



PRESS RELEASE

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February 13, 2013 **Media Line:** (916) 205-8403

No Gimmicks, No Surprises – Standard Benefits

Covered California Announces Standard Benefit Plans for Consumers

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SACRAMENTO, Calif. – Californians who must pay for their own health insurance are getting their first detailed look at what health care reform will truly offer. Covered California, the state run program that oversees implementation of the Affordable Care Act, is releasing the standards for benefit plans that will be made available to California citizens who do not rely on employer provided insurance or Medi-Cal for health care coverage.

“The most important aspect of these benefits is they are standardized and they are adjusted according to income to lower costs for those with lower incomes,” said Peter V. Lee, Executive Director of Covered California. “Standardization is a game changer. It lets consumers shop from one insurance provider to the next, knowing that the benefits are the same. This is about removing barriers to care; about changing the focus of health insurance on prevention and on taking care of the sick.”

“Covered California is leading the way for consumers to make apples to apples comparisons when choosing health coverage,” said James Guest, President and CEO of Consumers Union. “Not only can consumers no longer be denied due to pre-existing conditions, they know there will be no surprises or gimmicks, and the benefits are the same from one carrier to the next.”

Consumers have four levels of plans from which to choose – Bronze, Silver, Gold and Platinum. Households earning less than 250 percent of the federal poverty level can receive financial help if they enroll in a Silver plan; the less income they earn, the more financial assistance they can receive. For example, individuals earning between 150 to 250 percent of the federal poverty level can expect to pay \$20 to see their primary care physician, while those earning 100 to 150 percent would pay \$4.

“California has clearly learned from our experience. Massachusetts launched its health insurance exchange without standardizing benefits, but changed course after recognizing that allowing consumers to make apples-to-apples comparisons among plan options is critical to their ability to make informed decisions about what health plan satisfies their needs and meets their budget.” said Jean Yang, Executive Director of Massachusetts Health Connector.

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To be eligible for financial support, consumers must purchase plans from Covered California's marketplace. The State of California is leading the health care innovation process by requiring that all carriers offer these same standard designs to all individuals and small businesses – whether inside or outside of Covered California. While higher income individuals choosing one of these plans would not be eligible for financial help, they would be assured that the plan contains the same essential health benefits offered, and the exact same benefit design so they can make true comparisons.

Examples of benefits, their costs, and typical premium costs are available on the newly launched Covered California website, www.CoveredCA.com. The website will deliver up-to-date information for consumers, and access to resources during the lead up to the open enrollment period this fall for coverage that starts January 1, 2014. The website currently includes seven fact sheets, in both English and Spanish, and additional fact sheets are soon to be added, as well as translation of the material in 11 more languages.

Covered California also announced it has launched a social media presence on Facebook, Twitter, YouTube and Google+.

Critical next steps in the launch of Covered California include the selection of insurance carriers that will be allowed to participate in Covered California, and determination of the plan pricing.

About Covered California

California is the first state to create a health benefit exchange following the passage of federal health care reform. Covered California is charged with creating a new insurance marketplace that allows individuals and small businesses to purchase competitively priced health plans using federal tax subsidies and credits. Coverage starts in 2014.

Covered California is overseen by a five-member board appointed by the Governor and Legislature; the California Health and Human Services Secretary serves as an ex officio voting member and is its current Chair.

For more information on Covered California, please visit www.CoveredCA.com.

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What People are Saying

About Covered California's standard benefit plans

James Guest

Consumers Union, President and CEO

"At Consumer Reports, our stock and trade is translating complex information into standardized formats for easy apples-to-apples comparisons. By standardizing its benefit designs, Covered California is leading the way in uniform products that allow valid comparisons of health insurance policies, taking the pain out of the dreaded experience of shopping for health insurance. For the first time, consumers without employer-based coverage will be able to readily assess what they are getting, what they are not getting, and the true value of various health insurance options. That's just plain common sense -- but in the health insurance world it's revolutionary. Bravo, Covered California, for holding consumer needs for understandable information at the forefront."

Jean Yang

State of Massachusetts, Health Connector Executive Director

"California has clearly learned from our experience. Massachusetts launched its health insurance exchange without standardizing benefits, but changed course after recognizing that allowing consumers to make apples-to-apples comparisons among plan options is critical to their ability to make informed decisions about what health plan satisfies their needs and meets their budget."

Pam Kehaly

Anthem Blue Cross, President

"Anthem Blue Cross applauds Covered California for their continued partnership with all stakeholders and their consumer-focused approach in developing benefit plans that will make comparing and choosing plans easier than ever before."

Paul Markovich

Blue Shield of California, CEO & President

"With the establishment of this standardized benefit package, Covered California has achieved a major milestone toward the launch of the new, reformed health insurance marketplace. As important as the result was the intensely collaborative process that produced it. Covered California's diligence in hearing all voices bodes well for its success in meeting the many tough challenges that lie ahead."

Bill S. Wehrle

Kaiser Permanente, Vice President, Health Insurance Exchanges

"We applaud Covered California for its leadership in making the health coverage marketplace simpler for consumers. Consumer choice is a powerful tool, especially when it can be unleashed to reward quality, service, and price, and not be held back by complexity or other artificial barriers. Kaiser Permanente has strongly supported simplifying consumer choice in the new marketplace, and today's announcement is a big step toward making it happen."

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