HEALTH ACCESS
California's Health Consumer Advocacy Coalition

FACT SHEET

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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 health care by strongly opposing all efforts to repeal and replace the Affordable Care Act (ACA) and cut and cap Medicaid. President Trump had repeatedly said that he wanted to let the ACA "explode," and continues to take a series of steps to sabotage the ACA that lead to destabilized insurance markets and a reversal of the historic gains in health coverage we've seen in California and nationwide. In response and in resistance, California has taken extraordinary actions to protect its residents and our health system so consumers would not lose coverage, premium spikes are prevented, and insurers stay in the market. Although California has been able to blunt these administrative attacks, the continued possibility of ACA repeal, federal preemption, court action, legislative changes, administrative actions, rule changes, and funding cuts remain a serious set of threats 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
Federal **marketplace outreach, enrollment, and marketing budget was 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, 2017), 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 stopped 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.** California also enacted SB 133 (Hernandez, 2017), which extended existing **continuity of care protections** to people with coverage in the individual market. This gave people enough time to complete their treatment and find new doctors if they have to switch plans, ultimately minimizing any disruptions in care.

FACT SHEET: California Resistance to Trump Sabotage

The Trump Administration **stopped payments for cost-sharing reduction (CSR) subsidies**, and Congress has yet to appropriate permanent funding for these payments. California stood to lose $700 million in CSR payments to help over 750,000 low and moderate income people afford out-of-pocket costs.	To make up the money that would be lost from ending the CSR subsidies, consumers were facing a 12% surcharge, but Covered California kept premiums stable by finding a creative workaround to **hold consumers harmless.** The surcharge only applied to Silver plans in the exchange so that consumers got additional premium tax credits paid for the federal government. **Premiums that consumers paid stayed the same or decreased**. Consumers who do not get subsidies also benefited from this because they have an option to buy the less-expensive Silver plan off-exchange as well. 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.
Healthcare.gov scheduled "site maintenance" **took its enrollment systems offline for multiple Sundays** during open enrollment. This meant consumers could not access the website to shop for coverage options.	Covered California controls its own operations and has worked to keep call center wait-times short and **keep systems online** during key enrollment times.
The Trump Administration **rolled back ACA rules that required employers to provide 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.	**California law required health plans, regulated by the state, to cover contraceptives as a guaranteed benefi**t and a no-cost preventive service (SB 1053, Mitchell 2014). Unfortunately, over 6 million Californians in employer self-funded health plans do not receive this protection because of federal pre-emption of those plans. California Attorney General Becerra filed a lawsuit challenging the legality of the Trump Administration's actions.
President Trump signed an executive order that **promoted "junk insurance" plans which undermine protections for people with pre-existing health conditions** and destabilize the individual and small group markets. The executive order directed federal agencies to change rules to expand the availability of junk coverage – like short-term insurance and association health plans. These are not subject to the ACA's rules like providing comprehensive coverage and essential health benefits.	**California was the first state in the nation to outright ban the sales of short-term insurance plans (SB 910, Hernandez 2018)**, protecting people with pre-existing conditions and ensuring the continued coverage of essential health benefits. **California also limited the formation of association health plans (AHPs) by enacting SB 1375 (Hernandez, 2018).** The law prevents those with their own AHPs from forming together with other individuals in the same profession. It also made sure that newly formed AHPs meet ACA market rules and consumer protections.

The Trump Administration, through CMS, changed federal rules making it **easier for states to lower standards that would allow more money to go to insurance company overhead and profits and less to medical care.** The current "medical loss ratio" (MLR) standard ensures that in small-group and individual health care plans, 80 percent of a premium dollar must go to care, and not profits. This standard is 85 percent in large-group markets. The Administration is looking to lower this standard to as little as 70 percent, meaning more money would go to overhead and profits for insurance companies rather than medical care and quality improvements for consumers.	**California enacted a law to ensure the value of health coverage is preserved** by requiring insurers spend at least 80 cents out of every premium dollar on health care and limiting insurer overhead and profits. The law codified Obama-era regulations on MLR calculations that captured medical expenses, quality improvement activities, and administrative costs (AB 2499, Arambula 2018).

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 through current court actions and in 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 protect consumers from Trump's systemic sabotage of our health care system.