



News Release

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FOR IMMEDIATE RELEASE

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Covered California Opens the Doors for Millions of Californians to Benefit From Lower Health Care Premiums, Save Money and Stimulate the Economy Through the American Rescue Plan

- *Covered California launched a special-enrollment period today to allow Californians to benefit from lower health insurance premiums available through the American Rescue Plan.*
- *The new law will help an estimated 2.5 million Californians, including the uninsured and people enrolled directly through a health insurance carrier, by injecting \$3 billion into the state's economy.*
- *Many Californians will be able to get a high-quality, name-brand plan for as little as \$1 per month, or one with richer benefits for less than \$100 per month, but only if they sign up through Covered California.*
- *Insured consumers who switch to Covered California could save up to \$700 per month on their coverage, giving them more money to put toward needs like housing, their business and retirement.*
- *Covered California is launching [a new statewide ad campaign](#) to show consumers how the new financial assistance could help them and encourage them to check out their options on [CoveredCA.com](#).*

SACRAMENTO, Calif. — Covered California launched a new special-enrollment period on Monday to allow Californians to benefit from lower health insurance premiums available through the American Rescue Plan. The new law can help an estimated 2.5 million Californians, including the uninsured and those who enrolled directly through a health insurance carrier, by providing additional financial help to lower the cost of their coverage.

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“The new and expanded financial help provided by the American Rescue Plan will help more Californians get covered and stay covered by lowering premiums, and for many, putting money back into their pockets,” said Peter V. Lee, executive director of Covered California. “The new financial help is only available through Covered California. You owe it to yourself to check if you benefit — and the sooner you sign up, the more you can save.”

The American Rescue Plan Helps Millions of Californians While Boosting California’s Economy

Covered California estimates the plan can help Californians — particularly low- and middle-income consumers who have been hit hardest by the pandemic and recession — through \$3 billion in new and expanded federal subsidies (see Table 1: Californians Eligible for Assistance From the American Rescue Plan). The new money will strengthen the state’s economy by helping eligible consumers save thousands of dollars between now and the end of 2022, when the benefits are currently set to expire.

“For some Californians, it means hundreds or even thousands of dollars back in their pockets to help them afford their housing, keep their business running, or assist with daily living expenses,” Lee said. “For others, it means they will finally be able to afford health care coverage and get the protection and peace of mind they need as we recover from this pandemic and recession.”

Table 1: Californians Eligible for Assistance From the American Rescue Planⁱ

Landscape of the 2.5 Million Californians Eligible for New Assistance*			California
ACTION NEEDED BY CONSUMER	Currently Uninsured	Covered CA Eligible, below 400% FPL	675,000
		Covered CA Eligible, above 400% FPL	135,000
		SUBTOTAL	810,000
	Currently Insured	Off-Exchange, below 400% FPL	90,000
		Off-Exchange, above 400% FPL	180,000
		SUBTOTAL	270,000
NO ACTION NEEDED BY CONSUMER	Currently Insured by Covered California	Covered CA, below 400% FPL	1,270,000
		Covered CA, above 400% FPL	140,000
		SUBTOTAL: No Action Needed	1,410,000
TOTAL		Total Eligible to Benefit from Subsidies	2,490,000
ACTION NEEDED	Currently Uninsured	Uninsured Medicaid Eligible	950,000
TOTAL		Total Eligible to Benefit from Affordable Coverage	3,440,000

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Joseph Newhouse, a national expert on economics and consumer spending and Professor of Health Policy and Management at Harvard University, said the new subsidies have the potential to change the lives of people across the state.

“Whether you live in a big city or in a rural area, these subsidies will provide significant financial relief for people who sign up for health care coverage through Covered California,” Newhouse said. “These subsidies are big, they matter, and they can have a dramatic impact on people’s lives — if they take action.”

Who will benefit from the American Rescue Plan?

The American Rescue Plan lowers health care premium costs for people who get coverage through Covered California by providing new and expanded subsidies to make health insurance more affordable than ever before. The following types of consumers stand to benefit:

- **The uninsured:** New data shows that an estimated 810,000 Californians are uninsured and eligible for health insurance coverage through Covered California. Under the American Rescue Plan, most of them would be able to get a high-quality plan from a trusted name-brand company for as little as \$1 per month, or a plan that offers richer benefits for less than \$100 per month.

Figure 1: Health Care Premiums are Lower Than Ever for the Uninsuredⁱⁱ

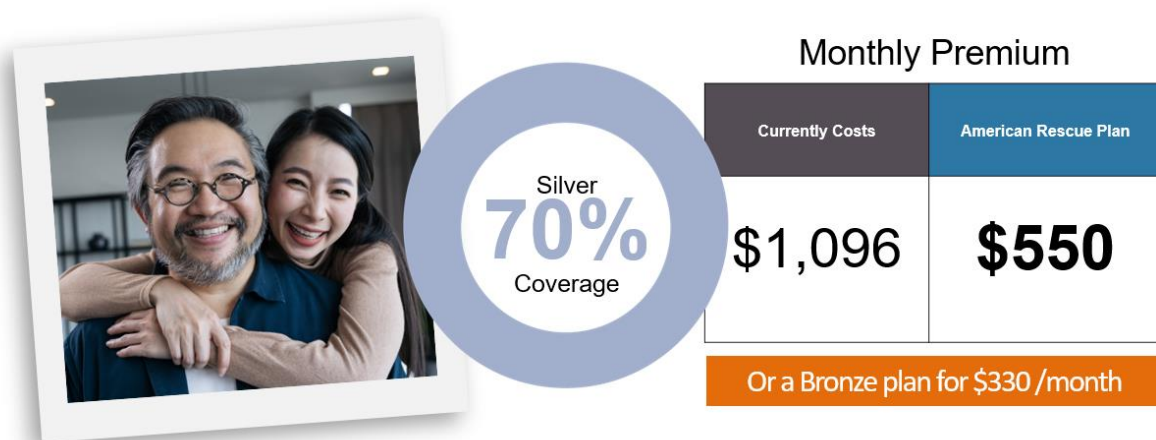


Sofia in Los Angeles | Age: 21 | Income: \$25,520/year

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- Consumers insured directly through a health insurance company:** Nearly 270,000 Californians are insured directly through a health insurance company in what is referred to as “off-exchange coverage.” They currently do not receive any financial help. The new law ensures that everyone eligible will pay no more than 8.5 percent of their household income on their health care premiums if they are enrolled through an Affordable Care Act marketplace like Covered California (unless they select a plan in a higher metal tier). The new and expanded subsidies mean that many consumers will be able save hundreds of dollars per month — or thousands of dollars between May and the end of 2022 — if they switch and get their insurance through Covered California.

Figure 2: Off-Exchange Consumers Save by Switching to Covered California



Shao and Amy in Sacramento | Ages: 45 | Income: \$ 77,580 /year

- Current Covered California enrollees:** The new law will also help about 1.4 million people currently enrolled through Covered California. An analysis shows that these consumers will see their net premiums decrease by an average of \$180 per household per month. Existing consumers in California do not need to take any action since Covered California will automatically apply the savings to their accounts. They will see lower bills starting in May.

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Figure 3: Current Covered California Enrollees Will See Lower Premiums



The Robinsons in Oakland | Ages: 45, 45, 12, 10 | Income: \$78,600/year

“The American Rescue Plan provides the most significant consumer cost savings since the implementation of the Affordable Care Act, but in order for many Californians to make the most of that savings, they need to act now,” Lee said. “Do not miss out: the sooner you sign up, the sooner you can start saving and be covered.”

In addition, the American Rescue Plan will provide marketplace coverage to anyone who received unemployment insurance benefits in 2021. Under the new law, anyone who has received unemployment insurance benefits in 2021 will be eligible for the richest possible coverage from brand-name health plans, which will cost only \$1 per month — *regardless of their actual total income in 2021*.

Covered California is currently working to implement this benefit in its enrollment and consumer cost-comparison systems. While those changes are expected to be implemented in July or August, consumers who are enrolled or sign up before that time will receive the lower premium retroactive to when their coverage commenced. An estimated 10 percent of current Covered California enrollees would be eligible for this benefit, further reducing their costs and putting money back into their pockets. These individuals will see premium reductions in May based on the basic changes under the American Rescue Plan, and additional savings when these changes are implemented this summer.

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New Advertising Campaign to Promote Special Enrollment

Covered California is supporting the new special-enrollment period by taking the unprecedented action of treating the months of April through June as if it were its annual open-enrollment period. This includes launching a new ad campaign that starts today (see examples at right). The exchange plans to spend up to \$30 million on television, radio and print ads throughout the state through June. The campaign will reach every community, with an emphasis on Hispanic, Asian, and African American media outlets, which represent the groups hit hardest by the pandemic and recession.



“We know that California’s low-income communities — including Latino, Black and Pacific Islander — are the backbone of our state’s essential workforce,” said Jeffrey Reynoso, executive director of the Latino Coalition for a Healthy California. “They have suffered the most during the pandemic and recession, and this new law will make health care coverage more affordable and help them save money in the process.”

[Click here to see the television ad in English.](#)

[Click here to see the television ad in Spanish.](#)

The new ads will encourage consumers to visit CoveredCA.com to see how much they can save thanks to the new money that is now available.

In addition, the campaign will include a robust digital and social media investment (see example below) as well as educational videos, emails, direct mail and text messaging to reach Californians who have been insured previously or have inquired about health insurance.



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“We stand ready to do everything we can to make the American Rescue Plan successful for as many Californians as possible,” Lee said. “Time is of the essence, because every month that goes by is a month that someone could be covered or could be saving hundreds of dollars on their health insurance.”

Consumers Can Find Out in Minutes How Much They Can Save

Research has shown that for most consumers, the reason they do not have insurance coverage is that they do not believe they can afford it. Many may have checked their costs months or years ago — they need to check again to see how affordable coverage can be. On CoveredCA.com, consumers can easily see exactly how they can benefit from the new law. Consumers just need to enter their ZIP code, household income and the ages of the people in the household to see how low their premiums can be and the health insurance options in their area.

Those interested in learning more about their coverage options can also:

- Visit www.CoveredCA.com.
- Find local insurance agents or individuals in Navigator organizations who provide free and confidential assistance over the phone or in person, in a variety of languages.
- [Get a call from certified enroller](#). Covered California will have someone reach out to the consumer to help them for free.
- Call Covered California at (800) 300-1506.

About Covered California

Covered California is the state’s health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California’s consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

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¹ Table only shows those estimated to be eligible for subsidies based on maximum required contribution percentage of household income using available administrative data (on income, age and benchmark premiums) from California's marketplace. Uninsured and off-exchange populations are modeled based on Covered California membership, weighted to represent their respective

population demographics along age, federal poverty level and region. Not shown are the estimated 1.4 million consumers who may receive higher subsidies because they are receiving unemployment insurance income. California off-exchange and uninsured totals exclude the share of individuals who are estimated to have affordable offer of employer-sponsored coverage, making them ineligible for marketplace subsidies.

ⁱⁱ The sample consumers are hypothetical case examples. For media interested in contacting Californians directly benefiting from the American Rescue Plan, please contact Covered California.