



STATEMENT

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Statement from Peter V. Lee on the Administration's Latest Effort to Undercut Broader Coverage Through the Affordable Care Act

SACRAMENTO, Calif. — Covered California Executive Director Peter V. Lee released the following statement on a proposed rule from the Centers for Medicare and Medicaid Services that would allow states to eliminate www.Healthcare.gov and undercut the Affordable Care Act.

[Click here to see the proposed rule.](#)

“The proposed rule builds on years of actions by the outgoing administration to undercut the Affordable Care Act. Instead of marketing and promoting coverage options for millions of Americans, as they should during a pandemic, this proposed rule undermines efforts to get insurance coverage to those most in need.

The rationale for the proposed reduction of user fees is to “allow issuers to then pass on the savings to consumers,” which belies the reality that multiple policies enacted by this administration have resulted in premiums throughout much of the nation being far higher than they should be. These actions have priced millions of unsubsidized Americans out of coverage. Proclaiming that a reduction of user fees leads to a reduction of premiums flies in the face of the reality that well-spent marketing dollars by this administration would have had a five-to-one return on lowering health care costs for Americans.

Further, the policies of the outgoing administration have had nothing to do with lower premiums in the individual market. In 2020, premiums were lower in much of the nation due to a rebound from overpricing by health plans, while 2021 rates dipped across the nation because millions of Americans delayed and deferred

care amidst the COVID-19 pandemic. Better profits for health plans should not be the marker of an effective marketplace.

The user fees can and should be well spent to make sure health plans are held accountable for delivering high-quality care and addressing health disparities. This proposal serves to reduce resources for ensuring more Americans know about and secure more affordable health coverage options for themselves and their families.

Now is a time when we should be leaning in and assuring health plans put consumers first, not running in the opposite direction. Fortunately, the new administration will have the opportunity to consider this proposal and respond in a way that best addresses the needs of Americans.”

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.