COVERED CALIFORNIA

Report to the Governor and the Legislature

FISCAL YEAR

2015-2016

COVERED CALIFORNIA™

JANUARY 2017

January 24, 2017

On behalf of the governing board of Covered California, and pursuant to Government Code section 100503, I am pleased to present this year's annual report to the Governor and the Legislature. This report primarily focuses on the progress Covered California made during Fiscal Year 2015-16 toward establishing and maintaining a competitive marketplace for consumers, improving access to care and lowering costs.

Fiscal Year 2015-16 was marked by a number of important milestones for Covered California and its consumers. Covered California concluded its third-ever open-enrollment period, and second-ever renewal period, resulting in a robust enrollment of approximately 1.4 million enrollees as of March 2016. Additionally, through prudent financial management, Covered California operated with a budget of $335 million, maintained a solid funding reserve and made the transition from using remaining federal establishment funding to becoming entirely self-sustainable through fees assessed on its carriers.

During the last fiscal year, Covered California continued its commitment toward consumer-focused initiatives that help ensure consumers have access to the right care at the right time while keeping an eye toward lowering costs. Leveraging our role in creating a competitive marketplace, we launched successful efforts to improve quality, value and access to care for consumers. We also continued to grow and maintain valuable partnerships with agents, community organizations, consumer advocates, plans, providers, government entities and others who help support us in achieving our mission.

Through Covered California's work, as well as the expansion of Medi-Cal in our state, California has reduced its uninsured rate by more than half — from 17 percent in 2013 to 7.4 percent in 2016 — bringing it to its lowest level on record. Looking ahead to 2017, Covered California continues its commitment to enrolling consumers into health coverage, and implementing initiatives that improve the consumer experience and advance competition in the marketplace. Additionally, I look forward to sharing our insights and lessons learned as policy discussions take place at the federal level with regard to health reform.

Sincerely,

Peter V. Lee
Executive Director

BOARD MEMBERS Diana S. Dooley, Chair Paul Fearer Genoveva Islas Marty Morgenstern Art Torres EXEC. DIRECTOR Peter V. Lee

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EXECUTIVE SUMMARY

This report focuses primarily on fiscal year (FY) 2015-16, during which Covered California continued making progress toward establishing a competitive marketplace for consumers, improving access to care and lowering costs.

Covered California continues to build on its progress: Since opening its doors in 2014, the state health exchange has insured more than 2.5 million people, with nine out of 10 of these consumers receiving federally funded financial assistance to lower premiums, and in some instances, lower out-of-pocket costs. On Jan. 31, 2016, Covered California concluded its third open-enrollment period, adding more than 439,000 new enrollees, and completed its second-ever renewal period. Through renewal and open enrollment, Covered California maintained a robust enrollment of approximately 1.4 million actively enrolled consumers as of March 2016.

Recent data from the U.S. Census Bureau indicates that California has cut its uninsured rate down to the lowest level on record, from 17 percent in 2013 to 7.4 percent in the first half of 2016, a figure that is largely attributed to the success of Covered California and the expansion of Medi-Cal. Those numbers highlight California's commitment to health care and the state's achievement in closing coverage gaps for low-to-middle-income families.

A number of significant milestones were achieved during FY 2015-16, including:

- **Self-sustainability** — FY 2015-16 marks Covered California's transition from using federal establishment funding to being entirely self-sustaining, with operating funds generated from plan assessments. With a FY 2015-16 budget of $335 million and a solid reserve, Covered California fulfills the legislative intent to build an independent and financially self-sustaining state-based marketplace that does not rely on any state general funds.

- **Working to maintain affordability for consumers** — Covered California continues to use its authority to negotiate affordable premium rates and create a competitive market that works for consumers. During FY 2015-16, Covered California negotiated with 12 participating carriers to achieve a statewide average rate increase of 4 percent for the 2016 plan year, lower than the previous year's increase of 4.2 percent. While negotiating with health insurance companies, Covered California uses data from its enrollment profile. For the past few years, Covered California has provided strong evidence that its enrollees are healthier and present less risk to health plans — factors which helped drive down the cost of premiums. It is estimated that in 2015 and 2016, data-driven negotiation saved consumers more than $300 million in premium dollars.

- **Improving access, quality and value** — Covered California leverages its role in creating a competitive marketplace to improve quality, value and access to care for its enrollees and those who choose mirrored plans in the individual market. More than 300,000 people have purchased mirrored plans, which are plans that offer the same benefits at the prices we negotiate. For the 2016 plan year, Covered California became the first health exchange in the nation to adopt benefit design changes that cap the cost of high-cost specialty drugs. These

cost caps — which were a result of extensive collaboration with consumer organizations, stakeholders, health plans and regulators — provide an important consumer protection that ensures that consumers have access to the medication they need.

Additionally, in April 2016, Covered California's board adopted plan contract requirements that require Covered California plans in future years to reduce health disparities, promote health equity, implement payment reform that promotes quality and value, and give consumers tools to participate more actively in their health care. You can access the model plan contract at http://bit.ly/2hW8pXd.

- **Expanding access to dental and vision coverage** —During FY 2015-16, Covered California launched the offering of standalone, unsubsidized family dental HMO and PPO plans as an optional purchase for consumers signing up for health coverage. In addition, Covered California partnered with two vision carriers, Vision Service Plan (VSP) and EyeMed Vision Care, to provide a website link to Covered California consumers to view vision plan offerings.
- **Effective marketing, outreach, partnerships and consumer service** — The work we do could not be possible without the steadfast commitment of Covered California staff, stakeholders and partners who strive to promote and maintain enrollment in health coverage. During FY 2015-16, more than 900 staff members in three Covered California service centers processed more than 2.5 million calls in 14 different languages to assist consumers. On the ground, more than 20,000 certified enrollers, including Certified Insurance Agents, Certified Application Counselors and Certified Enrollment Counselors, provided enrollment and post-enrollment support services in their local communities. Covered California's partners from local district offices, county social services offices and community-based organizations provided invaluable support in informing Californians of their health care options. Additionally in FY 2015-16, Covered California implemented a successful multiethnic, multichannel marketing campaign crafted to retain and renew existing members and reach new consumers. These marketing efforts helped retain and bolster enrollment.

Over the years, we have worked closely with the California Legislature and have established a competitive marketplace through which many Californians now have health insurance for the first time. Throughout the process, we have established a solid foundation for maintaining strong enrollment, expanding access to health coverage, lowering costs and improving the consumer experience.

While this report is focused on FY 2015-16, Covered California is currently in the midst of its fourth open-enrollment period, during which California consumers are renewing their plans and enrolling into coverage for the 2017 year. The section of this report titled "Looking Ahead to the Future" contains more information about the work we are currently engaged in and what changes are forthcoming for the 2017 plan year.

Many questions have been asked about what changes to Congress and the federal administration may mean for Covered California and its consumers. We remain focused on enrolling and renewing consumers into health coverage through Covered California. We want to make sure they are aware that the 2017 health plan rates announced in July 2016 will not change, that financial assistance is still available, and that the penalty for not maintaining coverage is still intact. We will continue to communicate these important messages to consumers. In the weeks and months ahead, we look forward to sharing our lessons learned in order to help inform policy changes that may take place nationally.

COVERED CALIFORNIA LEADERSHIP

COVERED CALIFORNIA BOARD

Covered California is an independent public entity in state government. It is governed by a Board of Directors that consists of five members who are residents of California and who are appointed by either the governor, Senate Committee on Rules or the Speaker of the Assembly. The board sets Covered California's major policies, including policy related to eligibility and enrollment, qualified health plans, benefit design, marketing, outreach and service to consumers.

The Covered California board meets regularly, usually 10 months out of the year, in an open forum that gives the public the opportunity to participate in Covered California's policymaking process. The secretary of the California Health and Human Services Agency, or his or her designee, serves as a voting, ex-officio member of the board. The board elects the chair and provides overall direction for the organization. Two of the board members are appointed by the governor, one by the Senate Committee on Rules and one by the Speaker of the Assembly. These four members must have competency in at least two of the following areas:

- Individual health coverage.
- Small-employer health coverage.
- Health benefits plan administration.
- Health care finance.
- Administering a public or private health care delivery system.
- Purchasing health coverage.
- Marketing of health insurance products.
- Information technology system management.
- Management of information systems.
- Enrollment counseling assistance, with priority to cultural and linguistic competency.

2015-2016 BOARD MEMBERS

Diana S. Dooley – Chair (elected by the Board)
Ex-Officio Member

Appointed by Governor Edmund G. Brown Jr. in January 2011, Diana S. Dooley serves as the Secretary of the California Health and Human Services Agency. Secretary Dooley began her professional career as an analyst at the State Personnel Board and in 1975 was appointed to the staff of Governor Brown, for whom she served as Legislative Director and Special Assistant until the end of his term in January 1983. Secretary Dooley owned a public relations and advertising agency prior to becoming an attorney in 1995. In December 2000, she became General Counsel and Vice President at Valley Children's Hospital, and later served as President and Chief Executive Officer of the California Children's Hospital Association.

Art Torres – Board Member
Appointed by the Senate Rules Committee in 2015 – Term expires in 2020

Former Senator Torres currently serves as the Vice Chair of the Governing Board of the California Institute for Regenerative Medicine (CIRM). He served in the California State Senate from 1982 to 1994, where he chaired the Senate Insurance Committee. He also served in the California State Assembly from 1974 to 1982, during which he overhauled the Medi-Cal program as Chair of the Assembly Health Committee. Former Senator Torres has written bipartisan initiatives in the fields of health care, education, the environment and human rights.

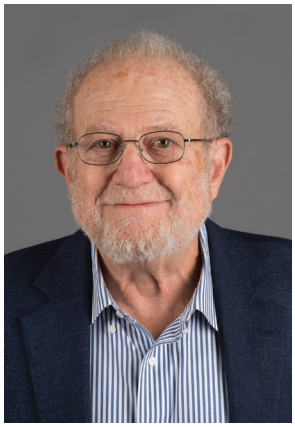
Genoveva Islas – Board Member
Appointed by the Governor in 2014 – Term expires in 2019

Since 2006, Ms. Islas has served as Program Director of Cultiva La Salud, formerly the Central California Regional Obesity Prevention Program. She was an area field representative for the California Department of Public Health's California Diabetes Program from 2004 to 2005. Ms. Islas was an adjunct faculty member at Bakersfield College from 1997 to 2005 and was a health education-cultural linguistics supervisor at Kern Health Systems from 1993 to 1999. She earned a Master of Public Health degree from Loma Linda University.

2015-2016 BOARD MEMBERS

Paul E. Fearer – Board Member
Appointed by the Speaker of the Assembly in 2016 – Term expires in 2021

From 1997 to 2012, Mr. Fearer chaired the Board of Directors of the Pacific Business Group on Health (PBGH), an organization of approximately three dozen large employers committed to improving the quality and efficiency of the health care delivery system in the western states, as well as moderating price increases for employers and employees. He also served from 2000 to 2007 as Chair and board member of PacAdvantage, a small-business health benefit exchange and subsidiary of PBGH.



Marty Morgenstern – Board Member
Appointed by the Governor in 2015 – Term expires in 2019

Before retiring in 2012, Mr. Morgenstern served as the Secretary of the California Labor and Workforce Development Agency. Mr. Morgenstern has served in state government in other leadership positions, including as Director of the Governor's Office of Employee Relations, and its successor, the Department of Personnel Administration. He also served as a board member on the Public Employment Relations Board (PERB). Following his service on PERB, Mr. Morgenstern was Chair of the Center for Labor Research and Education at the UC Berkeley Institute for Research on Labor and Employment, and was a human resources advisor at the University of California Office of the President and was senior advisor to the governor. He also serves on the Secure Choice Retirement Savings Investment board and the Cal Humanities board.

EXECUTIVE DIRECTOR AND LEADERSHIP TEAM

Covered California's executive board is responsible for hiring executive staff, including Executive Director Peter V. Lee, who began his tenure as Covered California's first permanent executive director in 2011 and continues to serve in that capacity today. Mr. Lee oversees all aspects of Covered California's operations, guided by the direction of the board. Below is Covered California's organizational chart, which reflects its executive director and executive leadership for FY 2015-16.

Covered California 2015-2016 Leadership Team[1]

Peter V. Lee
Executive Director

Yolanda R. Richardson
Chief Deputy Executive Director

LaVonne Coen
Administrative Services Division Director/ Deputy Chief Operations Officer

Kelly Green
External Affairs Division Director

Kathleen Keeshen
General Counsel

Thien Lam
Program Integrity Division Director

Jim Lombard
Financial Management Division Director and Chief Financial Officer

Amy Palmer
Communications and Public Relations Division Director

Anne Price
Plan Management Division Director

Katie Ravel
Program Policy, Evaluation and Research Division Director

Karen Ruiz
Information Technology Division Director/ Chief Technology Officer

Mavilla Safi
Service Center Division Director

Colleen Stevens
Marketing Division Director

Kirk Whelan
Individual and Small Business Outreach and Sales Division Director

[1] Note: Ms. Richardson left Covered California in June of 2016. On Nov. 21, 2016, Covered California announced the hiring of Doug McKeever as chief deputy executive director of Programs. Additionally, on Dec. 23, 2016, Covered California announced the hiring of Karen Johnson as chief deputy executive director of Operations. Anne Price left Covered California in July 2016 and James DeBenedetti currently serves as acting director of Plan Management.

BUDGET AND FINANCE

On June 18, 2015, Covered California adopted the budget for fiscal year 2015-16. The budget authorized $335 million and 1,399 positions to ensure Covered California has the right tools, processes and resources to deliver on its mission. This was the final year that Covered California relied on federal establishment grant funding. The 2015-16 budget was balanced with both the remainder of the federal establishment funds and plan assessment fees.

In order to use the remaining $157 million in grant funds, an extension from the federal government was requested and approved. The remaining balance of grant funds spent in FY 2015-16 was used in accordance with federal guidance, which allowed state-based marketplaces to use remaining grant funds for design, development and implementation, as long as costs did not support ongoing operations.

With the end of federal establishment funds, Covered California transitioned to relying solely on fees it collects from health plans (a flat rate of $13.95 per member, per month during FY 2015-16), as well as from extensive reserves saved while using federal funds for establishment. This transition reflects California's legislative intent for Covered California to be an independent and financially self-sufficient state-based marketplace.

The budget for FY 2015-16 included funding for a number of important activities supporting Covered California's mission. Substantial investments were made in outreach, marketing and enrollment. Service center funding levels were comparable to the previous fiscal year to accommodate the workload associated with consumer inquiries and appeals. Additionally, funding for CalHEERS supported system and program requirements during the year.

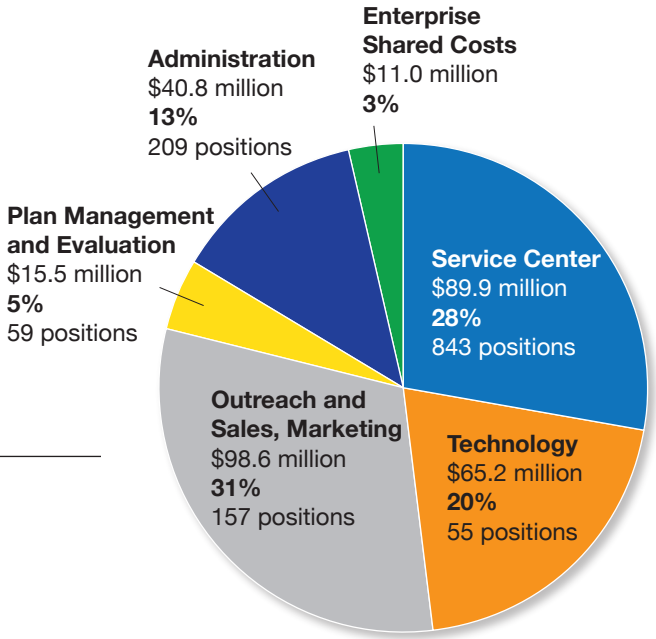


FIGURE 1
Revised FY 2015-16 Budget: $335.0 Million

For more detailed information about Covered California's budget and financing, please see Covered California's budget book for FY 2015-16 at http://bit.ly/2iH5Nvc.

Fiscal Year-End Update for FY 2015-16

As displayed in Table 1 below, Covered California achieved revenues that were higher than forecasted and budget expenditures that were lower than anticipated in FY 2015-16. Covered California ended the fiscal year with an operating cash reserve of approximately $318 million.

TABLE 1 — FY 2015-16 Budget vs. Actuals

$ millions	2015-16 Budget	2015-16 Actual	Variance to Budget
Opening Balance	$ 297.9	$ 320.2	$ 22.3
Plan Assessments (cash basis)	$ 234.4	$ 266.0	$ 32.2
Expenditures*	$ 355.0	$ 269.3	$ (65.7)
Gain/Loss	$ (100.6)	$ (2.7)	$ 97.9
Ending Balance	$ 197.3	$ 317.5	$ 120.2

* Includes adjustments to prior year expenditures.

Highlights from Covered California's FY 2015-16 revenue and expenditures include:

- **Higher-than-projected revenues.** The actual number of enrollments was very close to forecasts, and Covered California's enrollment following its second renewal period and third open-enrollment period fell within the range of forecasts used to develop the FY 2015-16 budget. Actual revenues generated from plan assessments during the fiscal year were $267 million, approximately $32 million higher than budgeted. This is largely the result of streamlining the reconciliation process, which allowed plans to remit payment sooner than expected.

- **Lower-than-projected expenditures.** Expenditures in FY 2015-16 were $269.3 million, approximately $66 million lower than budgeted. Lower expenditures are attributable to a variety of factors, including lower-than-expected contract expenditures, position vacancies, lower-than-expected costs relating to Covered California's portion of statewide allocated costs, strategic initiatives and contingencies for unplanned expenditures. Covered California made significant strides to make reductions and align the FY 2016-17 budget with prior year expenditures.

- **Year-end reserve of $318 million.** FY 2015-16 ended with a $318 million reserve, approximately $40 million higher than initially projected. This amount gives Covered California an 11.9-month reserve. Consistent with state law, Covered California is charged with reducing rates should reserves exceed 12 months. The conscious decision to establish and maintain appropriate reserves allows Covered California to maintain its momentum, remain nimble and make adjustments from year to year, if necessary.

For more detailed information about Covered California's budget and financing, please see Covered California's budget book at http://bit.ly/2iGYLqk.

LOOKING AHEAD TO FY 2016-17 AND BEYOND

Covered California receives its revenues from an assessment, or fee, on each plan purchased through Covered California. The current outlook reflects a change in the assessment from a flat $13.95 per-member, per-month (PMPM) rate to a percentage of gross premiums paid beginning in 2017 with the rate set initially at 4 percent.

Table 2 summarizes the revenue outlook for the individual market and Covered California for Small Business (CCSB) forecasts described below.

TABLE 2 — Covered California Revenue Outlook Summary: Medium Forecast Alternatives

Market	**PMPM Revenue** ($millions)			
Fiscal Year	2016-17	2017-18	2018-19	2019-2020
Individual Market – Medical	$255.9	$315.3	334.3	$341.2
Individual Market – Dental	$0.9	$1.1	$1.1	$1.1
CCSB	$9.8	$15.6	$22.8	$31.1
Total Revenue	$266.6	$332.0	$358.2	$373.7

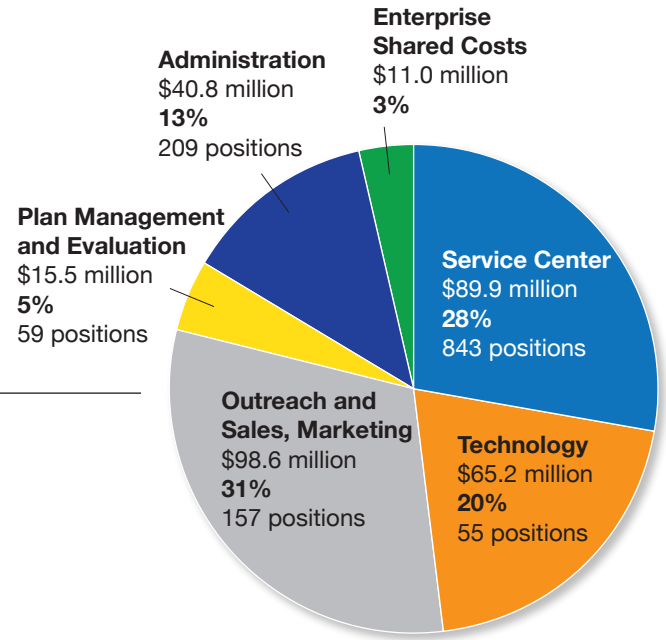
Individual Market Revenue Cash Basis Adjustment				
Individual Market – Medical	*$255.9*	*$315.3*	*$334.3*	*$341.2*
Adjustment for Payment Receipt Lag	*-$28.3*	*-$5.0*	*-$1.6*	*-$1.7*
Cash Basis	*$227.6*	*$310.3*	*$332.8*	*$340.5*
Total Revenue (Cash Basis)	*$238.3*	*$327.0*	*$356.7*	*$373.0*

Covered California projects that it will achieve a balance between revenues and expenditures in FY 2017-18. In FY 2014-15, Covered California expenditures equaled roughly 6.6 percent of gross health insurance premiums. This proportion is projected to drop to 4 percent in FY 2017-18. The $13.95 PMPM assessment, which will equal only 3.3 percent of premiums during FY 2016-17, is well below the comparative rate for expenditures. While the initial 4 percent assessment rate is effectively higher than the current $13.95 flat rate charged, it puts Covered California in a position in which revenues will equal expenditures by FY 2017-18 and sets Covered California on the path to reducing the assessment in coming years.

As of 2017, 4 percent of the premium fee is assessed on those currently enrolled in Covered California plans. In addition to Covered California enrollees, there are also approximately 700,000 people in the individual market who benefit from the rates negotiated by Covered California, even though they are not directly enrolled through the exchange, because the rates for these products (both on and off exchange) are required to be the same. Since the health plans offered by Covered California represent approximately 66 percent of the total enrollment in individual coverage, the assessment essentially requires the health plans to spread the assessment fee across the entire individual market. Covered California estimates that the actual average effective assessment rate for 2017 will be approximately 2.6 percent across the entire individual market. Covered California currently projects its assessment to decrease to 3.5 percent by 2020, which equates to 2.3 percent across the entire market.

The FY 2016-17 Covered California budget, presented in Figure 2, supports activities for the organization's first year operating solely on plan assessments and reserves. Covered California anticipates expending all federal funding by the end of FY 2015-16. The budget framework is informed by Covered California's financial guiding principles and strategic pillars, FY 2015-16 expenditures, the enrollment and revenue forecasts described above and the multi-year forecast discussed below. The budget provides 1,323 positions and $320.9 million to fund program operations, which is $14 million, or 4 percent, less than the FY 2015-16 approved budget.

FIGURE 2
FY 2016-17 Budget: $320.9 Million



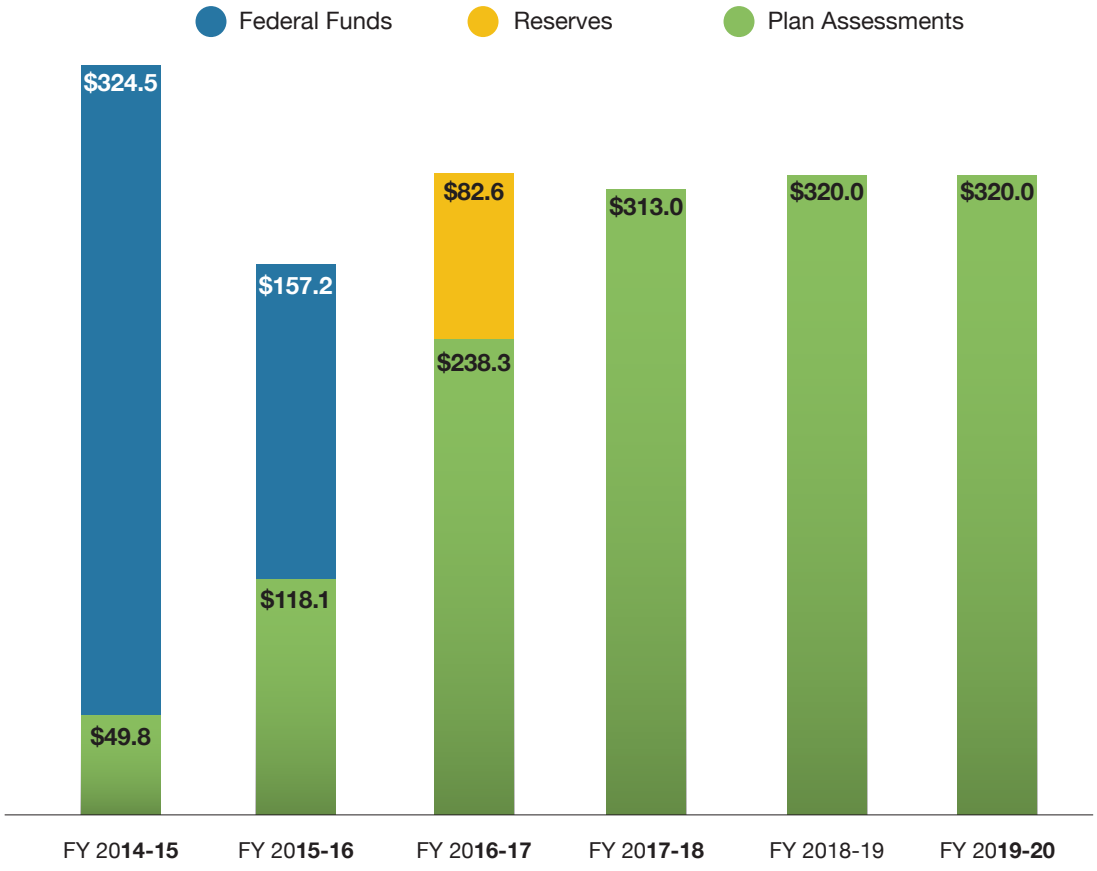
MULTI-YEAR FORECAST

Covered California has used two main funding sources, federal establishment funds and assessments on plans. It can also use year-end reserves to meet program expenditures. Figure 3 illustrates Covered California's multi-year budget by funding source. Federal funds decrease from more than 80 percent of the budget in 2014-15 to zero by 2016-17. In 2016-17, Covered California projects that it will use just over $82.6 million, approximately 26 percent, of its reserves to fund a portion of program operations, leaving $235 million in reserve at year's end.

Since its inception, Covered California has recognized that the budget planning process involves consideration of several key variables over a multi-year period, including revenue, expenditures and reserves. As such, the FY 2016-17 budget is one component of a multi-year plan that will ensure that Covered California has a strong fiscal foundation for the foreseeable future.

FIGURE 3 — Budget and Sources of Funding: FY 2014-15 through 2019-20

(Dollars in Millions)



The current multi-year forecast is displayed in Table 3, below. Revenues that include both the individual and Covered California for Small Business markets are calculated on a cash basis that more accurately reflects the timing of the collection of revenue.

TABLE 3 — Multi-Year Forecast (Dollars in Millions)

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-2020
Effectuated Enrollment	1,320,581	1,344,087	1,409,724	1,472,852	1,522,081
Opening Balance	$ 320.2	$ 317.5	$ 234.9	$ 248.9	$ 285.5
Plan Assessments – Cash Basis	$ 266.6	$ 238.3	$ 327.0	$ 356.7	$ 373.0
Expenditures 2015-16 Projected	$ (269.3)	$ (321.0)	$ (313.0)	$ (320.0)	$ (320.0)
Year-End Operating Reserve	**$ 317.5**	**$ 234.9**	**$ 248.9**	**$ 285.5**	**$ 338.5**
Months Covered by Reserve	14	9	10	11	13

In addition to the $321 million budget in FY 2016-17, the forecast assumes budgets of between $313 million and $320 million for FY 2017-18 through FY 2019-20, and is designed to balance revenues and expenditures by FY 2017-18. The plan will provide a nine-month operating reserve throughout FY 2016-17 with a fiscal year-end position of more than $230 million. Covered California does not expect its fiscal year-end reserve level to be less than nine months at any time throughout the outlook. The forecast reflects modest increases in operating expenses over the next few fiscal years to allow programs to maintain service levels necessary to maintain and expand membership.

ENROLLMENT

COVERED CALIFORNIA'S THIRD OPEN ENROLLMENT

During Covered California's third open-enrollment period, which ran from Nov. 1, 2015 to Jan. 31, 2016, more than 439,400 people newly enrolled and selected a Covered California health plan for the 2016 plan year. Along with consumers who renewed their plans, this brings current enrollment to approximately 1.4 million members as of July 2016. Below are tables that show Covered California's enrollees from the third open enrollment by demographic, subsidy and plan choice.

TABLE 4 — New Enrollment in the Third Open-Enrollment Period, Enrollment Total by Age

	Subsidy Eligible		Unsubsidized		Total	
Age Bracket	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**
17 and under	18,930	4.9%	9,360	16.7%	28,290	6.4%
18 to 25	67,880	17.7%	6,630	11.8%	74,510	17.0%
26 to 34	78,230	20.4%	14,090	25.2%	92,320	21.0%
35 to 44	61,330	16.0%	10,080	18.0%	71,410	16.3%
45 to 54	82,560	21.5%	8,920	15.9%	91,480	20.8%
55 to 64	72,390	18.9%	6,530	11.7%	78,920	18.0%
65 and older	2,100	0.5%	350	0.6%	2,450	0.6%
Grand Total	**383,430**	**100.0%**	**55,970**	**100.0%**	**439,400**	**100.0%**

For its third open enrollment, Covered California was able to increase its share of younger enrollees. The percentage of consumers between the ages of 18 and 34 who signed up for coverage was 29 percent during the first open-enrollment period, 34 percent in the second and 38 percent during the third. Having younger enrollees in the pool improves the enrollee profile and helps reduce overall premium rates for all consumers.

TABLE 5 — New Enrollment in the Third Open-Enrollment Period by Metal Tier

	Subsidy Eligible		Unsubsidized		Total	
Metal Tier	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**
Minimum Coverage	3,680	1.0%	4,860	8.7%	8,540	1.9%
Bronze	118,530	30.9%	21,670	38.7%	140,200	31.9%
Silver	40,620	10.6%	18,460	33.0%	59,080	13.4%
Silver - Enhanced 73	35,440	9.2%	0	0.0%	35,440	8.1%
Silver - Enhanced 87	101,210	26.4%	0	0.0%	101,210	23.0%
Silver - Enhanced 94	60,380	15.7%	0	0.0%	60,380	13.7%
Gold	14,190	3.7%	6,120	10.9%	20,310	4.6%
Platinum	9,370	2.4%	4,860	8.7%	14,230	3.2%
Grand Total	**383,430**	**100.0%**	**55,970**	**100.0%**	**439,400**	**100.0%**

More than half (51 percent) of subsidized consumers are enrolled in an Enhanced Silver plan. Under this metal tier, Covered California enrollees are not only getting a comprehensive set of benefits, but are also receiving financial help to lower out-of-pocket costs for medical services. For example, a consumer enrolled in an Enhanced Silver 94 plan would pay $5 for a primary care visit and $8 for a specialty visit. The support for out-of-pocket expenses is funded through cost-sharing reduction payments made by the federal government directly to Covered California's qualified health plans.

TABLE 6 — New Enrollment in the Third Open-Enrollment Period as of June 2016, by Income

	Subsidy Eligible		Unsubsidized		Total	
FPL	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**
138% or less	27,290	2.4%	6,390	4.9%	33,680	2.6%
138% to 150%	190,390	16.5%	570	0.4%	190,960	14.9%
150% to 200%	424,940	36.9%	2,440	1.9%	427,380	33.4%
200% to 250%	213,090	18.5%	2,410	1.9%	215,500	16.8%
250% to 400%	290,550	25.2%	7,760	6.0%	298,310	23.3%
400% or greater	210	0.0%	41,290	31.8%	41,500	3.2%
FPL Unavailable	4,210	0.4%	0	0.0%	4,210	0.3%
Unsubsidized Application	570	0.0%	68,930	53.1%	69,500	5.4%
Grand Total	**1,151,240**	**100.0%**	**129,790**	**100.0%**	**1,281,030**	**100.0%**

Approximately 72 percent of Covered California enrollees are between 138 percent and 250 percent of the federal poverty level, and are receiving federally funded financial assistance that covers a significant portion of premium costs and, in some instances, out-of-pocket costs for medical services. As noted earlier, more than 300,000 additional Californians receive individual coverage outside of Covered California.

RENEWAL ENROLLMENT

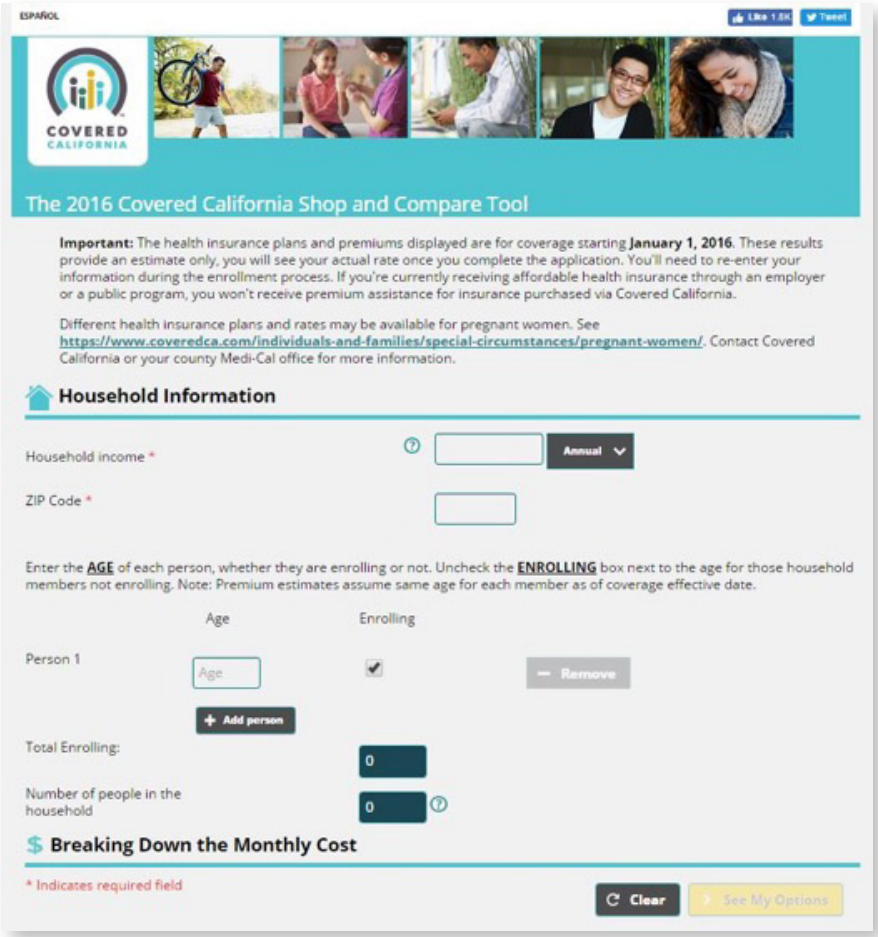
Fiscal year 2015-16 marked Covered California's second renewal effort. The open-enrollment period offers an opportunity to both enroll new consumers and retain existing consumers who can change their plan during this time. Similar to the previous year, consumers could choose to automatically renew their current plan or visit the "Shop and Compare Tool" on the consumer website to consider the potential benefits of changing plans.

Renewal Process — Most consumers did not need to take any action to be automatically renewed. Consumers were eligible for automatic renewal if they previously consented to having Covered California verify their tax filing information with the IRS. If consumers filed their taxes and did not choose to change plans, they were re-enrolled into the same plan with the appropriate tax credits. Consumers were also notified by their health plan about automatic renewal and sent billing statements with the updated 2016 rate for that plan.

An overwhelming majority of consumers — 96 percent, in fact — who enrolled in 2015 renewed their coverage for 2016. Of those who renewed, the majority were passively renewed and made no changes. Other consumers actively renewed, and about 8 percent of those who actively renewed chose a new health insurer.

Consumers were also notified by Covered California that they could shop for a new plan during open enrollment, and if their income or family size changed, re-determine their eligibility. Consumers could use the Shop and Compare Tool available on CoveredCA.com to learn about their 2016 options and then change plans through their Covered California online account or with help from a certified enroller.

The Shop and Compare Tool allows consumers to estimate what level of financial assistance they may receive and which plans are available to them, anonymously, before they start an application. They only need to enter their household income, ZIP code, age, the number of people enrolling and the number of people in their household. The tool will tell them whether they qualify for Medi-Cal, federal subsidies or no subsidies.



CARRIERS, RATES, AND BENEFIT DESIGN FOR 2016

Covered California works to ensure consumers benefit from shopping in a competitive marketplace. Consumers can compare plans with standard patient-centered benefit designs that are structured to help them get the right care at the right time. Covered California actively negotiates and contracts with the qualified health plans offered through the exchange. All of Covered California's health plans provide the same patient-centered benefit designs for each metal tier, thus requiring the plans to compete with one another based on premium, networks, quality and service to consumers.

Covered California health plans must meet high standards of quality and affordability as they compete in the marketplace, and must commit to improve care delivery. The result of Covered California's efforts to create competition in the marketplace has resulted in a strong foundation of consistent plan offerings for consumers. Competition among plans has stimulated strategies for providing high-quality, affordable health care, promoting prevention and wellness and reducing health disparities.

CARRIERS

All 10 health insurance plans offered in 2015 continued to be offered in 2016. Additionally, Oscar Health Plan of California and United Healthcare were added for 2016 in certain areas of the state. In 2016, in every ZIP code in the state, consumers had the choice of two health plans. And, in greater than 99 percent of ZIP codes, consumers had three plans to choose from.

RATES

In July 2015, Covered California announced its negotiated rates for the 2016 plan year, which continued a downward trend of rate increases in the state. The statewide average increase for the 2016 plan year was 4.2 percent, lower than the previous year's increase of 4.2 percent. This represented a dramatic change from the trends that individuals faced in the three years prior to the implementation of the ACA.

COVERED CALIFORNIA HEALTH INSURANCE COMPANIES OFFERED TO CONSUMERS IN 2016
Anthem Blue Cross of California
Blue Shield of California
Chinese Community Health Plan
Health Net
Kaiser Permanente
L.A. Care Health Plan
Molina Healthcare
Oscar Health Plan of California (new for 2016)
Sharp Health Plan
United Healthcare Benefits Plan of California (new for 2016)
Valley Health Plan
Western Health Advantage

TABLE 7 — New Covered California Members by Plan After the Third Open Enrollment, as of May 18, 2016[2]

	Subsidy Eligible		Unsubsidized		Total	
Health Plan	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**	**Enrollees**	**Percentage**
Anthem Blue Cross of California	88,290	23.0%	15090	27.0%	**103,380**	**23.5%**
Blue Shield of California	102,540	26.7%	15250	27.2%	**117,790**	**26.8%**
Chinese Community Health Plan	2,670	0.7%	220	0.4%	**2,890**	**0.7%**
Health Net	41,020	10.7%	4740	8.5%	**45,760**	**10.4%**
Kaiser Permanente	85,060	22.2%	13980	25.0%	**99,040**	**22.5%**
L.A. Care Health Plan	2,790	0.7%	430	0.8%	**3,220**	**0.7%**
Molina Healthcare	47,540	12.4%	3310	5.9%	**50,850**	**11.6%**
Oscar Health Plan of California	1,310	0.3%	250	0.4%	**1,560**	**0.4%**
Sharp Health Plan	7,530	2.0%	1820	3.3%	**9,350**	**2.1%**
UnitedHealthcare	800	0.2%	290	0.5%	**1,090**	**0.2%**
Valley Health Plan	1,240	0.3%	160	0.3%	**1,400**	**0.3%**
Western Health Advantage	2,630	0.7%	420	0.8%	**3,050**	**0.7%**
Grand Total	**383,430**	**100.0%**	**55,970**	**100.0%**	**439,400**	**100.0%**

In addition to the statewide weighted average increase, the respective average rate increases for the lowest-priced Bronze and Silver plans were 3.3 percent and 1.5 percent. These two tiers had the vast majority of Covered California's enrollment. The lower increase indicated that consumers who wanted to shop and change plans could experience an even smaller increase in their premium costs.

The majority of Covered California consumers saw a decrease in their health insurance premiums or an increase of less than 5 percent if they chose to renew their current plan. In addition, consumers were able to reduce their premiums by an average of 4.5 percent, and more than 10 percent in some regions, if they shopped for other coverage and switched to a lower-cost plan within the same metal tier. However, the majority of renewing consumers — approximately 88 percent — kept their plan, indicating satisfaction with price, quality and coverage level.

For the 2016 plan year, the weighted average premium increase was limited to 4 percent due in part to the healthy enrollment profile of Covered California's enrollees. This enrollment profile helped lower proposed rates during negotiations with carriers. Additionally, Covered California health plans received more than $1.1 billion in reinsurance payments and more than $600 million in risk-adjustment transfers, pursuant to the federal reinsurance and risk-adjustment programs.

[2] This table illustrates statewide averages, but local market share by carrier varies widely by region. For example, in Region 1, covering the northernmost region of California, Anthem Blue Cross' PPO plan accounted for 91.7 percent of enrollment in 2016. And in Region 4, covering San Francisco County, Chinese Community Health Plan accounted for 27 percent of enrollment.

TABLE 8 — Covered California Rate Changes, 2015 to 2016

Rate Change	2014-2015	2015-2016
Weighted average Increase	4.2%	4.0%
Lowest-price **Bronze plan** (unweighted)	4.4%	3.3%
Lowest-price **Silver plan** (unweighted)	4.8%	1.5%
If a consumer shopped and switched to the lowest-cost plan in the same metal tier	—	- 4.5%

BENEFIT DESIGN

Covered California is leading the way for consumers by using a patient-centered benefit design. Patient-centered benefit designs allow consumers to shop across Covered California's different health insurance companies knowing that the benefits are the same, depending on metal tier, no matter which company they choose. Consumers can make apples-to-apples comparisons among plans' copays, deductibles and other out-of-pocket costs up front so there are no surprises when they use their coverage. Consumers have their choice of coverage level based on a metal-tier system to select a plan that best fits their needs.

Specifically, under this drug benefit design, drug-cost caps range from $150 to $500 per month, per prescription — depending on metal tier — with the vast majority of Covered California consumers having their specialty drugs capped at $250 per month, per prescription. This drug-cost cap helps consumers who would otherwise be required to spend their entire maximum out-of-pocket costs in their first few months of coverage in order to access needed high-cost medications.

Other consumer-focused benefit design changes related to prescription drug coverage adopted by the Covered California board in 2015 and taking effect in 2016 included:

- Requiring plan formularies to include at least one Food and Drug Administration-approved drug in tiers one, two or three under certain conditions.
- Requiring plans to have an "opt-out" retail option for mail order.
- Requiring plans to provide consumers an estimate of the out-of-pocket costs for specific drugs and to include a statement on the availability of drugs not listed in the formulary.
- Requiring plans to include an exception process written clearly in their formulary and a dedicated pharmacy customer service line where advocates and prospective consumers can call for assistance.

Additionally in 2015, the Covered California board approved other benefit design changes to take effect in 2016 that are designed to increase affordability and access to medical services. Specifically, the 2016 standard benefit design:

- Exempts the first three office visits from the deductible for Bronze plans. The visits could include a specialist visit in addition to primary care, mental health and urgent care visits.
- Removes the application of a deductible for certain services, such as laboratory tests and rehabilitation.
- Combines copay and coinsurance into a single product for Silver plans. Doctor visits, lab tests and prescriptions are not subject to a deductible in this single product.

Below is Covered California's 2016 Standard Benefit Designs and Medical Cost Shares, which lays out what consumers can expect to pay for each service. And more importantly, it lays out in blue which services consumers can access without having to first meet their deductible. (In other words, consumers have access to every service highlighted in blue, including primary care visits, and only pay the copay without having to first pay a deductible.)

TABLE 9 — 2016 Standard Benefit Designs and Medical Cost Shares

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	**$23,451 to $29,425 (>200% to ≤250% FPL)**	**$17,656 to $23,450 (>150% to ≤200% FPL)**	**up to $17,655 (100% to ≤150% FPL)**	N/A	N/A
Annual Wellness Exam	$0	$0	$0	$0	$0	$0	$0	$0
Primary Care Vist	after first 3 non-preventive visits, pay negotiated carrier rate per instance until out-of-pocket maximum is met	$70*	$45	$40	$15	$5	$35	$20
Specialist Visit	pay negotiated carrier rate per service until out-of-pocket maximum is met	$90*	$70	$55	$25	$8	$55	$40
Urgent Care		$120*	$90	$80	$30	$6	$60	$40
Emergency Room		Full cost until deductible is met	$250	$250	$75	$30	$250	$150
Laboratory Tests		$40	$35	$35	$15	$8	$35	$20
X-Rays and Diagnostics		Full cost until deductible is met	$65	$50	$25	$8	$50	$40
Imaging			$250	$250	$100	$50	$250 copay 20% coinsurance***	$150 copay 10% coinsurance***
Tier 1 (Generic Drugs)	pay negotiated carrier rate per script until out-of-pocket maximum is met	Full cost up to $500 after drug deductible is met	$15	$15	$5	$3	$15	$5
Tier 2 (Preferred Drugs)			$50**	$45**	$20**	$10	$50 or less	$15 or less
Tier 3 (Non-preferred Drugs)			$70**	$70**	$35**	$15	$70 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: $6,000 Family: $12,000	Individual: $2,250 Family: $4,500	Individual: $1,900 Family: $3,800	Individual: $550 Family: $1,100	Individual: $75 Family: $150	N/A	N/A
Pharmacy Deductible	N/A	Individual: $500 Family: $1,000	Individual: $250 Family: $500	Individual: $250 Family: $500	Individual: $50 Family: $100	N/A	N/A	N/A
Annual Out-of-Pocket Maximum	$6,850 individual only	$6500 individual $13,000 family	$6,250 individual $12,500 family	$5,450 individual $10,900 family	$2,250 individual $4,500 family	$2,250 individual $4,500 family	$6,200 individual $12,400 family	$4,000 individual $8,000 family

Drug prices are for a 30 day supply.
* Copay is for any combination of 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.

DENTAL AND VISION COVERAGE

DENTAL COVERAGE

All Covered California health insurance plans in the individual market offer embedded pediatric dental plans. Dental coverage for children is included in the price of all health plans purchased through Covered California.

In an effort to expand dental coverage among adults and families, Covered California began offering standalone family dental plans. Beginning Jan. 1, 2016, family dental HMO and PPO plans are available as an optional purchase for consumers who have a health plan through Covered California.

The dental insurance companies offering plans through Covered California in 2016 are:

- Access Dental/Premier Access.
- Anthem Dental (Individual only).
- Delta Dental.
- Dental Health Services.
- Liberty Dental (Covered California for Small Businesses only).
- MetLife/Safeguard Dental (Covered California for Small Businesses only).

Dental plans sold through Covered California must adhere to patient-centered benefit designs, making dental benefits available to single adults, married adults, families and children. All dental plans include comprehensive coverage and free preventive and diagnostic care, such as cleanings, X-rays and exams. Depending on where they live, adult consumers can choose from monthly premiums of approximately $11 to $21 for dental HMO plans, and $47 to $65 for dental PPO plans.

There are no federal subsidies available to consumers for the purchase of family dental plans. Additionally, Covered California receives revenue from the dental plans in a similar method used for health plans. For plan year 2016, each dental plan gave Covered California $0.83 per monthly premium paid by each enrollee.

TABLE 10 — Standalone Dental Plans Types and Enrollee Cost Sharing for 2016

DHMO — ENROLLEE PAYS

Coverage category	Child	Adult
Diagnostic and preventive (includes X-rays, exams and cleanings)	$ 0	$ 0
Amalgam filling – one surface	$ 25	$ 25
Root canal – molar	$ 300	$ 300
Gingivectomy per quad	$ 150	$ 150
Extraction – single tooth, exposed root or erupted	$ 65	$ 65
Extraction – complete bony	$ 160	$ 160
Crown – porcelain with metal	$ 300	$ 300
Medically necessary orthodontia	$ 350	not covered

Enrollee costs		
Deductible (waived for diagnostic and preventive)	$ 0	$ 0
Annual benefit limit	none	none
Individual out-of-pocket maximum	$ 350	N/A
Family out-of-pocket maximum (two or more children)	$ 700	N/A
Office copay	$ 0	$ 0
Waiting period	none	none

DPPO — ENROLLEE PAYS

Coverage category	Child	Adult
Diagnostic and preventive (includes X-rays, exams and cleanings)	0%	0%
Amalgam filling – one surface	20%	20%
Root canal – molar	50%	50%
Gingivectomy per quad	50%	50%
Extraction – single tooth, exposed root or erupted	50%	50%
Extraction – complete bony	50%	50%
Crown – porcelain with metal	50%	50%
Medically necessary orthodontia	50%	not covered

Enrollee costs		
Deductible (waived for diagnostic and preventive)	$ 65	$ 50
Annual benefit limit	none	$ 1,500
Individual out-of-pocket maximum	$ 350	N/A
Family out-of-pocket maximum (two or more children)	$ 700	N/A
Office copay	$ 0	$ 0
Waiting period	none	6 months* for major services

As of March 1, 2016, Covered California reported that 115,200 members have enrolled in individual marketplace family dental plans.

* Waived with proof of prior coverage.

VISION COVERAGE

Similar to pediatric dental coverage, pediatric vision coverage is an essential health benefit under the Affordable Care Act. As such, vision benefits for children are embedded in all Covered California health insurance plans. However, vision care for adults is not considered an essential health benefit and is not a covered benefit in Covered California health plans.

In an effort to help consumers connect with and obtain coverage from quality vision plans, Covered California partnered with two vision carriers, Vision Service Plan (VSP) and EyeMed Vision Care, to offer individual and family vision coverage to Covered California consumers. Interested consumers can enroll directly on the vision carrier's website, and can call for enrollment assistance or use a Certified Insurance Agent to obtain coverage. Covered California provides a link to both vision carrier websites. The carrier websites provide consumers with information on vision coverage, coverage options and provider networks.

Beginning in February 2016, visitors to CoveredCA.com can access VSP through a link that takes them to VSP's website. Once on the VSP website, consumers work directly with VSP to shop for vision benefits and see which coverage options are best for them. VSP currently offers Covered California consumers one plan option, which is VSP's most popular plan.

In April 2016, EyeMed Vision Care became the second pathway to vision coverage for Covered California consumers. EyeMed Vision Care currently offers consumers three plan options with different levels of coverage.

As part of their agreements with Covered California, both VSP and EyeMed Vision Care are required to conduct annual consumer surveys to ensure a positive consumer experience. In addition, they will provide quarterly enrollment reports to Covered California based on those who have accessed their respective websites through CoveredCA.com. VSP and EyeMed Vision Care pay Covered California a commission of 5 percent of the quarterly premiums they earn from each enrollee who signed up through Covered California.

MARKETING AND MEDIA

Covered California's diverse and healthy enrollee population did not occur by chance. Rather, it is the product of making significant investments in marketing and outreach. Grounded in research and anchored in an ongoing effort to reach California's diverse population, marketing and outreach are key components of Covered California's mission and operations.

In FY 2015-16, approximately $68 million was allocated to marketing for advertising, collateral materials, research and other efforts to:

- Build brand awareness and engagement by emphasizing the value and benefits of health insurance, positioning Covered California as the place to get quality health coverage and presenting solutions to address barriers to enrollment such as promoting federal financial assistance and free, in-person enrollment assistance.
- Drive enrollment in health coverage through Covered California with a multi-touch, tailored communication effort designed to engage consumers at key decision points in the enrollment journey from initial consideration, to information gathering and evaluation, to application, plan selection and effectuation.
- Drive retention and renewal of existing membership through continuous, timely and relevant communication with consumers that is designed to provide key information about their coverage, changes in status and the steps to renewing coverage.

OPEN ENROLLMENT CAMPAIGN

Covered California's open enrollment marketing campaign complemented extensive community outreach campaigns launched throughout the state. It was organized around specific market segments: general market (multi-segment), Latino, Asian/Pacific Islander, African-American, and Lesbian, Gay, Bisexual and Transgender (LGBT) audiences.

General Market (Multi-Segment) Marketing

Covered California's general market campaign for the third open-enrollment period was designed to cast the widest net, reaching English-speaking, subsidy-eligible Californians of multiple ethnic and cultural backgrounds, from rural to urban areas. The campaign was also designed to reach the millennial generation (ages 26 to 34) through social and digital media.

Covered California launched the "It's more than just health care; it's life care" campaign in late October 2015, which emphasized the overarching importance of health insurance in everyday life with the goal of improving the perceived value of health insurance and motivating the uninsured to get covered. When open enrollment began on Nov. 1, 2015, the campaign was rolled out in all 12 media markets in the state and included brand television, direct-response television (DRTV), cable television, radio, online banners, social media and paid search advertising.

Other key components to the general market campaign strategy included:

- Mobile advertising that complemented the digital ad buy and promoted Covered California to on-the-go consumers. Tactics included location-based targeting to reach users as they move around town and connect them to a Covered California storefront nearby.
- An extensive social media campaign designed to increase awareness and enthusiasm for open enrollment and renewal among prospective and current enrollees. The social media campaign resulted in 135 million impressions, 12,000 new Facebook friends and 1,500 new Twitter followers across all segments.

African-American Market Segment

During the third open enrollment, efforts were enhanced to better reach the African-American population. Reach to African-Americans was expanded by leveraging known talents and DJs who are well liked and trusted within this community to deliver Covered California's message. The marketing campaign focused on community-based and culturally focused media outlets. Specifically, Covered California used in-culture African-American radio, print publications and out-of-home media placements in select areas with a high concentration of African-Americans. Covered California also used African-American-targeted television programming from the general-market campaign to extend the reach to African-Americans. Overall, Covered California reached African-Americans in key markets such as Los Angeles, San Francisco and Oakland, San Diego and Sacramento, as well as through digital media statewide.

Asian/Pacific Islander Market Segment

Covered California's Asian-language marketing campaign reached Asian-American audiences in regions with high concentrations of this population, including Los Angeles, San Francisco, Sacramento, Fresno and San Diego. Since its inception, the campaign has been designed to reach Asian-Americans in specific languages, including Chinese (Cantonese and Mandarin), Vietnamese and Korean through select media channels such as television, radio, print and digital. Print advertising targeting Filipinos and radio advertising reaching Hmong, Cambodian and Laotian communities were also included in select markets with high concentration of these populations. In addition, the campaign reached bilingual Asian-Americans through general-market media placements with advertisements featuring Asian-American consumers.

Latino Market Segment

To motivate enrollment in the Latino community, Covered California maintained a robust enrollment effort aimed at both Spanish-speaking Latinos through Spanish-language media and English-speaking Latinos through targeted general-market media statewide. As in previous open-enrollment periods, the Spanish-language marketing campaign for the third open-enrollment period covered all 12 media markets in the state, with the heaviest penetration in areas of the state with the highest Latino populations: Los Angeles, San Diego, the San Francisco Bay Area, Sacramento, Fresno and Bakersfield.

Similar to the multi-segment campaign, Spanish-language ads for the *"Es más que cuidado médico; es cuidado para la vida"* campaign ran from November 2015 through January 2016 in multiple media channels. Specifically, Covered California aired ads on Spanish-language brand television, direct-response television and radio. In select areas with a high concentration of Latinos, print publications, out-of-home ads and direct mail were also used. There was Spanish-language digital, mobile and social media advertising statewide.

LGBT Market Segment

As in previous years, Covered California continued to reach out to the LGBT population during open enrollment, focusing on key markets (Los Angeles, San Francisco and San Diego) and using select print publications. The LGBT audience was also reached statewide through contextually relevant television shows, social media channels and digital media using banner and video ads.

SPECIAL ENROLLMENT CAMPAIGN

Covered California's special-enrollment period is an opportunity to sign up outside the open-enrollment period for individuals who have experienced life-changing events that make them newly eligible for Covered California. Ensuring proper enrollment during the special-enrollment period remains a priority for Covered California, and during FY 2015-16, Covered California maintained a special-enrollment marketing campaign that included outreach via radio, digital media, social media and paid search advertising to reach Latinos, African-Americans, Asian/Pacific Islanders and the general market.

Additionally, Covered California partnered with the Employment Development Department (EDD) on a direct-mail insert to reach the recipients of unemployment benefits, highlighting Covered California as an alternative to COBRA. This cost-effective effort of sending six direct-mail inserts generated approximately 10,000 leads or calls annually.

Other special-enrollment campaign partnerships include:

- With its health plans, Covered California works to facilitate conversion to Covered California for people who lose their employer-sponsored health plan or their prenatal coverage, or lose coverage through a parent's health plan when they turn 26 years old.
- In partnership with private-sector consulting groups that serve large employers, Covered California provides information about its offerings to people who are losing their employer-sponsored coverage.
- The Employment Development Department includes mail inserts in both English and Spanish to reach more than 800,000 recipients of EDD's monthly benefit mailer.
- California Courts provides information about Covered California on several of the agency's webpages, including Families & Children, Divorce or Separation, Child Support and Domestic Violence.
- The State Workforce Investment Board's Rapid Response teams give out information about Covered California to consumers who are being terminated from employment and will lose their employer-sponsored coverage.
- The California Department of Veterans Affairs provides information about Covered California on the CalVet website for veterans and their families when a veteran is returning from service and will be a resident of California.

Building Consumer Relationships

In late 2015, Covered California launched new message-automation software, Eloqua, which strategically sends personalized messages to consumers to support their purchase or renewal of coverage. For example, Covered California was able to target consumers at various stages of the application process and provide them with information about deadlines as well as reminders to submit their application or to pick a plan.

Further, beginning in the spring of 2016, Covered California actively sent information about special enrollment to those consumers who did not complete their enrollment during the open-enrollment period. Information was also sent to those whose coverage was terminated after receiving an advanced premium tax credit (APTC), or whose coverage was canceled, meaning they ended their enrollment before any APTC was allocated or premiums were paid.

In an effort to increase retention and promote renewal, in the spring of 2016 Covered California began to provide information, education and direction to current Covered California enrollees on various topics,

including paying premiums, tax preparation, 1095 tax forms and how to report changes. Covered California also sought to improve member satisfaction and brand image by communicating other educational topics such as How to Reset Your Password, Using Your Plan and Health Care Terms Explained to nurture and continue to build a relationship with members. Finally, Covered California sent enrollees proactive consumer service messages and specific instructions on how to renew their coverage, in addition to information about deadlines, plan changes and the metal tiers.

Bus Tour

At the beginning of November 2015, Covered California embarked on its second statewide bus tour designed to draw attention to the open-enrollment period. Spanning more than 2,000 miles that stretched from San Diego to Eureka, the bus tour made 38 stops at hospitals, clinics and Covered California storefronts, and visited Certified Insurance Agents and community partners. The theme was "Spotlight on Coverage" in recognition of the millions of Californians who have received much-needed medical care due to the Affordable Care Act. Along the bus tour the "spotlight" theme was also celebrated through actual Covered California-themed spotlights that lit up iconic buildings, hospitals, medical centers and enrollment locations across the state. The tour resulted in 34 million impressions on Californians through media coverage, seeing the bus and participating in bus tour events.

ENROLLMENT ASSISTANCE, OUTREACH AND PARTNERSHIPS

Covered California's marketing and media efforts are complemented by robust outreach and enrollment assistance strategies. Covered California has created a network of community partners, health organizations, insurance agents and other entities that help potential enrollees learn about their health insurance options and enroll in coverage.

By the end of 2015, Covered California had more than 560 insurance agent and navigator "storefronts" throughout the state, the largest storefront program in the nation. Storefronts are brick-and-mortar locations where consumers can enroll in a health plan through Covered California with free, confidential help from a certified enroller in their community. Additionally, during the third open-enrollment period, Covered California promoted more than 3,000 enrollment events on its website, striving to ensure consumers were aware of these community-based events where they can learn about health insurance and get assistance enrolling.

ENROLLMENT ASSISTANCE

Covered California partners with thousands of certified enrollers who offer enrollment assistance to consumers free of charge. All certified enrollers must go through an application and training process to assist and enroll consumers into Covered California. During the 2016 open enrollment and renewal cycle, there were more than 20,000 certified enrollers across the state providing enrollment assistance, including:

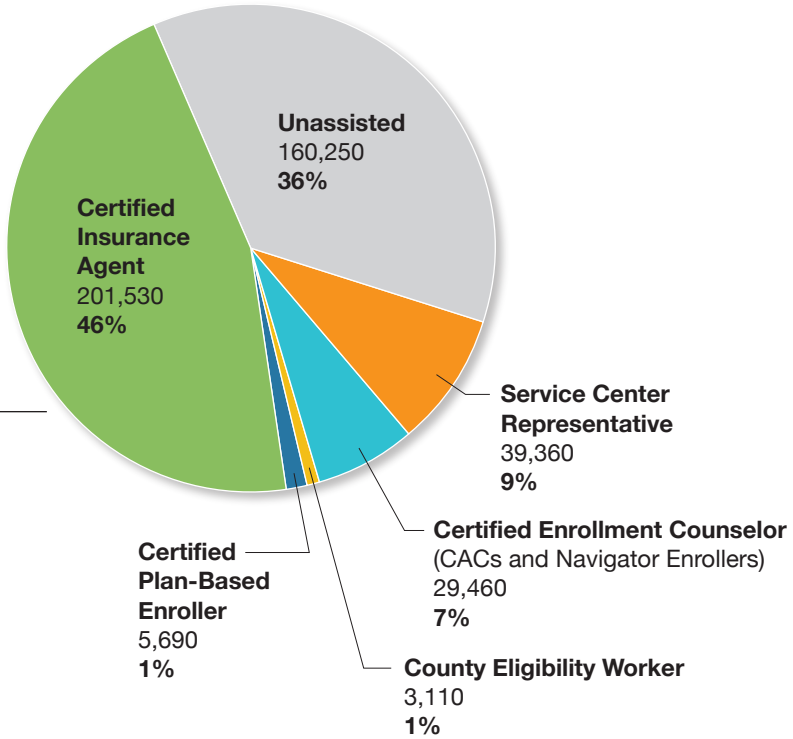
- 14,676 insurance agents who are certified by Covered California to enroll consumers into coverage. Certified Insurance Agents receive a commission from the health plans. They cannot charge consumers for their services, and are not compensated by Covered California.
- 2,175 Certified Application Counselors (CACs) who work or volunteer for a Certified Application Entity and are certified to enroll. They are not compensated by Covered California.
- 2,217 Certified Enrollment Counselors who are volunteers or employees of a navigator organization. Navigators are embedded in the community and provide enrollment assistance and education to consumers. Covered California awards grants to navigators through a competitive grant process.
- 30 Medi-Cal Managed Care Individual Enrollers affiliated with local organizations and health plans that exclusively serve Medi-Cal beneficiaries.
- 12,000 county eligibility workers located in their respective counties who can enroll consumers in both Medi-Cal and Covered California plans.
- 1,431 Plan-Based Enrollers, who are enrollers employed by the health plans.

ENROLLMENT OUTREACH STRATEGIES

In recognition that California is a diverse state, Covered California created strategies to reach potential consumers where they are most likely to need it. In Oakland, for example, Covered California partnered with the local government to create an enrollment center in City Hall. In San Diego, Long Beach, Riverside, the Central Valley and Los Angeles, Covered California canvassed neighborhoods, going door to door to inform people about open enrollment. Maps were also used to identify ZIP codes with a large number of subsidy-eligible people living there, called "hot spots." Covered California used that information to strategically place enrollment resources. For instance, an enrollment center was opened in a widely used community center in a hot-spot neighborhood in Inglewood.

Covered California also expanded its public-private partnerships, including establishing Covered California kiosks at Westfield Malls and working with the Workforce Investment Board to inform the recently unemployed that they can buy insurance on the exchange.

FIGURE 3
Number of Consumers Enrolled by Each Certified Enrollment Entity for the 2016 Plan Year



SPECIAL ENROLLMENT PERIOD OUTREACH

To prepare Covered California's certified enrollers for the special-enrollment period, Covered California hosted a number of trainings and a statewide "Special-Enrollment Period Kickoff Tour." The tour consisted of a series of meetings in 13 cities featuring a panel of speakers who shared best practices. Covered California staff members were there to answer questions and take feedback. The goal of these trainings was to ensure enrollers understand who qualifies for special enrollment and how to enroll them in a health plan outside of the peak open-enrollment time.

The outreach strategy also included the use of hot spots to identify areas with high special-enrollment-eligible residents and to build strategic partnerships with organizations that facilitate common qualifying life events, such as hospitals and employment agencies.

SERVING COVERED CALIFORNIA'S CONSUMERS

Covered California's service centers provide comprehensive pre- and post-enrollment education and support to consumers by responding to their inquiries, helping enroll them into coverage and promptly resolving challenges. The service centers also handle appeals, provide "warm transfers" to counties of individuals eligible for Medi-Cal or other programs and provide support to certified enrollers and health plans, among other duties.

During the 2015-16 fiscal year, more than 900 staff members were employed at Covered California's two service centers, in Rancho Cordova and Fresno. In FY 2015-16, Covered California continued its contract with the County of Contra Costa to operate a service center in Concord that was staffed by more than 120 county employees. Also in FY 2015-16, Covered California contracted with Faneuil, Inc. to provide call center services during "surge" periods when call volumes are at their peak during open enrollment, and to support systems for processing enrollment-related documents that cannot be handled automatically.

Key accomplishments of the Service Center division during FY 2015-16 include:

- Processed more than 2.5 million consumer assistance calls from July 2015 through March 2016.
- Service Center Representatives (SCRs) enrolled 15 percent of new enrollees during open enrollment.
- Completed more than one million "manual work streams," which is the system for processing documents that cannot be processed automatically.
- Processed 15,600 consumer appeals.
- Implemented a "live chat" function in Spanish.

Improvements to the Service Center Consumer Experience
Covered California is continuously working to make the service centers a helpful and consumer-friendly source of enrollment assistance through technology enhancements and SCR training.

When consumers call the service center, they encounter the Interactive Voice Response (IVR) system first. In FY 2015-16, the IVR system underwent a significant enhancement to increase consumer self-service and improve the consumer experience. The primary enhancements to the IVR system included:

- Skills-based routing so consumer calls are directed to the highest-skilled SCR.
- Medi-Cal messaging.
- Improvements and options for Covered California's Medi-Cal partners and consumers informing them that Medi-Cal coverage is available, and providing contact information for their local county office.
- Adding the Cantonese language to the full IVR call flow and self-service.
- Improving reporting capabilities so Covered California can make better data-driven decisions and improve consumers' experiences.

These enhancements have resulted in a dramatic reduction in average wait times for the third open-enrollment period in 2015-16, in comparison to the second open-enrollment period in 2014-15.

TABLE 11 — Service Center Calls in 2015-2016[3]

Calls to the IVR	4,754,902
Calls Offered to SCRs	3,344,312
Abandoned Percentage	9.16%
Average Speed of Answer	03:01
Average Handle Time	16:12
Calls Handled	2,555,920

Language Assistance

The service centers have strong language capabilities in order to maintain high-quality service to the diverse enrollee population. Through the service centers, consumers can receive assistance in 14 languages: English, Spanish, Cantonese, Hmong, Farsi, Russian, Lao, Tagalog, Vietnamese, Arabic, Korean, Armenian, Mandarin and Cambodian. If a bilingual SCR is not available to take a consumer's call or a caller speaks another language, the SCR uses a language-interpreting service.

TABLE 12 — Service Center Calls Conducted in Languages Other Than English, FY 2015-16[3]

Arabic	8,784	1.8%
Armenian	3,064	0.6%
Cambodian	493	0.1%
Cantonese	18,421	3.7%
Farsi	5,524	1.1%
Hmong	501	0.1%
Korean	13,958	2.8%
Laotian	792	0.2%
Mandarin	29,869	6.1%
Russian	4,363	0.9%
Spanish	387,515	78.6%
Tagalog	6,518	1.3%
Vietnamese	13,445	2.7%

[3] Calls logged from Sept. 1, 2015 to Sept. 30, 2016.

TECHNOLOGY TOOLS FOR CONSUMERS

Covered California's consumer website, CoveredCA.com, and the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) are the consumer's portal to health insurance through Covered California. CalHEERS and CoveredCA.com are overseen by the Information Technology division in partnership with the Communications and Public Relations division to ensure both have the technological capabilities and consumer friendliness necessary to achieve Covered California's mission.

CoveredCA.com

CoveredCA.com is the one-stop shopping experience for Californians seeking affordable health insurance. Consumers can shop for a plan, and depending on their income level, can get help paying for their coverage through federal subsidies and cost-sharing reductions. Those who qualify for Medi-Cal can also learn about their health care options on the website and apply for coverage. It is also where the Shop and Compare Tool is located.

CalHEERS

CalHEERS is the information technology system that is used to support the application for Covered California and Medi-Cal. CalHEERS is overseen by the California Office of Systems Integration (OSI), and is jointly sponsored by Covered California and the Department of Health Care Services (DHCS), the agency that administers Medi-Cal. CalHEERS supports Covered California and DHCS through user account creation, implementation of the single streamlined application, determination of eligibility, interfacing with county IT systems and enrollment in health plans.

Improvements to CoveredCA.com During FY 2015-16

Covered California is committed to continuously improving the consumer experience with the online application. Enhancements are rolled out throughout each year, and FY 2015-16 was no exception. Numerous enhancements were made to CalHEERS prior to the third open-enrollment period to aid consumers as they enrolled in Covered California and Medi-Cal. These enhancements included:

- Refining the "business rules" that identify which consumers may be eligible for which financial assistance programs so that all applicants are informed of their health care options as quickly, easily and accurately as possible.
- Making the application more dynamic so that consumers are directed only to questions that apply to them and the insurance affordability programs for which they qualify.
- Offering consumers the choice to receive their notices by email if that is their preferred communication method.
- Providing more options to securely reset their password without having to speak to a Service Center Representative.
- Enhanced safeguards to prevent duplicate accounts and applications for one consumer. Multiple applications can result in delayed access to eligibility results and effectuation of coverage.

- Changes to help consumers more accurately report their income and ensure timely and accurate eligibility determinations.

New Consumer Tools

In FY 2015-16, CoveredCA.com underwent changes designed to provide a better user experience. In the fall of 2015, consumers were greeted with the option of using the Storefront Finder. This tool allows consumers to enter their ZIP code and find a certified enroller in their neighborhood. One-on-one meetings with knowledgeable Covered California representatives are helpful for consumers who wish to better understand the enrollment process.

Also in the fall of 2015, Covered California unveiled an enrollment-journey map that lets consumers see the steps of the enrollment process. This map can be accessed by clicking on the "About" button on the CoveredCA.com homepage. The map was designed to give the consumer a visual understanding of how the enrollment process works and what they can expect along the way. The map has information about shopping tools, how to apply, how to pay one's bill and other steps in the process.

Interface Improvements

Prior to the 2015-16 open-enrollment period, Covered California refreshed CoveredCA.com with an upgrade to its "look and feel." This enhancement was most notable on the homepage, which received an updated main photograph, a link within that photo that tells consumers more about Covered California and a button leading to the steps to apply. All of these upgrades were made while keeping consumers in mind.

Lastly, in May of 2016, Covered California launched a Google search bar on CoveredCA.com. The search bar is on the upper right-hand side of the website, and helps consumers more easily find the items they are seeking. This tool is especially useful for Service Center Representatives while they are fielding calls from consumers.

ASSURING PROGRAM INTEGRITY

Covered California's Program Integrity division was established during FY 2015-16. The division was formerly known as the Eligibility and Enrollment division. This division collaborates with all program areas to improve system and operational efficiencies throughout Covered California. It was also formed to help oversee program compliance with federal and state laws and regulations, and is a mission-critical section within Covered California.

The Program Integrity division administers the Consumer Protection and Fraud Risk Management Program, an integrated fraud prevention system within Covered California. This program drives improvement in policies, procedures, internal controls, compliance with whistleblower provisions and enterprise risk management. The focus on fraud prevention is centered on integrity and the expected behaviors from employees and others. Combating fraud before it occurs is a vital concern and priority for Covered California.

Additionally, the Program Integrity division administers the Oversight and Monitoring Program, which oversees and monitors financial and programmatic areas to ensure compliance with the Affordable Care Act. Covered California's Oversight and Monitoring Program fosters accountability and transparency, mitigates the risk of systematic vulnerabilities going undetected, and reduces the frequency of operational inconsistencies.

Key activities of the Program Integrity division during FY 2015-16 include:

- Managing, monitoring and reconciling program data to improve the accuracy of enrollment information and transactions sent between Covered California, health plans and federal partners.
- Coordinating and improving the testing and implementation protocols for CalHEERS in order to reduce the number of critical defects.
- Improving processes by which changes within Covered California programs are reviewed following implementation in order to improve operational efficiencies and compliance with business requirements and policies.
- Conducting and managing an independent audit function and risk assessment process to measure compliance with federal and state regulations and mandates.
- Administering consumer protection and fraud risk management.

IMPROVING THE IRS 1095-A FORM PROCESS

Every year, Covered California issues a Health Insurance Marketplace Statement, also called an Internal Revenue Service (IRS) Form 1095-A, to all Covered California enrollees for tax-filing purposes. A 1095-A form provides proof of insurance coverage for the previous year so the consumer does not have to pay the IRS penalty for not having coverage. In FY 2015-16, the Program Integrity division streamlined the process of generating and correcting 1095-A forms to ensure consumers received the right information at the right time.

Covered California issued 1.1 million 2015 IRS Form 1095-A forms by Jan. 31, 2016. Consumers received a hard copy of the 1095-A by mail and were also able to download a copy of the 1095-A form to their secure CalHEERS mailbox.

Most consumers received a correct 1095-A. However, some received an incorrect 1095-A for a variety of reasons, including but not limited to a change in consumer demographic information, a change in household composition or an update to the premiums paid by the consumer. As such, Covered California implemented the 1095-A dispute process that let consumers who received an incorrect 1095-A complete a standardized online form that was designed to efficiently categorize cases for research and resolution. The standardized form, coupled with a dedicated resolution team, allowed the vast majority of disputes to be resolved within 30 days. Table 13 below illustrates the number of corrected 1095-A forms Covered California issued this fiscal year, as well as how many 1095-A forms were disputed.

TABLE 13 — IRS 1095-A Forms Processed by Covered California, FY 2015-16

Type	Total
Original 1095-A Forms Issued	1,208,209
Corrected 1095-A Forms Issued	78,864
1095-A Form Disputes received, as of June 2016	33,901
1095-A Form Cases resolved, as of June 2016	33,612

COVERED CALIFORNIA FOR SMALL BUSINESS

Covered California is working to grow and enhance its small business health benefit exchange, known as Covered California for Small Business. Covered California for Small Business, formerly known as the Small Business Health Options (SHOP) program, allows small businesses throughout California to take advantage of a competitive marketplace while purchasing insurance for their employees. While offering health insurance to employees is mandatory only for businesses with more than 50 employees, small businesses with fewer than 50 employees may also purchase coverage through Covered California for Small Business. As such, Covered California for Small Business offers valuable advantages to small businesses, including:

- Help controlling their health care budget and limiting administrative overhead while offering employees a broader choice of health plans.
- Improving employee satisfaction by allowing employees to choose the health plan and physician network that work best for them.
- Offering employees a broad choice of physician networks and hospitals that might not be available to them otherwise.
- The convenience of one consolidated monthly bill even while purchasing coverage from multiple carriers.
- Offering tax credits for qualifying small business to help offset the cost of providing health insurance to employees.

Covered California for Small Business experienced positive growth last fiscal year. In July 2015, there were 18,476 members and 2,763 employer groups enrolled in Covered California for Small Business. As of June 30, 2016, 28,391 members and 3,838 employer groups were enrolled in Covered California for Small Business. In addition, six health plans and seven dental plans offered coverage during FY 2015-16 in the Covered California for Small Business marketplace in all four metal tiers:

- Blue Shield of California.
- Chinese Community Health Plan.
- Health Net.
- Kaiser Permanente.
- Sharp Health Plan.
- Western Health Advantage.

This coverage also includes Covered California's Dual Tier Choice program that allows employers to offer employees two plans instead of just one by selecting two adjoining metallic tiers: Bronze + Silver, Silver + Gold, or Gold + Platinum. Employees have the option to select any plan within those two levels. Dual Tier Choice gives employees a choice of multiple health plan options from private health insurance companies, allowing them to find one that fits their needs and budget.

Beginning on Jan. 1, 2016, CCSB opened its doors to businesses with up to 100 employees. The Protecting Affordable Coverage for Employees (PACE) Act is federal legislation that defines a small employer as an employer with an average of one to 50 employees on business days during the preceding calendar year. The legislation also gives states the option of extending the definition of small employer to include employers with up to 100 employees. California currently exercises this option pursuant to Assembly Bill 1083 (Monning, Chapter 852, Statutes of 2012) which defines a small employer as one with at least one but not more than 100 eligible employees.

LOOKING AHEAD TO THE FUTURE

Transition to a New Federal Administration

With the transition to a new federal administration taking place in 2017, Covered California will continue to pursue its mission to expand coverage for Californians by creating a consumer-focused health insurance marketplace.

Since its beginning, Covered California has been a learning organization, and has set the foundation to share its best practices as the health care landscape adapts to a new policy environment. As an example, Covered California commissioned an extensive study released in May 2016 that examined possible changes to the Affordable Care Act under numerous scenarios and their potential impacts on Californians.[4]

After the election, the Covered California board hosted a panel discussion in which health care marketplace experts analyzed the state of health reform implementation for 2017 and beyond.[5] Covered California will use this input and the lessons learned from the past four years to adapt to possible changes to the federal law and help inform the larger conversation on health care reform.

These lessons include how Covered California:

- Built a competitive marketplace that puts consumers in the driver's seat, giving them a power that they did not previously have when it comes to the plans they pick and the providers they can access.
- Developed patient-centered benefit designs that offer good value for consumers and keep care affordable by including a wide variety of services not subject to the deductible.
- Fostered a healthy enrollment profile by promoting access to primary care in robust and extensive marketing and community outreach with partners that include insurance agents and members of communities across the state that number in the tens of thousands.
- Effectively managed the federal tax credits that have brought health coverage within reach of millions of Californians.
- Established an infrastructure to examine patient data to evaluate the relationship between consumers' income, benefit designs, health status and other factors related to the quality of care and costs of services. This Healthcare Evidence Initiative is just now collecting data to begin deep analysis.

Changes to Covered California Leadership

After 5 years of leadership, Yolanda Richardson, Chief Deputy Executive Director, left Covered California in June 2016. In January 2017, Covered California welcomed Doug McKeever as its new Covered California's Chief Deputy Executive Director, Program and Karen Johnson as its new Chief Deputy Executive Director, Administration. Each bring to their positions decades of leadership and experience in state service.

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[4] http://bit.ly/2hWfHtL

[5] http://bit.ly/2ihfOfF

Additionally, in December 2016, Covered California announced the appointment of Darryl Lewis as the director of Covered California's new Office of the Ombudsman. These recent additions to the leadership team put Covered California in very good shape as we continue striving to meet our mission.

2017 Rates

The Covered California statewide weighted average rate increase for 2017 will be 13.2 percent, higher than the approximate 4 percent increase in prior years. However, nearly 80 percent of consumers will pay less or see a rate increase of no more than 5 percent if they switch plans during the renewal process.

Factors for higher rate increases for 2017 include:

- A one-year planned adjustment due to the end of a funding mechanism in the Affordable Care Act known as reinsurance, which was designed to moderate rate increases during the first three years while exchanges were being established. The American Academy of Actuaries estimates this will add between 4 percent and 7 percent to premiums for 2017.
- The rising cost of health care, especially specialty drugs.
- Pent-up demand for health care that is now being accessed by those who were locked out of the health care system before the Affordable Care Act was enacted.
- Higher health care costs associated with consumers who enroll in coverage during special enrollment has had a significant cost impact for two Covered California plans.

The three-year average increase since Covered California opened its doors is 7 percent, which is lower than pre-Affordable Care Act trends.

2017 Quality Initiatives

As part of the broader mission to improve health care quality in California, Covered California called for a number of requirements in the qualified health plan contract that increase accountability for the health outcomes of their enrollees. This section of the contract, known as Attachment 7, can be found at: http://bit.ly/2ikhW6r. These quality initiatives fall into four categories:

- **Primary Care:** In order to establish a primary source of care, health plans will ensure all enrollees either select or are assigned a primary care physician within 60 days of plan effectuation.
- **Quality and Value of Care:** Covered California will adopt a payment system for hospitals that will reward hospitals for quality performance. Health plan issuers will be required to identify and work to improve hospitals and providers that deliver poor-quality care or charge unreasonably high costs. Health plan issuers will also manage high-cost pharmaceuticals and help consumers better understand the effectiveness and cost of their drug treatments, as well as any alternatives.
- **Reducing Health Disparities:** Health plan issuers will track disparities among patients receiving care, identify trends in those disparities and aim to reduce disparities. This initiative will begin with four conditions: diabetes, hypertension, asthma and depression. Health plan issuers will also develop programs to proactively identify and manage at-risk enrollees.
- **Tools to Assist Consumers:** Health plan issuers will provide tools enabling consumers to view provider-specific cost shares (based on contracted rates) and quality information for prescription drugs and inpatient, outpatient and ambulatory services. In addition, these tools will allow members to see plan-specific accumulations toward deductibles and out-of-pocket maximums.

Marketing Campaign
Covered California uses an evidence-based marketing campaign based on focus groups and surveys. For the first time, in preparation for Covered California's fourth open enrollment, the Marketing division's research took into account the differing perspectives of both acculturated Latinos and Spanish-speaking-dominant Latinos. The research also included an LGBT focus group for the first time. This research is in addition to surveys and focus groups designed to get feedback from African-American, Latino, Asian/Pacific Islander and general-segment populations across income levels and insurance status.

With the transition to a new federal administration, Covered California is reminding consumers that Covered California continues to be open for business, and that individuals should renew or enroll into health coverage, with no changes expected in availability of coverage for 2017.

Covered California Consumer Website
For plan year 2017 Covered California invested in a significant update of CoveredCA.com. Taking consumer feedback into account, the website was redesigned to be more consumer friendly and informative. The website also features a new Shop and Compare Tool that allows consumers to view their insurance plan options and pick a plan in an anonymous format, but if they decide to apply, the plan choice will carry over into the application so the consumer does not need to "shop" for a plan again.

Special-Enrollment Period
Covered California is evaluating its special-enrollment application process to ensure that consumers are informed of their options and are applying appropriately. Currently, to apply for coverage during the special-enrollment period, applicants need to self-attest under penalty of perjury that they are experiencing a qualifying life event. However, due to new revelations about special enrollment's impact on premiums, Covered California is evaluating its special-enrollment process. Covered California is engaging in a verification program to review special-enrollment applications for their impact and accuracy.

Medi-Cal Transitions
Covered California works closely with its partners at the Department of Health Care Services to ensure Californians who qualify for Medi-Cal can access enrollment. Part of that partnership includes improving the process Covered California and Medi-Cal consumers experience when they must switch their coverage. An updated process is operational as of November 2016 that ensures consumers have access to health care while their eligibility is being determined. In the new process, when consumers report a change or when they renew their Covered California plan and find they are ineligible for Covered California, their case will be flagged as "Medi-Cal Pending." This status enables them to keep their Covered California plan while their case is reviewed by their local county. Once the county social services office has determined Medi-Cal eligibility, the Covered California plan will be terminated and the consumer will be enrolled into Medi-Cal. That way, there is no gap in coverage and the consumer has dual coverage until a final determination is made. If the county determines that the consumer is not eligible for Medi-Cal, their case will no longer be flagged and they will stay with Covered California. Covered California has shared these changes with consumers to ensure they are aware.

ADDITIONAL RESOURCES

For more information, please use the following websites and resources:

- **Covered California Website:** www.CoveredCA.com.
- **Covered California's Enabling Legislation:**
  http://bit.ly/2iNRHsJ
  http://bit.ly/2iNSFVO
- **Covered California Data Book:** http://hbex.coveredca.com/data-research/.
  Book offers comprehensive data regarding Covered California enrollment broken down by region, age, income and other variables.

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