



Covered California Proposition 22 Implementation Overview

December 21, 2020

HOUSEKEEPING ITEMS

- ❑ Be aware that attendee microphones have been muted.
- ❑ Q and A will take place following each section of the presentation.
- ❑ To ask a question you may:
 - Type your question into the “Questions” tab.
 - Use the “Raise Hand” feature to be called on and prompted to unmute.
- ❑ Please indicate your name and affiliation before speaking, or in your typed question.
- ❑ Should we not get to all questions, you may follow up via email at policy@covered.ca.gov.

AGENDA

- I. Welcome and agenda review
- II. Overview of Covered California's responsibilities under Proposition 22
- III. Overview of healthcare subsidy
- IV. Potential special enrollment period
- V. Potential enrollment verification service
- VI. Key milestones and next steps

OVERVIEW OF COVERED CALIFORNIA'S RESPONSIBILITIES UNDER PROPOSITION 22

OVERVIEW

- Proposition 22 requires network companies (Uber, Lyft, etc.) to provide healthcare subsidies to qualifying app-based drivers, on a quarterly basis, based on certain criteria.
- Subsidy amount is tied to the average statewide monthly premium for an individual Covered California bronze health insurance plan.
- Covered California must post the average statewide monthly premium for a bronze plan annually.
- Covered California may adopt and amend regulations to allow drivers to enroll in health plans through Covered California.

PROPOSITION 22 HEALTHCARE SUBSIDY – AMOUNT

- On or before **December 31, 2020** and **September 1 annually**, Covered California must publish the average statewide monthly premium for an individual for the following calendar year for a Covered California bronze health insurance plan.
- The subsidy is tied to the “average ACA contribution” of the posted premium, defined as 82% of the premium.

PROPOSITION 22 HEALTHCARE SUBSIDY – ELIGIBILITY

- Eligibility for the healthcare subsidy is assessed on a quarterly basis, based on “engaged time” (time from accepting rideshare/delivery to time completed).
- Drivers who average 25 hours or more per week: at least 100% of the average ACA contribution for each month in the quarter (82% of posted average bronze premium).
- Drivers who average at least 15 hours but less than 25 hours per week: at least 50% of the average ACA contribution for each month in the quarter (50% of 82% of posted average bronze premium).

PROPOSITION 22 HEALTHCARE SUBSIDY – PROOF OF ENROLLMENT

- A network company may require proof of enrollment in a “qualifying health plan” as a condition of providing the subsidy.
 - “Qualifying health plan” is defined as “a health insurance plan in which the app-based driver is the subscriber, that is not sponsored by an employer, and that is not a Medicare or Medicaid plan.”
- Proof of enrollment can include things like membership cards, EOCs, claim forms, etc.

PROPOSITION 22 HEALTHCARE SUBSIDY – PAYMENT LOGISTICS

- The network company provides drivers with a statement regarding their engaged hours at the end of each earnings period (at least every 14 days).
- Payments must be made either within 15 days of the end of the calendar quarter or within 15 days of the driver's submission of proof of enrollment, whichever is later.

INTERACTION OF HEALTHCARE SUBSIDY WITH MARKETPLACE PREMIUM CREDITS

- App-based drivers who enroll in coverage through Covered California will be eligible for the federal Premium Tax Credit, Cost Sharing Reductions, and the California Premium Subsidy as long as they meet eligibility requirements for those programs.
- App-based driver healthcare subsidy will be counted as income for purposes of eligibility for the federal Premium Tax Credit, Cost Sharing Reductions, and the California Premium Subsidy.

OVERVIEW OF HEALTHCARE SUBSIDY

METHODOLOGY FOR CALCULATING THE AVERAGE STATEWIDE MONTHLY BRONZE PREMIUM

- December 31, Covered California must publish the average statewide monthly premium for an individual for a Covered California bronze health insurance plan for plan year 2021.
- The average statewide monthly bronze premium is based on the average bronze premium for a 21-year old published by Covered California for the individual mandate penalty, adjusted by the average age of Covered California enrollees.
- Covered California engaged Milliman to review calculations for completeness and accuracy.

PRELIMINARY 2021 AVERAGE STATEWIDE MONTHLY BRONZE PREMIUM AND HEALTHCARE SUBSIDY

- Preliminary average statewide monthly bronze premium for 2021 is \$499. ***Note: preliminary average is under peer review and may change prior to official publication by Covered California.***
- The subsidy is tied to the “average ACA contribution” of the posted premium, defined as 82% of the premium or \$409*.
- Drivers who average 25 hours or more per week would receive at least 100% of the average ACA contribution for each month in the quarter or approximately \$409 per month*.
- Drivers who average at least 15 hours but less than 25 hours per week would receive at least 50% of the average ACA contribution for each month in the quarter or approximately \$205*.

PROCESS FOR PUBLISHING THE AVERAGE STATEWIDE MONTHLY BRONZE PREMIUM

- The average statewide monthly bronze premium for 2021 will be published no later than December 31 and will be available at <https://www.hbex.ca.gov/stakeholders/>.
- Covered California is considering promulgating regulations related to Proposition 22, including the healthcare subsidy, in early 2021.
- For plan years 2022 and forward, Covered California plans to compute the statewide monthly bronze premium using provisional rates in order to meet the September 1 publication date.

Potential Special Enrollment Period

POTENTIAL SPECIAL ENROLLMENT PERIOD

- Covered California is developing criteria for a permanent special enrollment period for app-based drivers.
- Covered California is considering the following scenarios:
 - New driver, not a Covered California enrollee
 - New driver, current Covered California enrollee
 - Current driver, not a Covered California enrollee
 - Current driver, current Covered California enrollee

POTENTIAL SPECIAL ENROLLMENT PERIOD

- Covered California is considering the following naming conventions for the special enrollment period:
 - *“Newly eligible app-based driver”*
 - *“Expect to qualify for the app-based driver subsidy”*
- ***Covered California requests feedback on whether we have captured the relevant scenarios and the proposed naming convention for the special enrollment period.***

Potential Enrollment Verification Service

POTENTIAL PROOF OF ENROLLMENT SERVICE

- Covered California is developing a service to provide a proof of enrollment statement for drivers enrolled in a health plan through Covered California.
- Service would allow drivers to download a statement showing enrollment in the prior quarter.
- Statement would be produced at the Covered California member level to allow payment of the healthcare subsidy to all covered members of a household who drive the required hours.
- Statement would contain certain disclaimers related to the fact that enrollment status can change retroactively.
- Statement would not be available for individuals with off-Exchange individual market coverage.

POTENTIAL PROOF OF ENROLLMENT SERVICE

- Covered California plans to make the statement available by April 2021.
- Additional functionality may be made available in future quarters to further simplify the process of providing proof of enrollment.
- Sample of proof of enrollment statement will be available for review at <https://www.hbex.ca.gov/stakeholders/>.
- ***Covered California requests feedback on the content of the statement and technical considerations to simplify the process of submitting the statement to the network company.***

Key Milestones and Next Steps

KEY MILESTONES AND NEXT STEPS

Key Milestone	Timeframe
Covered California publishes 2021 average statewide monthly bronze premium	No later than December 31, 2020
Covered California presents implementing regulations for discussion and adoption	Tentatively early 2021
Covered California implements special enrollment period	Tentatively quarter 1 of 2021
Covered California publishes 2022 average statewide monthly bronze premium	September 1, 2021

Please send feedback to policy@covered.ca.gov by January 4, 2021.

Meeting materials and other Proposition 22 information available at <https://www.hbex.ca.gov/stakeholders/>

Thank You