



**Joint Informational Hearing – Senate and Assembly Health Committees
2027 Essential Health Benefits Benchmark Options
February 11, 2025**

Addendum to Covered California Testimony

Covered California would like to thank the Governor’s Administration and the State Legislature for the opportunity to engage in discussions regarding the state’s Essential Health Benefits (EHBs) benchmark plan. At the February 11th joint informational hearing on 2027 EHB Benchmark Plan options, Covered California was asked questions regarding premium impact analysis. With this document, we aim to respond to the questions received and provide additional technical assistance that will hopefully assist the committee members with their deliberations.

Covered California has aimed to support the legislature and administration throughout the process of evaluating potential updates to California’s EHB benchmark plan. While Covered California was not expected to provide direct analysis of potential benchmark plan options, we recognized the importance of robust actuarial assessments in evaluating any policy changes. Thus, in 2024, Covered California contributed funding to help support the actuarial analysis performed by Wakely with the understanding that it would serve as a key resource of data and information to support decision-making by the administration and legislature.

Additionally, as a matter of general practice regarding legislative proposals, Covered California may look to the California Health Benefits Review Program (CHBRP) analyses for insight into premium impacts, and to ensure a comprehensive understanding of the potential effects on consumers and the health insurance market as a whole.

Covered California was not in receipt of CHBRP’s premium impact analysis at the time of the February 11th hearing. However, after reviewing CHBRP’s findings, we believe that the premium impact estimates are within a reasonable range. If Covered California were to perform its own analysis, we anticipate that our findings would be of similar magnitude to CHBRP’s estimates. We believe that any variance would not be significant enough to alter the fundamental policy considerations regarding the balance between expanded benefits and cost implications.

We hope this added perspective is helpful to the committee members and the administration as deliberations continue.

As stated in our prior testimony, we recognize that updating California’s benchmark plan benefits could improve health outcomes of some enrollee populations by increasing access to essential services, depending on the specific benefits added. And, it is important to consider the broader financial and regulatory landscape when determining how to move forward. The uncertainty surrounding the future of federal premium tax credits and the potential regulatory stance of a new federal administration remain critical factors in evaluating any modifications to

the benchmark plan. These considerations should be weighed carefully alongside the goal of increasing consumer access to essential services.

Covered California values the opportunity to support the committees' efforts in evaluating this important issue. We hope this additional information is helpful and please reach out if further clarification or discussion is needed.