



Cost-Sharing Reduction Funding Talking Points to Assist Constituents

We want consumers to know that Covered California is open for business and ready to serve. Coverage renewal for consumers already enrolled in Covered California has begun, and open enrollment will begin on November 1 and end on January 31, 2018. Covered California continues to provide a strong and stable competitive marketplace where consumers can choose among 11 health insurance carriers and take advantage of financial assistance that helps keep their premiums and out-of-pocket costs within financial reach.

Some may have questions about how recent actions taken by the federal administration may impact their health coverage. Given the recent events in Washington regarding the elimination of federal funding for cost-sharing reductions, we want to help avoid confusion and ensure consumers know about the coverage options that will remain available to them. Below is a set of common questions and answers that may assist in responding to questions or concerns expressed by consumers.

1. What is all the news about the President stopping payments for subsidies for health care plans?

There are two forms of federal financial assistance available to consumers to help keep their coverage affordable:

- Federal tax credits that eligible consumers use to help pay their monthly plan premium; and,
- Cost-sharing reductions that lower-income consumers use to lower copays, deductibles and other out-of-pocket costs they pay when they receive a health care service.

On October 12, 2017, the White House announced it would no longer provide federal funding for cost-sharing reductions.

2. What does the loss of federal funding for cost-sharing reductions mean for California consumers?

- Californians can rest assured that they will continue to have access to affordable, high quality coverage through Covered California.

- Elimination of funding for cost-sharing reductions will not impact the availability of tax credits consumers receive to pay their premiums. Eligible consumers will continue to receive their tax credits.
- Consumers who are eligible for cost-sharing reductions will also continue to receive them.

3. Will this impact the rates I pay for my coverage, or the health insurance companies available to me?

- Covered California planned ahead to protect consumers from higher rates resulting from the possible elimination of cost-sharing reduction funding.
- Rather than federal funding to pay for cost-sharing reductions, Covered California plans will add an additional cost-sharing reduction “surcharge” to Silver plan rates for 2018.
- Covered California structured the surcharge in a way that protects as many consumers as possible from having to pay higher rates.
- Most Covered California consumers will be protected from the added surcharge.
 - Consumers who receive tax credits to help them pay their premiums, will receive an even higher amount of tax credit¹ that will offset the surcharge. This means that most consumers will not see a difference in the amount they pay toward their monthly premium.
 - Covered California enrollees who do not receive tax credits for their premiums will have plan options that do not include the surcharge. These consumers can avoid paying the surcharge by switching to a different Bronze, Gold, or Platinum plan or purchasing a nearly identical Silver plan outside of Covered California that does not include the surcharge.
- All 11 health insurance carriers will continue in Covered California offering good, affordable coverage for 2018.

¹ Nearly four out of five Covered California consumers receive federal subsidies to help them pay their premiums. The surcharge will only be applied to Silver-tier plans. The amount of federal premium tax credits eligible consumers qualify for is linked to the cost of the second-lowest cost Silver plan. If the cost of the Silver plan rises, so does the amount of premium tax credits a consumer may be eligible for.

4. Where can I see what my rates and financial assistance will be for next year?

- Covered California's Shop and Compare tool helps consumers compare their coverage options for 2018. Consumers will see the rates for the plans available to them in their area and find out if they qualify for financial assistance to help them pay for their coverage. The Shop and Compare tool is available on our website at www.coveredca.com.
- Consumers who are renewing their coverage with Covered California will also receive notices from Covered California as well as their health insurance company providing information about their premiums and financial assistance for next year.
- Shopping is really important and can help consumers keep their coverage affordable. We encourage all consumers, whether for renewal or open enrollment, to actively shop and find the best coverage option available to them.

5. Who should I call if I have questions or need help?

- There are numerous resources available to assist consumers with questions:
 - Covered California's Service Center: 1-800-300-1506
 - Covered California's website: www.coveredca.com
 - Local, free, and confidential help is also available from one of Covered California's 14,000 certified agents and enrollers. Consumers can find local help by visiting www.coveredca.com/get-help/.

6. I heard that open enrollment is different in other states. When is open enrollment in California?

- Covered California's open enrollment period begins on November 1 and ends on January 31, 2018.
- While some states have adopted a shorter open enrollment period, California's 2018 open enrollment period will stay the same as it has always been to allow consumers the time they need to shop and compare plans and make the right coverage decisions for themselves and their families.

If you have any additional questions, or would like more information about any of the content in these talking points, please call or email:

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