



Coverage Transitions in California's Individual Marketplace Pre and Post the COVID-19 Pandemic Chart Pack

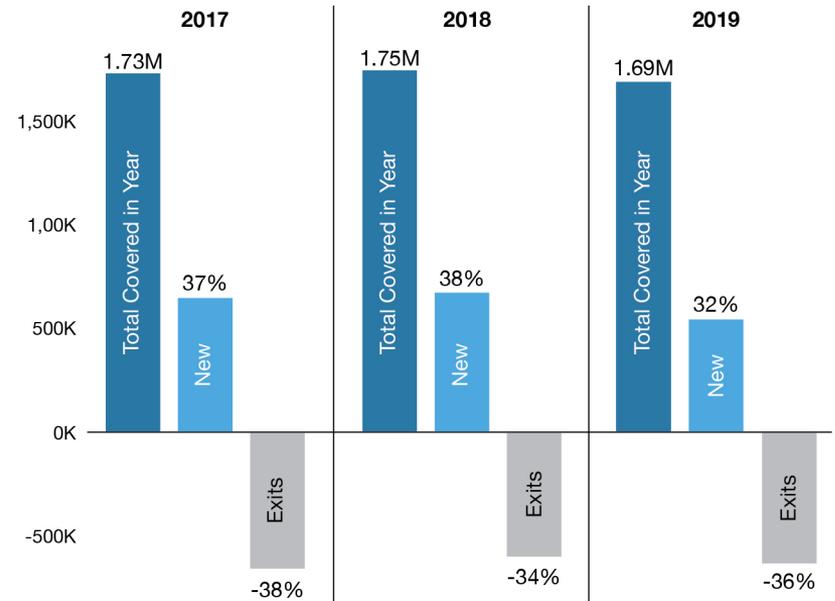
September 22, 2020

Chart pack accompanies report: [Coverage When You Need It: Lessons from Insurance Coverage Transitions in California's Individual Marketplace Pre and Post COVID-19 Pandemic](#), Sept. 2020.

COVERAGE TRANSITIONS HAVE ALWAYS BEEN A PART OF THE MARKETPLACE

- Since 2015, Covered California has seen significant “churn” every year.
- In any given year, approximately **one-third of consumers leave the exchange**, with most disenrolling members taking up employer coverage and generally only a small portion going to be uninsured.
- Similarly, about **one-third of Covered California’s annual membership is made up of new entrants**, either through Open Enrollment or a special enrollment period.

Changes in Covered California’s Effectuated Membership: 2017 to 2019



Source: Covered California administrative data.

COVERED CALIFORNIA SPECIAL ENROLLMENT PLAN SELECTIONS: 2019 AND 2020

- Year-to-date special enrollment period (SEP) plan selections of **more than 357,000** is almost **90% higher** than same time last year.
- **More than 289,000** consumers have signed up since the announcement of the COVID-19 Special Enrollment. During this period, new sign-ups have grown at a rate almost **2.2 times higher (115%)** than that seen during same time last year.
- These new Special Enrollment sign-ups include a combination of those newly becoming aware of state subsidies or the penalty; those who have recently lost other coverage; and those who are enrolling due to the COVID-19 pandemic Special Enrollment period.

Covered California Special Enrollment Plan Selections: 2019 and 2020

Covered California Plan Selections	2020	2019	Difference	% Change
Pre-COVID (Feb. 1 to March 19)	67,710	54,780	12,930	24%
COVID SEP (March 20 to Aug. 31)	289,460	134,700	154,760	115%
Total SEP (as of August 31)	357,170	189,470	167,700	89%

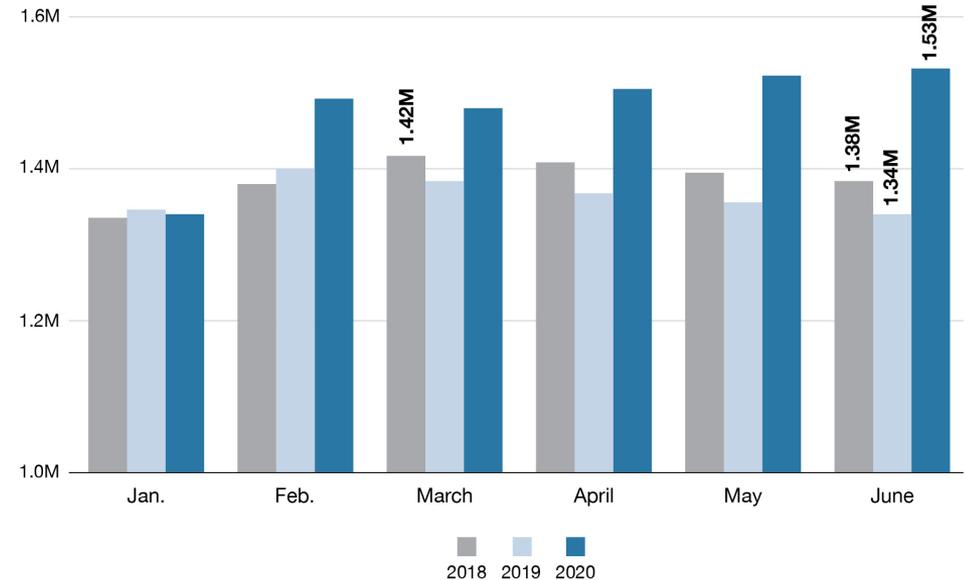
Source: Covered California administrative data.



COVERED CALIFORNIA SEES HIGHEST EFFECTUATED ENROLLMENT EVER

- The increase in plan selections has translated to Covered California's **highest effectuated enrollment ever** – 1.53 million members as of June 2020.
- Covered California's previous high-water mark of effectuated enrollment was in March 2018, at 1.42 million members.
- Effectuated enrollment trends in 2020 are counter to prior years – typically effectuated enrollment decreases throughout the plan year; while effectuated enrollment continues to increase in 2020.

Covered California Monthly Effectuated Membership: 2018 to 2020

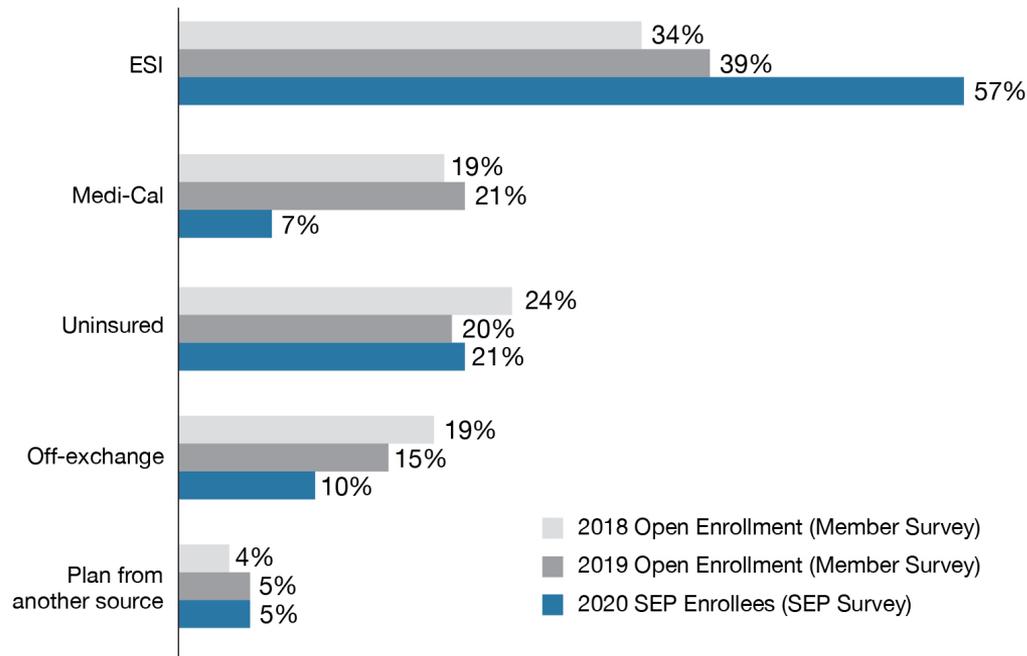


Source: Covered California administrative data.

PRIOR SOURCE OF COVERAGE REPORTED BY NEW COVERED CALIFORNIA CONSUMERS

- **Surge of Entries from Job-based Coverage** – Job-based coverage losses account for 57% of new SEP enrollments in 2020, compared to 39% during Open Enrollment in 2019.
- **Medi-Cal Transitions Drop** – with only 7% of new sign-ups coming from Medi-Cal in the 2020 SEP, this group dropped to one-third of their relative share in Open Enrollment 2019.
- **Previously Uninsured Enrollees in 2020 SEP Resemble 2019 Open Enrollment** – 21% of enrollees during the COVID-19 SEP were previously uninsured, similar to the entrants during prior Open Enrollments. Without the COVID SEP, this group would likely not have been eligible to enroll in 2020.

Prior Source of Coverage Reported by New Covered California Consumers: 2020 COVID SEP Compared to 2018 and 2019



Sources: Covered California 2020 SEP Survey; California Health Coverage Survey (“Member Survey”) for 2018 and 2019.

DEMOGRAPHICS OF COVERED CALIFORNIA'S COVID-19 SEP ENROLLMENT MIRRORS PREVIOUS TRENDS

- People of color, particular Latinos, African-Americans and many Asian/Pacific Islanders are more apt to have worse clinical outcomes from COVID-19 and more likely to work in industries hardest hit by job losses due to the current recession.
- There are not good data on the racial/ethnic impact of the COVID-recession on *insurance coverage*. The demographic profile of Covered California's enrollment during the COVID SEP period has been largely consistent with the mix in prior enrollment periods.
- Similar to Open Enrollment marketing, outreach during the COVID-SEP including special attention to Spanish-language marketing, and targeting of Latinos, African-American, and Asian communities.
- Covered California is doing additional research to better understand enrollment and insurance coverage by race/ethnicity.

Covered California Enrollment by Race/Ethnicity: Open and Special Enrollment Periods – 2019 and 2020

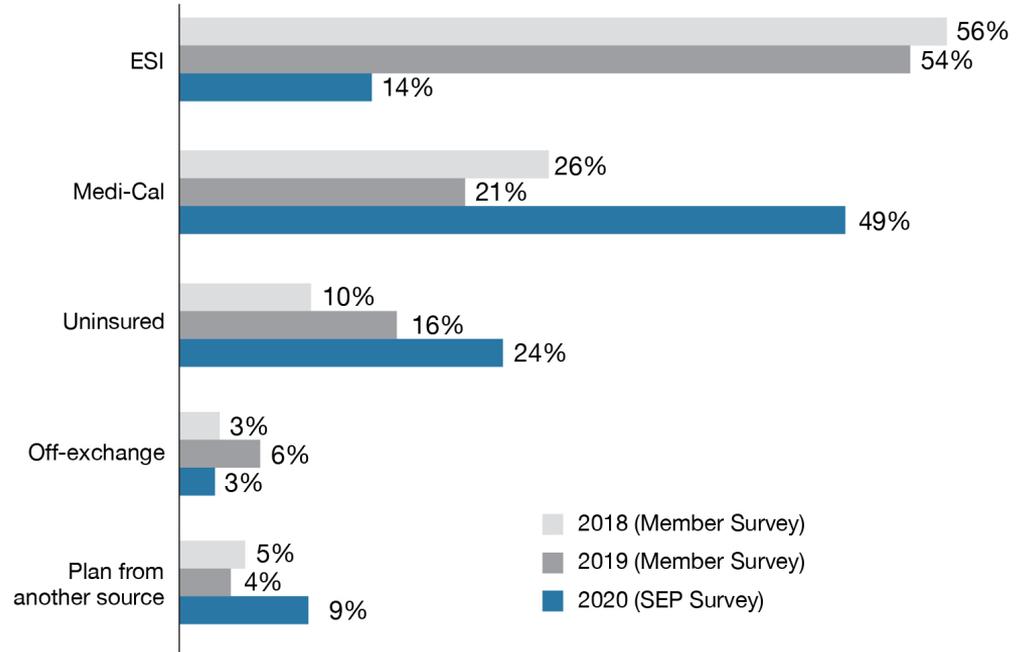
Race / Ethnicity - Share of Total Plan Selections				
	Open Enrollment		Special Enrollment (March 20 to August 31)	
	2019	2020	2019	2020
American Indian/Alaska Native	0.2%	0.2%	0.4%	0.3%
Asian	20.2%	22.4%	21.0%	20.7%
Black or African American	3.9%	3.7%	3.8%	3.9%
Latino	30.6%	32.6%	28.3%	29.9%
Multiple Races	2.7%	2.5%	2.6%	2.9%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.2%	0.2%
Other	7.8%	7.4%	8.7%	7.5%
White	34.4%	31.1%	35.1%	34.6%
Grand Total	100.0%	100.0%	100.0%	100.0%
(nonrespondent)	21.2%	19.8%	20.3%	21.5%

Race/Ethnicity is a roll-up dimension that combines three CalHEERS application questions on race and ethnicity, such that a consumer who reports a Latino, Hispanic, or Spanish origin is counted as "Latino" in Race/Ethnicity. All % calculations except the non-respondents calculated out of respondents only. Non-respondent % is of total population of enrollees.

FEWER LEAVE COVERED CALIFORNIA FOR JOB-BASED COVERAGE, AND MORE GO UNINSURED

- **Far Fewer Leaving for Job-based Coverage** – Exits to job-based coverage have dropped precipitously (54% in 2019 down to 14% in 2020)
- **Large Growth in Transitions to Medi-Cal** – As expected in a recession, as consumers lose employment and income, exits to Medi-Cal have more than doubled when compared to the rate in 2019.
- **Far More Go to Be Uninsured** – 24% report leaving to be uninsured, up from only 10% in 2018: even in a pandemic, affordability is an obstacle to maintaining coverage.

Source of Coverage Reported by Consumers Leaving Covered California: 2020 COVID SEP Compared to 2018 and 2019

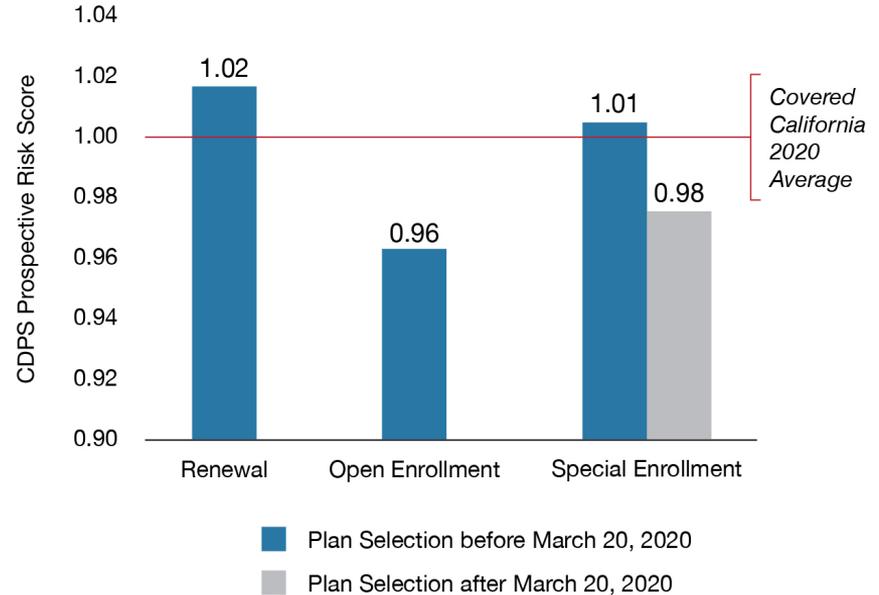


Sources: Covered California 2020 SEP Survey; California Health Coverage Survey ("Member Survey") for 2018 and 2019.

RISK PROFILE FOR NEW SIGN-UPS DURING COVID-19 SEP RESEMBLES OPEN ENROLLMENT SIGN-UPS

- Based on CMS risk adjustment data, Covered California's risk profile is one of the healthiest in the nation (21% healthier than the rest of the nation in 2019).
- In 2020, the Open Enrollment cohort again had lower risk than the renewal cohort, enabling issuers to keep premiums stable for 2021.
- The group enrolling during the 2020 SEP period after March 20, 2020 **exhibits a risk profile most similar to the Open Enrollment cohort.**

Relative Risk Scores Among 2020 Plan Selections, by Sign-up Period

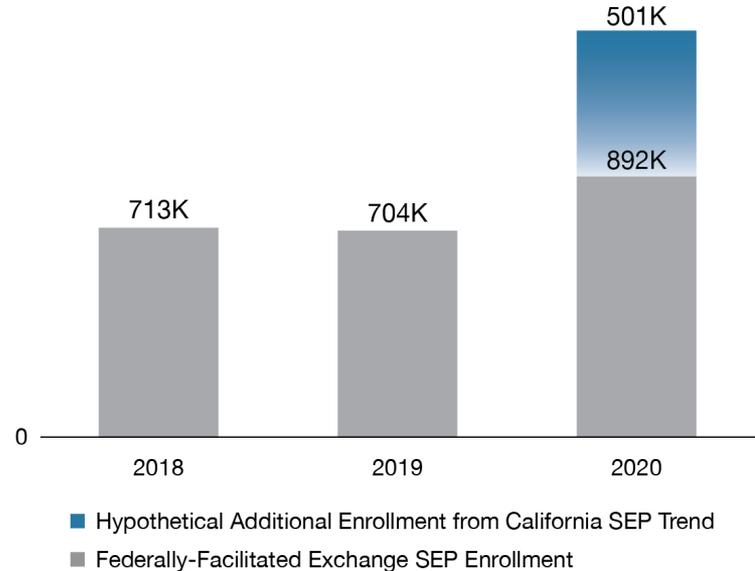


Source: Covered California administrative data.

IF FEDERAL EXCHANGE HAD PERFORMED LIKE CALIFORNIA FOR 2020 SEP 500,000 MORE AMERICANS WOULD HAVE INSURANCE TODAY

- **California's 2020 SEP enrollment is double** the enrollment of 2019 SEP.
- The federal exchange grew 27% from 2019 over the same period.
- If the federal exchange had seen the same level of SEP growth as California, FFE enrollment would total nearly 1.4 million – **an increase of 500,000 sign-ups.**

FFE SEP Plan Selections:
Hypothetical 2020 Enrollment using California Trends



Sources: CMS Special Trends Report 2020 and Covered California administrative data.