



**COVERED  
CALIFORNIA**

# News Release

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FOR IMMEDIATE RELEASE

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## **New Health Laws for 2020 to Start on Jan. 1, Including Requirement That Californians Have Health Insurance**

- *Californians are encouraged to enroll by Jan. 31 or face a penalty if they choose to go without health care coverage in 2020.*
- *The penalty, which can be \$2,000 or more for a family of four, will be applied starting Jan. 1.*
- *The penalty — enacted in state law and administered by the California Franchise Tax Board — remains in place despite the recent U.S. Circuit Court ruling in the federal Affordable Care Act case.*
- *There is new financial help available to eligible consumers, including middle-income consumers who previously did not receive any assistance.*
- *More than 540,000 people have already been found eligible for the new financial help.*

SACRAMENTO, Calif. — While a federal court ruling last week leaves the federal individual mandate in legal limbo, Californians are reminded that a state law will take effect on Jan. 1 requiring all Californians to have health insurance.

“Open enrollment is underway right now. That means now is the time to sign up for a quality health plan through Covered California so you are protected in case you get sick or injured, and so you do not have to worry about a possible penalty,” said Covered California Executive Director Peter V. Lee. “Writing a check to the Franchise Tax Board when you file your 2020 taxes isn’t the real penalty — it’s getting hurt or ill and ending up with \$50,000 hospital bill.”

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California created a new state individual mandate penalty that is similar to the Patient Protection and Affordable Care Act's penalty. It will be administered by the Franchise Tax Board (FTB) and collected when people file their 2020 taxes starting in 2021.

"It's important that everyone acts now to get health insurance starting in January 2020 to avoid the penalty when filing state tax returns in 2021," said FTB Executive Officer Selvi Stanislaus.

For those facing a penalty, a family of four would pay at least \$2,000, and potentially more, for not having health insurance throughout 2020.

The return of the penalty was an important element in Covered California's record-low rate change of 0.8 percent in 2020, meaning consumers have already benefited from the new policy.

### **New Financial Help**

In addition to the penalty, California is making new financial help available to eligible consumers to help further lower the cost of their coverage. On average, consumers between 200 and 400 percent of the federal poverty level will receive \$21 per household, per month on top of their federal tax credits. Meanwhile, for the first time in the nation, people who earn between 400 and 600 percent of the federal poverty level will be receiving an average of \$460 per household, per month.

"More than half a million Californians have already found out they will benefit from this new money," Lee said. "Consumers have through the end of January to see what plans are available to them and whether they qualify for financial help from the federal government, the state, or both."

Gov. Gavin Newsom also reiterated his support of the Affordable Care Act when he joined Covered California during a teleconference last week.

"The Affordable Care Act is alive and well here in the state of California," Newsom said. "We are saving lives, we're expanding coverage, we're deepening subsidies, and we're doubling down on our commitment to fulfill the law's promise and its potential."

Californians already set to benefit from the state subsidy program include:

- Yuriana and Hector, who say their daughter is a Covered California miracle because without their health insurance they would not have been able to afford getting pregnant.

**Watch and download Yuriana and Hector's story [in Spanish](#) or [in English](#).**

(more)

- Shannon and John, who were surprised when they received the news in the mail that they would be saving more than \$1,200 a month because of the new state subsidies. Now they are able to focus on completing a longtime dream.

**Watch and download [Shannon and John's story](#).**

“We do not want people to miss out on this opportunity. We don’t want them to leave money on the table, and we don’t want them to get stuck with a big bill when they pay their taxes in 2021,” Lee said.

### **Recent Court Ruling**

California’s individual mandate and penalty remain in place as state leaders prepare to respond to the recent ruling by a three-judge panel of the U.S. 5<sup>th</sup> Circuit Court of Appeals. On Wednesday, the panel ruled that the individual mandate was unconstitutional, but remanded the case to a lower court.

“The court ruling will not impact California and should not deter anyone from signing up during the current open-enrollment period,” Lee said. “The legal battle will continue for the foreseeable future, and Covered California will be working to educate people about the penalty and enroll as many as possible.”

### **Getting Help Enrolling**

Consumers can easily find out if they are eligible for financial help and see which plans are available in their area by entering their ZIP code, household income and the ages of those who need coverage into Covered California’s [Shop and Compare Tool](#).

Those interested in learning more about their coverage options can:

- Visit [www.CoveredCA.com](http://www.CoveredCA.com).
- [Get free and confidential in-person assistance](#), in a variety of languages, from a certified enroller.
- Have a certified enroller [call them](#) and help them for free.
- Call Covered California at (800) 300-1506.

California’s open-enrollment period continues through Jan. 31, 2020.

### **New Health Laws for 2020**

Critical new laws will affect Californians and their health care in 2020.

**Senate Bill (SB) 106 provides the appropriations for the state subsidy program**, along with income eligibility and specified funding allocation by eligibility levels. (SB 106, Committee on Budget and Fiscal Review, Chapter 55, Statutes of 2019.)

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**SB 78** is the omnibus health trailer bill **that establishes the individual mandate and penalty, as well as the requirements for the state subsidy program.** (SB 78, Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2019.)

**Assembly Bill (AB) 1309 expands the individual market open-enrollment period to Nov. 1 to Jan. 31.** It sets Feb. 1 as the effectuation date for those who enroll between Dec. 16 and Jan. 31. This will give consumers additional time to sign up for coverage, thereby helping more Californians to become insured. (AB 1309, Bauer-Kahan, Chapter 828, Statutes of 2019.)

**AB 5 limits California companies' use of workers as independent contractors rather than as employees.** This bill may affect the provision of health insurance to these employees. (AB5, Gonzalez, Chapter 296, Statutes of 2019.)

**SB 104 authorizes the provision of full-scope Medi-Cal to adults aged 19-25 regardless of their immigration status.** (SB 104, Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2019.)

**SB 276 standardized the provision of medical exemptions for vaccination by requiring the California Department of Public Health to develop a statewide electronic request form,** tracking school immunization levels and addressing physicians who submit an unusually high number of medical exemption forms. (SB 276, Pan, Chapter 278, Statutes of 2019.)

### **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](http://www.CoveredCA.com).

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