

Covered California Announces Preliminary 2020 Premium Rates

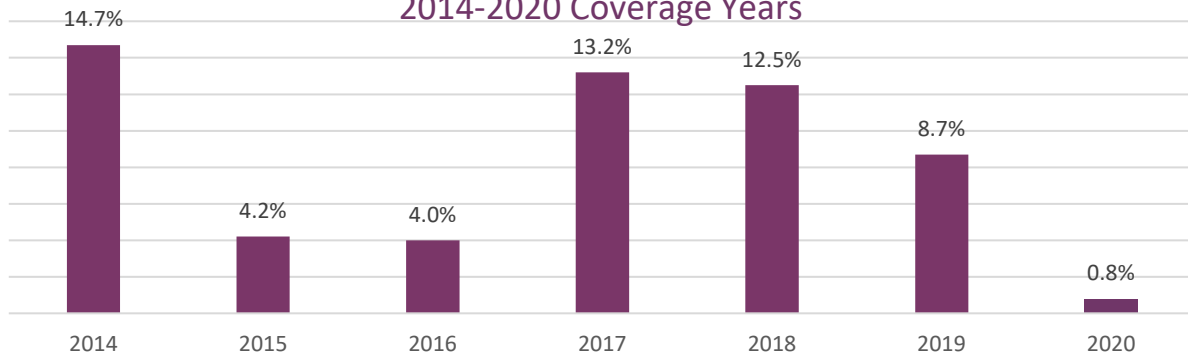
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On July 16, 2019, Covered California, California's Affordable Care Act (ACA) marketplace, released preliminary health plan premiums for individual coverage starting January 2020. This issue of ITUP *Tracking* reviews the rate changes and health plan choices available to consumers by region for 2020.

Highlights

- *Covered California premiums will increase at the lowest annual rate since implementation of the ACA in 2014, a statewide weighted average¹ increase of 0.8 percent (See Figure 1).*
- *Covered California attributes the low statewide average increase in 2020 premiums to 2019-20 state budget actions aimed at stabilizing the individual market and improving affordability.*
- *Federal premium subsidies, and additional state subsidies for 2020, will shield most individuals in Covered California from rate increases; however, some individuals not eligible for subsidies may struggle to pay monthly premiums and out-of-pocket costs on their own.*
- *Consumers seeing rate increases can potentially switch to a lower premium health plan with similar cost sharing but changing health plans may also mean that some consumers will have to must change provider(s).*
- *Many consumers will have additional health plan options; the number of counties with only one health plan available in Covered California will drop from 15 in 2018 and 2019 to five in 2020.*

Figure 1. Covered California Average Annual Premium Rate Increases*
 2014-2020 Coverage Years



* Covered California reports rate changes using a **weighted average** (weighted for the number of enrollees in each health plan and region).

Sources: 2020: Covered California, *Health Insurance Companies and Plan Rates for 2020*, July 19, 2019; 2015-2019: Covered California, *Covered California's Health Insurance Companies and Plan Rates for 2019*, August 16, 2018. 2014; Katherine Wilson, *Premium Growth Slows in California's Individual Market Following ACA Implementation*, California Health Care Foundation, November 2, 2015.

Chart prepared by Insure the Uninsured Project.

Rates for 2020 Slow the Premium Rate Increases of Recent Years

Unlike the federal marketplace, and most other states, Covered California actively negotiates with health plans on premiums, networks, product designs, geographic coverage and quality. The 0.8 percent statewide weighted average* increase for 2020 is a significant improvement over the last three years.

Figure 1 shows that larger rate increases occurred in 2017-2019, exceeding the pre-ACA individual market average increase of 9.2 percent for 2011-2013,² and 4.2 percent and 4 percent increases in 2015 and 2016, respectively. Covered California rate increases in the last three years were heavily impacted by federal policy changes and uncertainty surrounding the ACA under the Trump Administration.³

Figures 2-4 below show the Covered California 2020 rate changes in the 19 rating regions⁴ divided into three groups: regions with rate decreases, regions with rate increases under 3 percent, and regions with rate increases over 3 percent. The 2020 rate changes by region are as follows:

- Four rural regions serving 11 percent of Covered California consumers will offer coverage with weighted average premiums less than the cost of the same coverage in 2019 (See Figure 2).
- Twelve of the 19 regions serving 80 percent of Covered California consumers will offer coverage with weighted average premium rate increases of less than 3 percent (See Figure 3).
- Three remaining regions serving nine percent of consumers will experience a weighted average premium increase of over 3 percent, with the San Francisco region experiencing the largest rate increase in the state, 6.6 percent on average (see Figure 4).

Figure 2. Covered California 2019-20 Rate Changes
Regions with Weighted Average Rate Decreases

Rating Region	Total Enrollment	Range of 2020 Rate Changes	Weighted Average Rate Decrease
Region 13 Mono, Inyo and Imperial counties	13,401	-14.2% to +14.8%	-6.9%
Region 10 San Joaquin, Stanislaus, Merced, Mariposa and Tulare counties	72,323	-17.8% to +7.6%	- 5.7%
Region 1 Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne and Yuba counties	52,135	-13.1% to +13.7%	- 1.7%
Region 14 Kern County	17,537	-9.0% to +8.9%	- 0.5%

Sources: Covered California, [Covered California Releases Regional Data Behind Record-Low 0.8 Percent Rate Change for the Individual Market in 2020](#), News Release, July 19, 2019; Covered California, [Health Insurance Companies and Plan Rates for 2020](#), July 19, 2019.

* The weighted average assigns a value or "weight" to each product based on the relative number (percentage) of individuals enrolled in each health plan product in each region. However, as shown in Figures 2-4, the *range* of rate changes, from low-high in a region, can vary widely. Rate changes for individuals will differ from the weighted average, depending on their age, the product they choose, and the region where they purchase coverage.

Figure 3. Covered California 2019-20 Rate Changes
Regions with Weighted Average Rate Increases of 3 Percent or Less

Rating Region	Total Enrollment	Range of 2020 Rate Changes	Weighted Average Rate Increase
Region 16 Los Angeles County (southwest)	216,567	-19.9% to +18.1%	0.1%
Region 17 San Bernardino and Riverside counties	122,624	-10.8% to +19.3%	0.1%
Region 19 San Diego County	109,614	-15.7% to +18.2%	0.2%
Region 5 Contra Costa County	45,345	-5.4% to +7.6%	0.6%
Region 9 Monterey, San Benito and Santa Cruz counties	26,155	-5.4% to +7.6%	1.0%
Region 18 Orange County	133,387	-19.4% to +25.8%	1.0%
Region 2 Marin, Napa, Solano and Sonoma counties	51,181	-5.4% to +8.9%	1.1%
Region 3 Sacramento, Placer, El Dorado and Yolo counties	80,775	-5.4% to +9.0%	1.8%
Region 6 Alameda County	63,835	-5.4% to +10.9%	1.9%
Region 7 Santa Clara County	57,846	-6.3% to +22.7%	2.0%
Region 8 San Mateo County	24,030	-5.4% to +23.5%	2.0%
Region 15 Los Angeles County (northeast)	172,381	-19.4% to +20.5%	2.6%

Sources: Covered California, [Covered California Releases Regional Data Behind Record-Low 0.8 Percent Rate Change for the Individual Market in 2020](#), News Release, July 19, 2019; Covered California, [Health Insurance Companies and Plan Rates for 2020](#), July 19, 2019.

Figure 4. Covered California 2019-20 Rate Changes
Regions with Weighted Average Increases Greater Than 3 Percent

Rating Region	Total enrollment	Range of 2020 Rate Changes	Weighted Average Rate Increases
Region 11 Fresno, Kings and Madera counties	33,878	-5.4% to +9.2%	3.4%
Region 12 San Luis Obispo, Santa Barbara and Ventura counties	64,368	-3.6% to +9.3%	4.6%
Region 4 San Francisco County	34,315	-12.7% to +23.5%	6.6%

Sources: Covered California, [Covered California Releases Regional Data Behind Record-Low 0.8 Percent Rate Change for the Individual Market in 2020](#), News Release, July 19, 2019; Covered California, [Health Insurance Companies and Plan Rates for 2020](#), July 19, 2019.

The 2020 Covered California rates are pending regulatory review by the state Department of Managed Health Care and the California Department of Insurance.

Most Covered California Enrollees Will Receive Financial Assistance. Federal premium subsidies, and additional state subsidies new for 2020, will lessen the impact on individuals enrolled in products with rate increases. In 2019, 88 percent of Covered California enrollees receive financial assistance.

Individual monthly premium contributions will vary depending on whether individuals are eligible for federal and state subsidies. For consumers receiving federal premium subsidies, the monthly premium they pay is reduced based on their income and is subject to a federal premium cap (see text box below). Newly created state subsidies are designed like the federal subsidies and described in the next section.

About Federal ACA Premium Tax Credits

The **ACA premium tax credit** is a federal, refundable tax credit that reduces individual monthly premiums for eligible individuals and families *who buy coverage through federal or state ACA marketplaces* and have annual household incomes between 100-400 percent FPL (up to \$48,560 in annual household income for one person in 2019).

The ACA assigns metal labels (metal tiers) to specific health plan product designs (the combination of benefits covered and consumer out-of-pocket costs) based on the actuarial value of the plan. **Actuarial value** (AV) is the average percent of benefit costs covered by a health plan product compared to the out-of-pocket costs (such as copays and deductibles) paid by the enrollees in the product.

For example, a **silver plan** is a health plan product with an actuarial value of 70 percent. A 70 percent AV plan covers 70 percent of benefit costs and the enrollees pay 30 percent in the form of deductibles, copayments or coinsurance. The actuarial values of other metal tiers are: bronze (60%), *silver (70%)*, gold (80%) and platinum (90%).

The amount of federal subsidy is based on premiums for the second lowest cost silver plan offered in each region, also known as the **“benchmark silver plan.”**

The ACA set **“premium caps,”** the maximum percent of income individuals must pay in monthly premium for the benchmark silver plan. The Internal Revenue Service adjusts the federal premium caps every year. The federal premium caps for 2020 are shown below.

For an individual, the federal tax credit covers the difference between the ACA premium cap and the premium for the benchmark silver plan in the region where the individual buys coverage. Thus, individuals with a lower income receive a relatively higher tax credit and pay a lower monthly premium.

Individuals can use the federal premium tax credit to purchase any product offered through the marketplace with at least 60 percent AV, but if they choose a product with a premium higher than the benchmark silver plan, they must pay the additional premium costs.

Federal Premium Caps -- Expected Consumer Premium Contribution (Coverage Year 2020)							
Annual Household Income (% of FPL)	Less than 133% FPL	133% FPL	150% FPL	200% FPL	250% FPL	300-400% FPL	More than 400% FPL
Expected Premium Contribution (Cap) as a Percent of Income	2.06%	3.09%	4.12%	6.49%	8.29%	9.78%	n/a

Source: Internal Revenue Service, <https://www.irs.gov/pub/irs-drop/rp-19-29.pdf>.

California Policies Contribute to the Low Increases

According to Covered California, the low statewide weighted average increase in 2020 premiums results, at least in part, from 2019-20 state budget actions aimed at stabilizing the individual market and improving the affordability of individual coverage. *Covered California estimates that without the 2019-20 state budget actions, 2020 rates would have been between two and five percent higher on average.*

First, California enacted a state minimum coverage requirement (individual mandate) and state tax penalty to replace the federal tax penalty for failure to maintain health coverage. Congress reduced the penalty to \$0 starting in 2019 as part of federal tax reform in 2018.

As a result of the elimination of the penalty, in 2019, Covered California experienced both higher premium rates and a 24 percent drop in new enrollment (with a 7.5 percent increase in renewals).

According to Covered California, the 2019 rate increases followed estimates that a decline in enrollment would be primarily among younger and healthier individuals. Covered California estimated that 2019 rates were 3.5 percent higher because of elimination of the federal mandate penalty. For more information, read the ITUP blog, [Covered California Announces 2019 Enrollment](#).

Second, the 2019-20 state budget includes new funding for state financial assistance for low- and moderate-income individuals buying coverage through Covered California. Funding for the state subsidies will come, in part, from the penalties Californians will pay for not maintaining health coverage. For more information, read the ITUP Legislative Update: [2019-20 Final State Budget – Health Care Highlights](#).

California is using state funds to further reduce monthly premiums beyond federal subsidies and offering new assistance to higher income individuals not currently eligible for federal subsidies.

Who will benefit from the new state subsidies? Individuals with incomes under 138 percent of the Federal Poverty Level (FPL), and those with incomes 400-600 percent FPL will see the largest premium reduction because of state subsidies (see Figure 5). Individuals with incomes 200-400 percent FPL will see smaller premium reductions. Individuals with incomes 139-199 percent FPL receive generous federal subsidies and will not receive additional state subsidies in 2020.

California set the premium to \$0 for individuals with incomes below 138 percent FPL to mirror Medi-Cal because most individuals in this income group are eligible for Medi-Cal. Those with incomes below 138 percent FPL who are not eligible for Medi-Cal for other reasons, including lawfully present immigrants without “qualified immigration status” under federal law, will pay \$0 premium.

FAST FACTS



235,000

Previously unsubsidized enrollees will be eligible for new state subsidies in 2020



687,000

Currently subsidized enrollees will see reduced premiums



187,000

Additional people will enroll in Covered California because of the new state individual mandate penalty and state subsidies



23%

400-600 percent FPL*



5%

200-400 percent FPL*

Additional 2020 premium savings from state subsidies

*FPL = Federal Poverty Level

For more information on health care programs for immigrants, see the ITUP fact sheet, [Health Care Programs for California Immigrants](#).

What is the estimated impact of state subsidies for individuals? Prior to the release of the 2020 federal premium caps, Covered California estimated that subsidized enrollees with incomes 200-400 percent FPL would pay approximately five percent less in premiums in 2020 because of state subsidies and those with incomes 400-600 percent FPL will save an average of 23 percent.⁵ Individuals with incomes at 138 percent FPL and below will save \$21-\$49 per month. Actual savings may vary once the 2020 federal caps are considered.

Figure 5 highlights the anticipated impact of state financial assistance for Covered California enrollees by FPL and household income, when federal and state subsidies are combined.

Figure 5. Impact of New California Subsidies, by Income, 2020
Estimated Consumer Contribution (Premium), Benchmark Silver Plan

Percentage of Poverty Level - Individual	Household Income Using 2019 Poverty Guidelines	2020 Monthly Contribution with Federal Subsidies	2020 State Premium Cap as % of Income	2020 Monthly Contribution with State and Federal Subsidies
100 – 138%	\$12,140 - \$17,237	\$21 - \$49 (estimate)*	0%	\$1
139 – 199%	\$17,237- \$24,280	\$49 - \$131 (estimate)*	No state assistance 3.40 – 6.49%* (federal cap)	\$49 - \$131 (estimate)*
200 – 400%	\$24,280 - \$48,560	\$131 - \$396	6.24 – 9.68%	\$126 - \$391
400 – 600%	\$48,560 - \$72,840	No federal subsidy	9.68 – 18%	\$391 - \$1,093

* The Internal Revenue Service (IRS) annually adjusts federal premium caps. Federal tax credit amounts for 2020 will be based on the new federal caps and the FPL guidelines for 2019 (see above). For 2020, the caps are 133 percent FPL (3.09 percent of household income), 150 percent FPL (4.12 percent), and 200 percent FPL (6.49 percent). The caps shown here for 138 and 199 percent FPL are ITUP estimates because these specific income categories are not used by the IRS.

Sources: Covered California, [Program Eligibility by Federal Poverty Level for 2019](#), March 2019; Internal Revenue Service, <https://www.irs.gov/pub/irs-drop/rp-19-29.pdf>; Covered California, [2020 State Premium Assistance Program Design](#), June 2019.

Chart Prepared by Insure the Uninsured Project.

Affordability Challenges Continue for Many Californians

Premium rate changes are moderated for most Covered California enrollees because of federal, and now state subsidies, with subsidies increasing as premiums increase. However, individuals enrolled in Covered California not receiving subsidies (12 percent in 2019), and those not eligible for state or federal assistance, including just over 800,000 individuals who purchase “outside market” individual coverage, bear the full cost of monthly premiums and out-of-pocket costs.

Approximately 2.1 million Californians purchased individual coverage in 2018, 61 percent through Covered California and 39 percent directly from health plans in the “outside” individual market.⁶

Figures 2-4 earlier showed that in any given region the range of rate changes varies significantly. Figure 6 below illustrates what this might mean for a Covered California consumer who does not receive either state or federal subsidies, using as an example a 40-year old purchasing silver-level coverage.

In 2020, the *unsubsidized* premium for silver plan coverage for a 40-year-old ranges from \$327 (Region 15) - \$888 (Region 8) per month.

Figure 6. Covered California Silver Plan Monthly Premium, 2020
Range within Each Region
Example: Unsubsidized 40-Year-Old

Rating Region	Premium Range Low-High (Some health plans cover only partial regions)
Region 1 – Northern Counties	\$468 - \$695
Region 2 – North Bay Area	\$492 - \$765
Region 3 – Greater Sacramento	\$468 - \$697
Region 4 – San Francisco	\$517 - \$825
Region 5 – Contra Costa	\$468 - \$744
Region 6 – Alameda	\$480 - \$634
Region 7 – Santa Clara	\$403 - \$747
Region 8 – San Mateo	\$517 - \$888
Region 9 – Santa Cruz, San Benito, Monterey	\$480 - \$800
Region 10 – Central Valley	\$418 - \$758
Region 11 – Fresno, Kings, Madera	\$391 - \$551
Region 12 – Central Coast	\$421 - \$542
Region 13 – Eastern Counties	\$374 - \$619
Region 14 – Kern	\$389 - \$451
Region 15 – Los Angeles East	\$327 - \$439
Region 16 – Los Angeles West	\$362 - \$534
Region 17 – Inland Empire	\$351 - \$476
Region 18 – Orange County	\$361 - \$507
Region 19 – San Diego	\$359 - \$563

Source: Covered California, [2020 Individual Product Prices for all Health Insurance Companies](#).

Covered California requires health plans to offer standardized products with the same benefits and cost sharing in each metal tier so that consumers can more easily compare health plan to health plan. The premium rates Covered California negotiates for the standardized products are also available to those who purchase individual coverage outside the state marketplace.⁷

Product choices outside Covered California include those that meet ACA standards,⁸ products identical to the standardized products sold in Covered California (sometimes referred to as “mirror” products) and pre-ACA “grandfathered plans,” which individuals were allowed to keep under certain conditions, even though the grandfathered products do not meet all ACA requirements.

For unsubsidized individuals, their monthly costs reflect a variety of factors, including their age, the region where they reside and the amount of out-of-pocket costs (deductibles and copayments) in the product and coverage level they choose. For more on affordability of individual coverage, see the California Health Care Foundation Issue Brief, [Affordability on California’s Individual Market: What Policymakers Need to Know](#).

Individuals likely to purchase coverage outside of Covered California include: (1) individuals ineligible for state and federal subsidies because of their income, (2) undocumented individuals prohibited by federal law from purchasing marketplace coverage, and (3) individuals enrolled in grandfathered plans. Outside market purchasers also may include some Californians unaware of the availability of federal and state subsidies. By way of illustration, in 2017, according to California Health Interview Survey (CHIS) data, there were 1.2 million uninsured Californians who were income-eligible to receive federal subsidies.⁹

Figure 7 shows the average unsubsidized monthly premium for all products and age groups, and 2019-2020 rate changes by metal tier (not weighted) across all 19 rating regions.

Figure 7. Average Unweighted Premiums and Rate Changes
2019 to 2020, By Coverage Level (Metal Tier)
Unsubsidized

Metal Level	Average Monthly Premium - 2019	Average Monthly Premium – 2020	Average Rate Change 2019 – 2020
Catastrophic	\$381	\$392	2.9%
High Deductible Plan	\$445	\$477	7.2%
Bronze	\$448	\$475	6.0%
Silver	\$621	\$611	-1.6%
Gold	\$681	\$697	2.3%
Platinum	\$868	\$899	3.6%

Source: Covered California, 2019 and 2020 [Individual Product Prices for all Health Insurance Companies](#).

Note: This list of average premiums includes all coverage options and product models, such as Preferred Provider Organization (PPO) and Health Maintenance Organizations (HMOs) which can vary significantly in price within each metal tier.

Consumers May Have Options. Covered California emphasizes the opportunity for consumers to “Shop and Compare” the health plans within their regions. In most regions, consumers not already enrolled in the lowest premium health plan will be able to compare their new premiums with product offerings from other companies in the region.

The ACA made sweeping changes in the rules for individual coverage so that consumers can choose to sign up with another health plan without fear of being denied coverage or charged more because of their health status or pre-existing condition.

Covered California estimates that, using weighted average premiums, consumers willing to switch to the lowest cost plan in the same metal tier (same benefits and cost sharing) could save an average of nine percent in monthly premiums.

Although consumers may have the option to switch to another health plan with a lower premium, a consumer switching health plans may find they will also have to change health care providers. This is because each health plan offers its own network of physicians, hospitals, pharmacies and other providers. For example, in most Northern California regions (Regions 1-8 and 9-10), Kaiser Permanente is the lowest cost silver plan and operates a closed provider network only available to Kaiser enrollees. Individuals in those regions choosing Kaiser to get the lowest price silver product will also have to switch to the Kaiser provider network.

Consumers in those few remaining counties with only one Covered California insurer serving the area as described below will not have the option to change health plans.

Health Plan Choice by Region Improves for 2020

Covered California also announced that all 11 existing health plans will offer coverage in the marketplace again in 2020, with three companies expanding their offerings in the state. The number of counties where consumers have only one health plan in Covered California will drop from 15 in 2018 and 2019 to five in 2020 (See Figure 8).

Most Covered California consumers will have at least three companies to choose from in their region (87 percent of consumers).¹⁰ Consumers in a few counties in three regions (Regions 3, 13, and 14) will be limited to only one health plan choice.¹¹ Nationally, in 2019, 37 percent of counties had only one health plan participating in ACA marketplaces, a drop from 52 percent in 2018.¹²

Covered California consumers in approximately one-third of the zip codes in El Dorado and Placer counties, consumers in Mono and Inyo counties, and some consumers in Kern county, will have only one health plan available in 2020. Notably, in 2018 and 2019, the same five counties had only one health plan participating in Covered California, but consumers in 10 additional counties also had only one health plan available to them, including all consumers in Monterey, San Benito, San Luis Obispo, and Santa Barbara counties (See Figure 8).¹³

Figure 8. Counties with One Health Plan in Covered California
2018-2020 Coverage Years

Counties with One Health Plan, 2018 2019	Counties with One Health Plan, 2020	Counties with One Health Plan (partial county) 2018 and 2019	Counties with One Health Plan (partial county) 2020
<ul style="list-style-type: none"> ▪ Inyo ▪ Mono ▪ Monterey ▪ San Benito ▪ San Luis Obispo ▪ Santa Barbara 	<ul style="list-style-type: none"> ▪ Inyo ▪ Mono 	<ul style="list-style-type: none"> ▪ El Dorado ▪ Fresno ▪ Kern ▪ Kings ▪ Madera ▪ Placer ▪ Riverside ▪ San Bernardino ▪ Ventura 	<ul style="list-style-type: none"> ▪ El Dorado ▪ Kern ▪ Placer

Source: Covered California, [Products by Zip Code](#) files for 2018-2020.
Chart Prepared by Insure the Uninsured Project.

Key Takeaways

This review of Covered California rates, rate changes, and regions for 2020 reveals Covered California to be a state marketplace actively negotiating to secure competitive rates and meaningful plan choice. The overall average rate increases for 2020 are significantly less than in prior years, so that 84 percent of Covered California regions will experience average weighted increases of three percent or less, including some that will see premium rate reductions. Many consumers will have more health plan choices.

California has focused on preserving and expanding the coverage gains made under the ACA through aggressive outreach and marketing, an active purchaser ACA marketplace, and state policies aimed at maximizing enrollment in public and private coverage, despite federal policy changes aimed at undermining or rolling back the ACA.

In 2020, Covered California will administer new state subsidies to improve affordability in the marketplace, especially for individuals with very low and moderate income. Covered California estimates that the combination of new state subsidies and a state-imposed individual mandate penalty will result in nearly 200,000 new enrollees in the marketplace. Significantly, Covered California currently estimates that 88,000 uninsured individuals below 400 percent FPL will enroll in the marketplace in 2020 due to the state subsidies and the state individual mandate penalty.¹⁴

Affordability challenges remain, however. Some individuals receive subsidies but struggle to afford their share of the premiums and out-of-pocket costs. Among the approximately one million Californians who are not eligible for subsidies some will struggle to pay the full costs of coverage on their own.

In order to continue making progress toward achieving universal coverage, California needs to continue state and local community efforts to enroll and retain individuals in coverage and continue improving affordability and access. California policymakers have and should continue to actively monitor federal policy changes and potential threats to the ACA and address the challenges through state policies and programs whenever possible.

Notes

¹ The weighted average means that each rate change is multiplied by a value or “weight” before summing to a single average. Covered California uses a weighting factor for each rate that reflects the relative number (percentage) of individuals enrolled in that health plan product in that region. However, individuals will experience rates that may be substantially higher or lower than the weighted averages depending on their age, the health plan product they choose, and the region where they purchase coverage.

² Katherine Wilson, [Premium Growth Slows in California’s Individual Market Following ACA Implementation](#), November 2, 2015. ITUP calculated the 2011-2013 average using the data, adjusted for the number of enrollees in each year, in the table titled, “California Individual Market Premium Increases.”

³ Covered California, [Covered California’s Health Insurance Companies and Plan Rates for 2019](#), August 16, 2018.

⁴ California law implementing the ACA divides the state into 19 rating regions for individual and small group coverage, both inside and outside of Covered California.

⁵ Covered California, [Covered California Releases Regional Data Behind Record-Low 0.8 Percent Rate Change for the Individual Market in 2020, News Release](#), July 19, 2019. Covered California released its estimate on savings associated with the state subsidy prior to the release of the 2020 federal premium caps, which may impact the estimate.

⁶ Katherine Wilson, [State Releases Data on California 2018 Health Insurance Enrollment](#), California Health Care Foundation, June 28, 2019, use hyperlink to associated Document Downloads, Table 3 – Individual Market Enrollment On-Off Covered California.

⁷ With the passage of the Affordable Care Act, California enacted state legislation in key areas, including establishing a state-administered marketplace, benefit standards and cost-sharing limits, and detailed rules for the offering and sale of private coverage to individuals and small employer groups inside and outside of the marketplace. Many California provisions exceed federal requirements, including the requirement that health plans in the outside market offer Covered California standardized products at the same rates, if Covered California standardizes its product offerings.

⁸ ACA Standards include requiring health plans to accept all applicants regardless of health status, medical history or pre-existing conditions; no coverage or benefit limits because of pre-existing conditions; and no annual or lifetime dollar limits on benefits; and coverage of comprehensive benefits (essential health benefits) and offering coverage consistent with metal tier actuarial values.

⁹ 2017 California Health Interview Survey

¹⁰ Covered California, Covered California Releases Regional Data.

¹¹ Covered California, [2020 Products by Zip Code](#), available online in 2020 Covered California Data.

¹² Rachel Fehr, Cynthia Cox, and Larry Levitt, [Insurer Participation on ACA Marketplaces, 2014 – 2019](#), Kaiser Family Foundation, November 2018.

¹³ Katherine Wilson, [Plan Choice for Covered California Consumers, 2017-2019](#), California Health Care Foundation, February 27, 2019.

¹⁴ Covered California, [California Individual Market Stabilization and Affordability Proposals](#), June 26, 2019.

About ITUP

Insure the Uninsured Project (ITUP) is a Sacramento-based nonprofit health policy institute that for more than two decades has provided expert analysis and facilitated convenings for California policymakers and decisionmakers focused on health reform.

The mission of ITUP is to promote innovative and workable policy solutions that expand health care access and improve the health of Californians, through policy-focused research and broad-based stakeholder engagement.

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