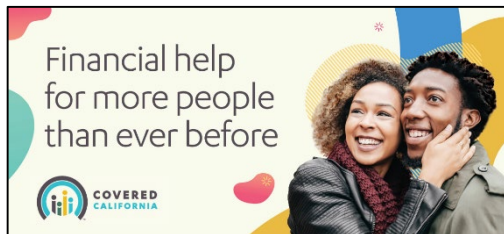
**Sign up by December 15 to have coverage starting January 1.**

## Educational videos



**Ayuda Económica**

## Out-of-Home



Financial help for more people than ever before

**COVERED CALIFORNIA**



# Open Enrollment 2020 – Off the Bus, Still Covering the State

## Phone Banks



## Influencer Events



## Television Interviews



THERE WERE 138 MEDIA INTERVIEWS,  
RESULTING IN  
29,114,406 IMPRESSIONS.

# COVERED CALIFORNIA 2020 ENROLLMENT: REBOUND DUE TO MANDATE AND NEW SUBSIDIES

Table 1: Preliminary Analysis of Covered California 2020 Net Plan Selections

Category	2018	2019	Percent Change	2020	Percent Change
New Enrollment*	388,344	295,980	-23.8	418,052	41.2
Renewals	1,133,180	1,217,903	7.5	1,120,767	-8.0
Total	1,521,524	1,513,883	-0.5	1,538,819	1.6

\* The new enrollment number includes consumers who had coverage off-exchange switched to on-exchange coverage to benefit from new subsidies. Even after subtracting the entire newly-enrolled 400 to 600 percent FPL population, Covered California's new sign-ups in 2020 would still be 36 percent higher than in 2019 and still the highest total since 2016.

- Overall enrollment is higher in 2020 than the past two years — driven by a huge increase in new-enrollments — as California replaced the federal penalty and made new state subsidies available.
- New enrollment in 2020 increased by more than 122,000 — over 41 percent higher — compared to 2019 and at its highest level since 2016.
- In 2020, renewals are down slightly compared to 2019, due primarily to the significant drop in new enrollment during 2019 open enrollment which meant fewer new enrollees eligible to keep coverage for 2020.

# NEW ENROLLMENT SUFFERED HUGE DECLINES IN STATES SERVED BY FEDERAL EXCHANGE

**Table 2: Comparing Net Plan Selections in Federally-Facilitated Exchange States and California, 2016-2020**

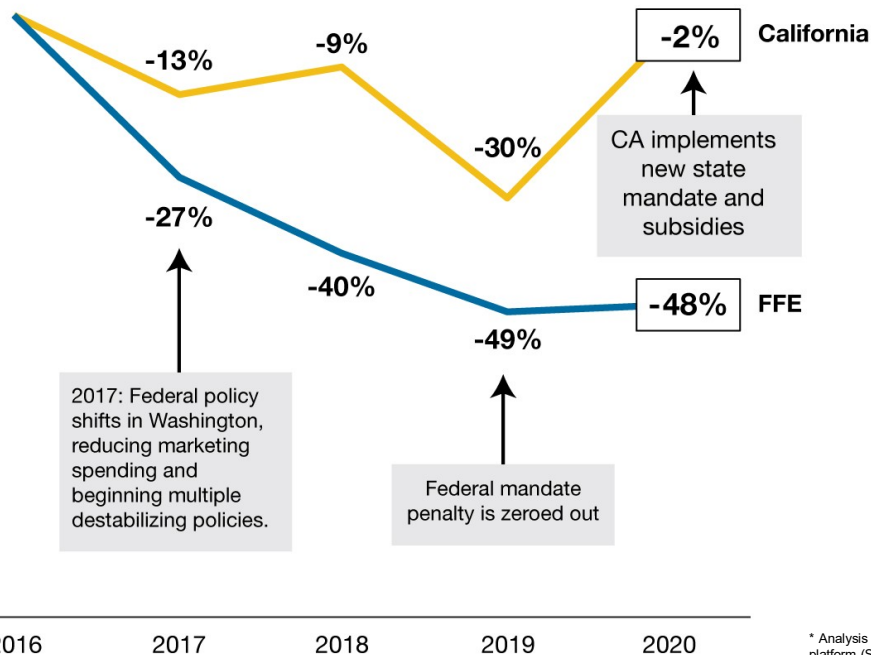
	Federally-Facilitated Exchange*			Covered California		
	New Enrollment	Renewal	Total	New Enrollment	Renewal	Total
<b>2016</b>	3,937,492	5,553,411	9,537,837	425,484	1,149,856	1,575,340
<b>2017</b>	2,903,122	6,128,467	9,031,589	368,368	1,188,308	1,556,676
% change from previous year	-26.3%	10.4%	-5.3%	-13.4%	3.3%	-1.2%
<b>2018</b>	2,403,621	6,159,449	8,563,070	388,344	1,133,180	1,521,524
% change from previous year	-17.2%	0.5%	-5.2%	5.4%	-4.6%	-2.3%
<b>2019</b>	2,030,713	6,212,832	8,243,545	295,980	1,217,903	1,513,883
% change from previous year	-15.5%	0.9%	-3.7%	-23.8%	7.5%	-0.5%
<b>2020</b>	2,065,858	6,137,874	8,203,732	418,052	1,120,767	1,538,819
% change from previous year	1.7%	-1.2%	-0.5%	41.2%	-8.0%	1.6%
<b>Cumulative Change</b>	-48%	11%	-14%	-2%	-3%	-2%

\* Analysis of FFE states includes the 32 states served by the FFE and the six states with state-based exchanges facilitated by the federal platform (SBE-FP). Kentucky and Nevada are excluded from all counts due to these states switching marketplace types in 2017 and 2020, respectively. All FFE data are from CMS public data releases.

- FFE states have seen a cumulative decrease of new enrollments. Of 48 percent since 2016, meaning there were nearly 1.9 million fewer Americans newly enrolling in 2020.
- With the 2020 rebound, Covered California's new enrollment remained relatively stable from 2016 to 2020.
- New enrollment is key to bringing in new and healthy risk that keeps premium lower.

# CALIFORNIA STEADY BUT BIG DECLINES IN STATES SERVED BY FEDERAL EXCHANGE, 2016-2020

Figure 1: Comparing New Enrollment in Covered California and FFE\* to 2016

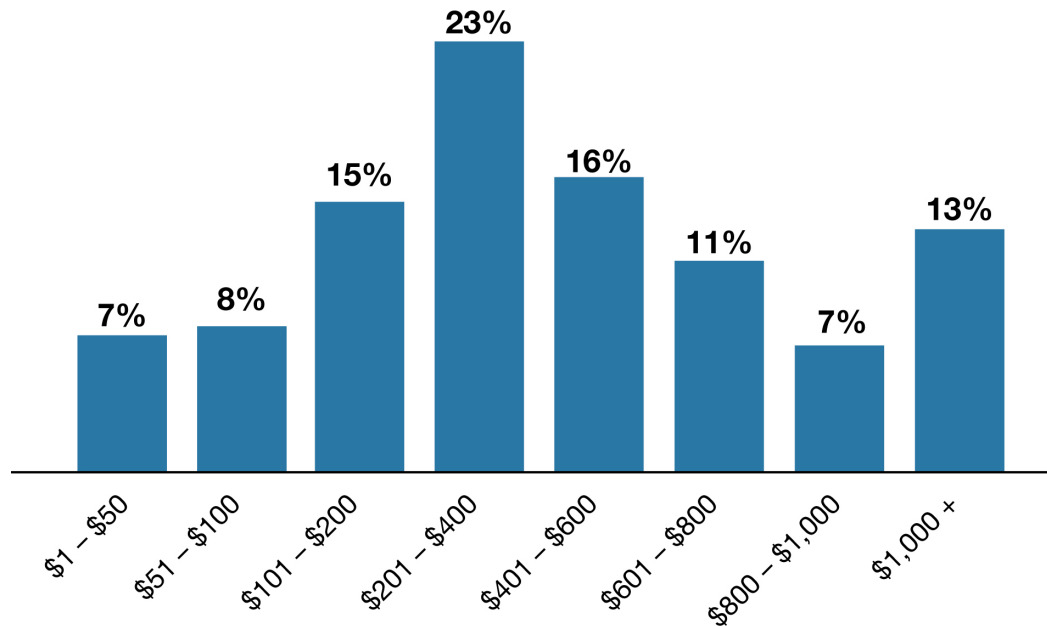


- **New sign-ups** during open enrollment are critical to assuring a healthy risk mix given natural “churn” in the individual market.
- The FFE has seen a drop of 48 percent in new sign-ups compared to 2016 – meaning there were nearly 1.9 million fewer Americans newly enrolling in 2020. The drop translates directly to higher rates of uninsured and higher costs for consumers and the federal government due to higher premiums resulting from a less healthy risk mix.
- Over the same period, California’s level of new enrollment rebounded in the 2020 plan year to 2016 levels after new state policies were introduced that restored the mandate and provided new financial help.

\* Analysis of FFE states includes the 32 states served by the FFE and the six states with state-based exchanges facilitated by the federal platform (SBE-FP). We exclude Kentucky and Nevada from all counts due to these states switching marketplace types in 2017 and 2020, respectively. All FFM data are from CMS public data releases. FFM totals exclude Kentucky and Nevada for changes in marketplace type which occurred over the period shown.

# NEW STATE SUBSIDIES FOR MIDDLE CLASS MAKE HEALTH CARE MORE AFFORDABLE – AVERAGE SUBSIDY IS \$500 PER HOUSEHOLD

Figure 2: Distribution of California State Subsidies Among Receiving Middle-Income Households - 400% to 600% FPL.\*



- At the close of open enrollment, 32,000 middle-income individuals have been found eligible for state subsidies, which represents 40 percent of those applying in that income range.
- The average monthly per household subsidy is \$504.
- Over 10 percent of the households receiving subsidies will get more than \$1,000 per month to lower their health care costs.

\* Average is among those receiving state subsidies. Consumers in 400 to 600% FPL with a benchmark that costs less than “required contribution” of income not included.

# POLICIES, MARKETING AND OUTREACH MATTER — THE EVIDENCE FROM CALIFORNIA IS CLEAR

**64%** of the uninsured say they are more likely to enroll in health insurance to avoid the penalty

**80%** of insurance agents say the penalty is motivating to their consumers

**11** health plans lowered premiums based on belief that penalty matters

**41%** increase in new consumers signing up for coverage during open enrollment



# AND WE'RE NOT DONE -- SPECIAL ENROLLMENT THROUGH APRIL 30TH

**When:** NOW until April 30<sup>th</sup>

**Who:**

- Uninsured not aware of penalty or subsidies
- Insured “off-exchange” eligible for help

**Why:**

Survey and other data indicates many still don't know about penalty or subsidy AND are apt to find out when filing 2019 taxes

**Key message:**

If you didn't know about the new law, penalty or the new financial help, you have until April 30th to enroll.

**Media channels and Audience:**

Multi-segment; Spanish and multiple API languages -- TV, Radio, Digital, Direct Mail, Paid Search, Social

**What:** spending \$7 million on paid advertising; working with agents, navigators, health plans and the media

## More Targeted TV



## More Direct Mail



## More Digital Banners



# Links to Background Material

New California Policies Make Huge Difference, Increasing New Signups During Covered California's Open Enrollment by 41 Percent [Press Release](#)

Covered California's Open Enrollment Period for 2020: Initial Analysis and Results [Exhibits for Press Release](#)

[Covered California's First Five Years: Improving Access, Affordability and Accountability](#) (Covered California)

[Covered California Holding Health Plans Accountable for Quality and Delivery System Reform](#) (Covered California)