

FACT SHEET

November 27, 2017

California's Efforts to Shield Consumers from Trump Sabotage

Since the November 2016 election, Californians have rallied together to prevent their fellow Americans from losing healthcare by strongly opposing all efforts to repeal and replace the Affordable Care Act (ACA) and cut and cap Medicaid. President Trump has repeatedly said that he wants to let the ACA “explode” and has taken a series of steps to sabotage the law by destabilizing insurance markets or reversing the historic gains in health coverage. In response and resistance, California has taken extraordinary actions to protect its residents and our health system so that consumers would not lose coverage, to prevent premium spikes, and help keep insurers in the market. Although California has had the will and wherewithal to withstand these administrative attacks so far, the continued possibility of ACA repeal, federal preemption, legislative changes and funding cuts remain a serious threat to our health system.

The following chart summarizes California's recent actions to protect consumers and our state's individual market.

| TRUMPCARE | CALIFORNIA'S RESISTANCE |
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| Federal marketplace outreach, enrollment, and marketing budget is slashed by 90%, from \$100 million to \$10 million for the entire country. | As a state-operated exchange with its own revenue sources, Covered California increased its own outreach, enrollment, and marketing budget by around 10% to \$111 million. This investment will pay off by fostering a healthier pool of consumers in the individual market, which in turn lowers premiums for everyone. |
| CMS “Market Stabilization Rule” cut the annual open enrollment period in half , from 90 days to 45 days. | California enacted AB 156 (Wood), which maintains CA's existing 90-day annual open enrollment period for future years, providing consumers with adequate time to shop, compare, and choose the best health plan option. |
| Federal uncertainty, both in funding and policy, causes some health insurers to exit individual markets . Anthem Blue Cross stops selling coverage in 16 of 19 Covered California regions, forcing 300,000 consumers to switch health plans, potentially disrupting their care. | Covered California worked to keep all 11 insurers participating this year . California also enacted SB 133 (Hernandez), which extends existing continuity of care protections to people with coverage in the individual market. This gives people enough time to complete their treatment and find new doctors if they have to switch plans. |

FACT SHEET: California Resistance to Trump Sabotage

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| <p>The Trump Administration stops payments for cost-sharing reduction (CSR) subsidies, and Congress has yet to appropriate permanent funding for these payments.</p> <p>California stands to lose \$700 million in already budgeted payments to help over 750,000 low and moderate income people to afford out-of-pocket costs.</p> | <p>Covered California keeps premiums stable by finding a creative workaround to hold consumers harmless from a 12% surcharge needed to make up the lost money. The surcharge only applies to Silver plans in the exchange. Almost all consumers will see their premiums stay the same or decrease because they will get higher premium tax credits. Those who do not get financial help also will not have to pay the surcharge if they purchase a Silver plan off exchange.</p> <p>California Attorney General Becerra, along with 18 other state attorneys general, sued the Trump Administration for refusing to make the CSR payments as required by law.</p> |
| <p>Healthcare.gov is scheduling maintenance to take its enrollment systems offline for multiple Sundays during open enrollment.</p> | <p>Covered California controls its own operations and has worked to keep call center waits short and keep systems online for key enrollment times.</p> |
| <p>The Trump Administration rolls back ACA rules that require employers to provide for contraceptives in their health plans with no out-of-pocket costs, allowing employers to interfere with women’s health care based on a moral or religious objection.</p> | <p>California law requires health plans regulated by the state to cover contraceptives as a guaranteed benefit and a no-cost preventive service (SB 1053, Mitchell, 2014). Over 6 million Californians in employer self-funded health plans do not receive this protection.</p> <p>California Attorney General Becerra has filed a lawsuit challenging the legality of the Trump Administration’s actions.</p> |
| <p>President Trump signs an executive order that promotes “junk insurance” that would destabilize the individual and small group markets and undermine protections for people with pre-existing health conditions. The executive order directs federal agencies to change rules that expand the availability of coverage – like short-term insurance and association health plans – that are not subject to the ACA’s many standards that protect consumers.</p> | <p>California law limits junk coverage and health advocates will continue to monitor federal regulatory changes to determine necessary state actions and legislative changes to protect consumers and keep insurance markets stabilized.</p> |

In spite of California’s efforts to minimize the damage from Trump’s deliberately destructive and destabilizing federal actions, millions of Californians are still at risk of losing affordable coverage under Congressional budget, tax, and health proposals. If we can keep Medicaid, Medicare, and the framework and financing of the Affordable Care Act intact, California has so far demonstrated the will and the wherewithal to develop workarounds to protect consumers from Trump’s systemic sabotage of our health care system.