



# News Release

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FOR IMMEDIATE RELEASE

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## **Covered California for Small Business Announces a Weighted Average Rate Change of 7.1 Percent for 2023**

- *The 7.1 percent weighted average rate change for Covered California for Small Business is consistent with projections for large employers nationally.*
- *Covered California's small-business marketplace continues to expand, currently with a record-high 78,370 members from 8,764 businesses.*

SACRAMENTO, Calif. — Covered California for Small Business unveiled the health plan choices and rates for small-business employers and their employees for the upcoming 2023 plan year. The statewide weighted average rate change is 7.1 percent, which is consistent with projections for large employers nationally.

“Covered California for Small Business continues to grow, providing employers with health care choices with quality coverage options,” said Jessica Altman, executive director of Covered California. “By providing competitive rates and expanded options for employees, we are working to make it easier than ever for employers to manage the insurance they offer.”

A record-high 78,378 individuals have insurance through Covered California for Small Business (CCSB), representing a growth of 11.5 percent or approximately 8,100 individuals over this time last year. CCSB has now experienced double-digit percentage growth in membership for eight consecutive years.

This year's rate change of 7.1 percent is relatively consistent with the increase of 6.5 percent that the National Business Group on Health is projecting for large employers nationally.<sup>1</sup> Similar to what Covered California is seeing in the state's individual market, after a few years of low rate changes, the increase in premiums this year is being driven by a return of pre-pandemic medical trend (see Table 1: Covered California for Small Business Average Rate Change, by Year).

<sup>1</sup> National Business Group on Health, [“2023 Large Employers' Health Care Strategy and Plan Design Survey.”](#)

Like many large employers, CCSB offers plan and carrier choice which is unique among the small group market and allows greater flexibility for both employers and employees to maintain coverage that meets their needs.

“The record enrollment we are seeing in Covered California for Small Business proves that we are meeting the coverage needs of our small businesses,” Altman said. “When you combine the continued growth with the 1.7 million people that Covered California has enrolled in the individual market, you see how the Affordable Care Act is working in California.”

<b>Table 1: Covered California for Small Business Average Rate Change, by Year</b>	
<b>Year</b>	<b>Rate Change</b>
<b>2023</b>	<b>7.1%</b>
2022	4.0%
2021	1.5%
2020	4.1%
2019	4.6%
2018	5.6%
2017	5.9%
2016	7.9%
2015	5.2%
<b>Projected Large-Business Rate Change in 2023</b>	<b>6.5%</b>

Covered California for Small Business will offer three statewide plans in 2023, including one preferred provider organization (PPO) plan from Blue Shield of California, and two health maintenance organization (HMO) plans — which are provider- and hospital-based — from Kaiser Permanente and Blue Shield.

The 2023 portfolio of health plans also includes Sharp Health Plan in San Diego County and Blue Shield, which is providing HMO plans to residents of Fresno, Kings and Madera counties.

(more)

“For many smaller firms, coverage through Covered California for Small Business is the only way to provide quality, affordable healthcare to their workforce,” said [Bianca Blomquist](#), California Policy Director, Small Business Majority. “California small businesses are still navigating a competitive job market and fighting for quality talent with limited resources. This statewide weighted average rate change is a wonderful step toward ensuring that small businesses can offer their employees the best rates and quality insurance plans. A strong and affordable marketplace is essential to sustainable small business growth and equitable small business recovery.”

One carrier, Health Net, will no longer be offering plans through Covered California for Small Business beginning January 2023. The approximately 1,900 members currently enrolled in Health Net PPO plans will be automatically renewed into the CCSB plan that most closely mirrors their current 2022 plan design.

Just as in Covered California’s individual market, consumers may be able to limit increases in their rates, or perhaps even save money on their premiums, by shopping and switching to lower cost plan in the same metal tier.

Businesses with up to 100 full-time equivalent employees can apply for health insurance coverage for their workers through Covered California for Small Business. Federal tax credits may be available to employers with 25 or fewer employees. Visit [www.CoveredCA.com/for-small-business/](http://www.CoveredCA.com/for-small-business/) for information on how to apply.

Family dental plans are optional and are provided by California Dental Network, Delta Dental of California, and Dental Health Services.

### **About Covered California**

Covered California is the state’s Affordable Care Act marketplace, where Californians can find affordable, high-quality health insurance from name brand companies. It is the only place where individuals who qualify can get financial help on a sliding scale to reduce their monthly costs. Depending on their income, some consumers may qualify for the free or low-cost Medi-Cal program.

Covered California is an independent part of the state government – overseen by a five-member board appointed by the governor and the Legislature – with a mission to increase the number of insured Californians, improve health care quality, lower costs, and reduce health care disparities. For more information about Covered California, please visit [www.CoveredCA.com](http://www.CoveredCA.com).

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