

AB 1309 (Bauer-Kahan): Extending the Open Enrollment Period in the Individual Market

AB 1309 extends California's annual open enrollment period by two additional weeks, allowing more Californians to buy health coverage. Beginning in 2020, AB 1309 would move the open enrollment deadline from January 15th to January 31st for people to purchase individual insurance coverage either through our state's exchange, Covered California, or off-exchange. AB 1309 helps in the continued success of our state's implementation of the Affordable Care Act (ACA) and benefits the nearly 2.5 million consumers that purchase their coverage in Covered California and from our state's individual insurance market.

Trump Administration Cut Open Enrollment Periods in Most States

In April 2017, the federal Centers for Medicare and Medicaid Services (CMS) adopted what they called 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. This rule cut the 90-day open enrollment period in half meaning many consumers had little time to shop, compare, and purchase the best insurance for themselves and their families.

Since its inception, our state's exchange, Covered California, has had a 90-day (3 month) open enrollment period, and through 2018 the period went until the end of January. Existing state law now provides a 90-day annual open enrollment date starting October 15 and ending January 15 for the following calendar year.

States that run their own exchanges, like California, can supplement the annual open enrollment period beyond federal requirements. AB 1309 would change California law to comply with the existing federal open enrollment rule of November 1 to December 15, while adding additional time before and after that period for people to sign up for coverage. Consumers can begin purchasing and enrolling in all individual market plans, either through Covered California or off-exchange on October 15th until January 31st of the following year. This would make our state's annual open enrollment period 104 days – three and a half months long.

Longer Annual Open Enrollment Periods: 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 are encouraged to take all aspects of coverage into consideration, such as provider

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networks and the cost of coverage (including monthly premiums, deductibles, and co-pays) by shopping and comparing health plans.

Many people, particularly younger and healthier consumers, wait until the last minute to sign-up for coverage. 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 their families, while also discouraging healthier consumers from buying coverage.

In even-numbered years, Covered California delays marketing until after Election Day in November in order to avoid competing with election campaign ads. In the current 2019 plan year, Covered California did not begin marketing and advertising about the open enrollment period and the importance of getting coverage until after election advertisements were completed in mid-November 2018. Covered California's outreach efforts were then forced to compete with the holiday marketing season and with the associated financial stresses for consumers during that time of the year. As the new year began in 2019, Californians only had two weeks to sign up for coverage in January. Due to this and other Trump Administration sabotage of the ACA, Covered California saw a drop of 24% in new enrollment, which far surpassed the 16% national drop in enrollment in the federal marketplace for 2019ⁱ. In contrast, Covered California had a 3% increase in new enrollment for plan year 2018ⁱⁱ.

During the holidays, consumers consider many kinds of important and large purchases, and health coverage is one of them. Providing consumers additional time to educate themselves about different plan options and their costs and purchase the right health coverage is the sensible thing to do, especially during a hectic, stressful, and oftentimes costly holiday season.

AB 1309 (Bauer-Kahan) Ensures Consumers Have Enough Time to Sign-Up for Coverage that Works for Them

AB 1309 gives consumers additional time to sign up for coverage – from October 15 through January 31. This will give people plenty of time after the holidays and election seasons to learn about, research, and sign up for coverage. More Californians with insurance not only improves their own health outcomes, but benefits the health system as a whole.

ⁱ Covered California, February 2019 Board Meeting, [Executive Director's Report](#).

ⁱⁱ Covered California, March 2018 Board Meeting, [Executive Director's Report](#).