



Lessons from California: Marketplace Renewals

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THE ISSUE:

As in other states, current enrollees of California's state-based marketplace, Covered California, are in the process of renewing their coverage for 2015. California has 1.3 million consumers enrolled in qualified health plans (QHPs) of which [90% receive premium tax credits](#) (PTCs) under the ACA.

Covered California's renewal process is almost identical to that of the federally facilitated marketplace (FFM) with some minor differences. For example, income can be verified from state wage and tax databases as well as the IRS. Covered California can then redetermine the 2015 PTC amount based on the most current income available, rather than using the 2014 PTC amount for enrollees who provide authorization but take no additional action to renew. Like the FFM, enrollees who do not provide authorization to check against the state database or federal hub will be renewed and auto enrolled without tax credits. To help enrollees maintain their tax credits, Covered California sent a [reminder notice](#) specifically to those enrollees urging them to provide consent and received a fairly good response rate.

However, contrary to state and federal requirements, the current marketplace renewal notices are only available in English and Spanish. In addition, coordination between Covered California and California's Medicaid program, Medi-Cal, remains a challenge. Thus, transitioning enrollees from the marketplace to Medi-Cal or vice-versa at renewal may be far from seamless during this first renewal period. Yet in comparison to the [renewal challenges Medi-Cal beneficiaries](#) are currently experiencing, there is a greater likelihood that Covered California enrollees will remain covered with little disruption of care at the start of 2015.

STRATEGY AND ACTIONS:

NHeLP and California advocates reviewed and provided comments on revisions to Covered California's renewal regulation to comply with the federal final rule. Fortunately, Covered California's auto enrollment hierarchy (when an existing plan is not available) is simpler than the FFM's as a result of a pre-existing state requirement that [QHPs must provide a plan in all metal tiers in order to operate in California's marketplace](#). Thus, there is no need to determine whether to re-enroll an individual at a higher or lower metal tier because issuers cannot discontinue a plan in one metal tier without replacing it with another plan in that same tier.

Advocates also provided comments on [Covered California's initial renewal notice to enrollees](#), requested tag lines in other languages be included with the notice for limited English proficient enrollees, and suggested Covered California provide a [FAQ on renewals](#) for consumers. NHeLP and other advocates also provided comments on [Medi-Cal guidance on the renewal process for mixed coverage families](#) who have family members enrolled in both Medi-Cal and Covered California to help reduce consumer burden and confusion as members will most likely be asked to renew at different times in the year. Advocates are currently monitoring Covered California's annual renewals and are helping to educate enrollment assisters.

ADDITIONAL RESOURCES

- 45 C.F.R § 155.335
- [Final federal rule on marketplace renewals \(Sept. 5, 2014\)](#)
- [Title 10 California Code of Regulations Section 6498](#) (CA's annual redetermination regulation)