



# PRESS RELEASE

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## **Covered California Announces Plans and Rates for 2014**

*Consumers will have access to more than 80% of practicing physicians, 80% of acute care hospitals through 13 commercial health plans*

SACRAMENTO, CA – Covered California™ today announced 13 diverse health insurance plans that will offer in 2014, affordable, quality health care coverage to millions of Californians. The plans reflect a mix of large non-profit and commercial plan leaders, along with well-known Medi-Cal and regional plans.

The tentative selection of health plans is subject to a rate review by state regulators. It is impossible to make a direct comparison of these rates to existing premiums in the commercial market because in 2014, there will be new standard benefit designs under the Affordable Care Act, and the actual change in an individual's premium will depend on the person's current insurance coverage. However, Covered California believes that a valuable frame of reference for its premiums, is comparing them to the small employer market in California. Both the small employer market and Covered California are competitive markets, and offer guaranteed issue- you cannot be denied for pre-existing condition.

The rates submitted to Covered California for the 2014 individual market ranged from two percent above to 29 percent below the 2013 average premium for small employer plans in California's most populous regions. This is impressive since the 2014 products include doctor visits, prescriptions, hospital stays and more essential benefits; protecting consumers from the "gimics and gotchas" of many insurance policies.

"This is a home run for consumers in every region of California," said Peter V. Lee, Executive Director of Covered California. "Our active negotiating will not only benefit potential enrollees to Covered California, but will benefit all Californians by making health care affordable," he said.

Additionally, there is financial protection like a maximum out-of-pocket cost of \$6,350 which will dramatically reduce the chance of someone going bankrupt because of medical bills not covered by insurance.

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“Californians should be proud of how not only health plans in this state, but doctors, medical groups and hospitals have stepped up– and creating a market that will allow millions of consumers to enroll in affordably priced products. Because of that, we will be able to deliver exceptional value, low rates, access to health care in every region of the state, and a solid platform to achieve the dream of providing quality health care for all Californians.”

Covered California’s rigorous review and selection process resulted in a portfolio of plans that achieve three objectives: a robust choice of offerings throughout the state, affordable prices, and access to doctors and hospitals. The terms of Covered California’s relationship with its partnering health plans means they will collaboratively work to promote care improvements, foster prevention, and seek to reduce costs by promoting better care.

Once plan rates are approved by state regulators, Covered California looks forward to signing final contracts and begin the work of enrolling millions of Californians in the following health plans:

- Alameda Alliance for Health
- Anthem Blue Cross of California
- Blue Shield of California
- Chinese Community Health Plan
- Contra Costa Health Services
- Health Net
- Kaiser Permanente
- L.A. Care Health Plan
- Molina Healthcare
- Sharp HealthCare
- Valley Health Plan
- Ventura County Health Care Plan
- Western Health Advantage

"Covered California plans include the largest current plans in the individual market, as well as new entrants, regional plans and local Medi-Cal plans that want to be part of making history," said Lee. On average, there will be five plans from which to choose. Even in rural areas where choice has been historically sparse, there will be two or three health plans. Throughout the state consumers will have a choice of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs) and Exclusive Provider Organizaitons (EPOs).

To get prices at such competitive points, winning health plans built their bids around the expectation of high enrollment, not high profit. Plans reduced profit margins down to two and three percent; embraced Affordable Care Act programs such as Accountable Care Organizations and Patient-Centered Medical Homes, that seek to improve care while lowering costs; found common ground with doctors, medical groups and hospitals on lower reimbursement rates to make care affordable.

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Virtually every health plan designed a custom network for Covered California. Negotiations included a detailed review of each plan's rates, their mix of hospitals, physicians and other providers, and their contingency plans for expanding networks in the event more consumers sign up than expected.

The current list of insurers is for individual policies only. Covered California will announce its options for small businesses to buy health insurance in June.

## **About Covered California**

California was the first state to create a health benefit exchange following the passage of the federal health care law. Covered California is charged with creating a new insurance marketplace in which individuals and small businesses can get access to health insurance. With coverage starting in 2014, Covered California will help individuals compare and choose a health plan that works best for their health needs and budget. Financial help will be available from the federal government to help lower costs for people who qualify on a sliding scale. Small businesses will be able to purchase competitively priced health plans and offer their employees the ability to choose from an array of plans and may qualify for federal tax credits. Covered California is an independent part of state government whose job is to make the new market work for California's consumers. It is overseen by a five-member board appointed by the Governor and Legislature.

For more information on Covered California, please visit [www.CoveredCA.com](http://www.CoveredCA.com).

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