



August 17, 2022

Covered California Board of Directors
 Executive Director Jessica Altman
 1601 Exposition Blvd.
 Sacramento, CA 95815

Re: Affordability Subsidies for Covered California Enrollees

Dear Secretary Ghaly, Dr. Hernandez, Mr. Barrios, Ms. Kendell, and Mr. Fleming:

Our organizations strongly support the action taken by the Covered California Board of Directors at its June 2022 meeting to provide additional cost sharing subsidies to Covered California enrollees if the federal government extends the federal premium subsidies originally provided through the American Rescue Plan.

The recently passed and soon to be enacted federal Inflation Reduction Act will extend the additional premium subsidies for three years, providing millions of Californians with lower subsidies. Most of your enrollees will now pay premiums of less than \$10 per month—and many will have zero premiums thanks to the combination of state and federal actions.

Because of the foresight of Governor Newsom, the California Legislature and Covered California's Board and staff, the 2022-2023 state budget not only provides \$304 million in affordability help but makes clear that when the enhanced federal premium subsidies are extended, the state subsidy funding will be used to lower cost sharing, including:

- Zero deductibles for every consumer who selects a silver plan, eliminating deductibles of as much as \$4,750 for many enrollees and \$75 for the lowest income who have federal cost sharing reductions.
- Lower copays for many services for the standard silver plan:
 - \$30 for a primary care visit instead of \$45
 - \$10 for generic drugs instead of \$16
 - \$40 for preferred brand name drugs instead of \$55

California pioneered state-level premium subsidies that laid the groundwork for enhanced federal premium subsidies.

You now have the opportunity to offer zero deductibles to every consumer earning under 600% of the federal poverty level in a silver plan and to lower copays for more than half of your enrollees. We strongly encourage you to take action to re-affirm the action taken in the June 2022 board meeting “to approve and adopt the 2023 Program Design.”

Sincerely,

AIDS Project Los Angeles Health
American Federation of State, County and Municipal Employees California
Asian Americans Advancing Justice Southern California
California Black Health Network
CaliforniaHealth+ Advocates
California LGBTQ Health and Human Services Network
California Immigrant Policy Center
California Physicians Alliance
Children Now
Children’s Defense Fund – California
Clínica Monseñor Oscar A. Romero
Community Clinic Association of Los Angeles County
Community Health Councils
Community Health Initiative of Orange County
California Pan-Ethnic Health Network
California Rural Legal Assistance Foundation, INC.
Desert AIDS Project
Friends Committee on Legislation of California
Health Access California
Justice in Aging
Latino Coalition for a Healthy California
Leukemia and Lymphoma Society
Livermore Indivisible
Los Angeles Trust for Children’s Health
Maternal and Child Health Access
National Association of Social Workers, California Chapter
National Health Law Program
National Multiple Sclerosis Society – MS California Action Network
NextGen California
OFA East Bay Central
Planned Parenthood Affiliates of California
Public Law Center
Service Employees International United California State Council
Small Business Majority
United Ways of California
Western Center on Law and Poverty, INC.
Young Invincibles

CC: Governor Gavin Newsom
Assembly Speaker Anthony Rendon
Senate President Pro Tempore Toni Atkins
Dr. Jim Wood, Assembly Health Chair
Dr. Richard Pan, Senate Health Chair
Richard Figueroa, Deputy Cabinet Secretary