

## FACT SHEET

August 31, 2017

### **AB 156 (Wood) – Open Enrollment Periods**

#### **Providing Consumers a Reasonable Length of Time to Sign Up for Health Care Coverage**

AB 156 preserves California's current three-month annual open enrollment period that nearly 2.5 million<sup>i</sup> consumers rely on, including those who purchase coverage in Covered California and those who purchase off-exchange in the individual market. AB 156 is critical for the continued success of Covered California and implementation of the Affordable Care Act in California.

#### **Federal Administration Imposes Shorter Open Enrollment Periods in Most States**

In April 2017, the federal Centers for Medicare and Medicaid Services (CMS) adopted a "Market Stabilization Rule" requiring all health insurance exchanges to adopt a shorter annual open enrollment period that starts on November 1 and ends December 15, which is 45 days instead of the current 90-day period. Since its inception, Covered California has had a 90-day (3 month) open enrollment period. However, states that run their own exchanges can supplement the annual open enrollment period beyond federal requirements. AB 156 will change California law to comply with the new federal rule, while also adding additional time before and after in order to maintain the 3-month open enrollment period.

#### **Longer Annual Open Enrollment Periods are Good for Consumers & Covered California**

Every year consumers who purchase their own insurance have to make important decisions that will have significant financial and health impacts on their lives. During these open enrollment periods, consumers can take all aspects of coverage into consideration, such as provider networks and the cost of coverage (including monthly premiums, deductibles, and co-pays) by shopping and comparing plans. Forcing people to jam these important and complicated decisions into just a few weeks during the holiday season makes it more difficult for Californians to get the best coverage for them and discourages healthier consumers from buying coverage.

Many people, particularly younger and healthier consumers, wait until the last minute to sign-up for coverage. Nearly 50,000 consumers signed up for health care coverage through Covered California in the last two days before the January 31, 2016 deadline.<sup>ii</sup> Maintaining a 3-month annual open enrollment period provides more time for Covered California to reach out to younger and healthier consumers, creating a better risk mix that keeps overall premiums down.

#### **AB 156 (Wood) Ensures Consumers Have Enough Time to Sign-Up for Coverage**

AB 156 will ensure that consumers continue to have three months to sign up for coverage in which they are accustomed – from October 15 through January 15 – allowing them time after the holidays to sign up for coverage.

<sup>i</sup> California Health Care Foundation, [The Private Insurance Market in California 2015, Individual Market](#).

<sup>ii</sup> Covered California, [Press Release: Covered California Finishes Fourth Open Enrollment with More than 412,000 New Consumers and Strong Participation from Young Enrollees](#), February 6, 2017.