



# NEWS RELEASE

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## **COVERED CALIFORNIA ANNOUNCES RATES FOR 2015; RIGOROUS NEGOTIATIONS WITH HEALTH INSURANCE COMPANIES KEEP RATE INCREASES LOW AND CHOICES ROBUST**

*Strong Enrollment for 2014 Prompts Balanced Risk Pool and Competition  
Between Health Plans; Average Statewide Rate Increase Kept to 4.2 Percent*

SACRAMENTO, Calif. — The vast majority of Covered California consumers will see low increases in their health insurance premiums for 2015, and many consumers will see no increase or even a decrease. The statewide weighted average\* came in at 4.2 percent, with some plans offering weighted average rates that are 8.5 percent lower than current pricing.

“This is good news for Californians and an example of how Covered California and the Affordable Care Act are working to make health insurance affordable,” said Covered California Executive Director Peter V. Lee. “As we move into our second open enrollment and first renewal for many Californians, we are glad to see consumers have a real choice, with affordable options in all regions.”

Covered California’s role as an “active purchaser” brought in low rate increases while maintaining high quality. Covered California’s team of negotiators actively engaged in vigorous back-and-forth with insurance companies to keep increases at a minimum, deliver networks of doctors and hospitals that meet consumers’ needs and give them meaningful choice when shopping for the plan that is the best fit.

“Health care is regional, it’s local, and it’s personal. This means that the costs and options for each consumer in California are different,” Lee said. “The ‘average’ rate going up only 4.2 percent means that for some it will go up more and for some less, but all consumers now have the ability to shop. Consumers are not locked in to one plan; they can stay with their plan or change and can often find a lower-priced option.”

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\* The weighted average is a blended rate that considers both the increase or decrease in rate and the number of consumers who will receive that rate change.

Covered California has selected 10 health insurance companies to be in the state health exchange in 2015. All 10 health insurance companies were in the exchange for 2014 and submitted bids to return to the exchange for 2015 coverage. The portfolio reflects a wide mix of large nonprofit and commercial leaders in the individual health insurance market, along with Medi-Cal and regional plans.

Covered California selected the following health insurance companies for the 2015 exchange:

- Anthem Blue Cross of California.
- Blue Shield of California.
- Chinese Community Health Plan.
- Health Net.
- Kaiser Permanente.
- L.A. Care Health Plan.
- Molina Healthcare.
- Sharp Health Plan.
- Valley Health Plan.
- Western Health Advantage.

The rates submitted by the selected companies are tentative and subject to an independent reasonability review by the state's regulators, with the California Department of Managed Health Care reviewing the rates of nine carriers and the California Department of Insurance reviewing the rates of one.

Additionally, 90 percent of consumers currently enrolled in health insurance plans through Covered California are receiving federal subsidies to help reduce their overall costs. In most areas of the state, the amount of subsidy that individuals receive will either increase or remain very close to 2014 subsidy amounts. This means that for many consumers, any increase in premium will be offset by an increase in subsidy.

All insurers submitted bids for products that include children's dental plans, making it convenient and affordable for families to get dental care for their children.

In response to customer feedback, some health insurance plans will offer expanded provider networks so that Californians can choose from a wider selection of doctors.

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The participating companies offer networks designed to meet the needs of consumers. In many cases health plans added doctors and hospitals to existing networks, in addition to providing essential health benefits such as prescription drug coverage and hospital stays. These benefits are identical for both consumers purchasing coverage through Covered California and consumers purchasing on the individual market outside the exchange.

Because of the Affordable Care Act, all health insurance companies in the individual market now offer guaranteed issue; no one is denied coverage because of a pre-existing condition. Consumers can select plans without worrying about gimmicks and gotchas that previously plagued the commercial market. Additionally, the law's limits on out-of-pocket spending are helping Californians avoid financial ruin due to medical costs.

Consumers can now use the 2015 Shop and Compare Tool on the Covered California website, at [www.CoveredCA.com/shopandcompare/#calculator](http://www.CoveredCA.com/shopandcompare/#calculator), to look at plans and products in their area and to get a preliminary estimate of costs and premium assistance.

For more details on the plans in specific pricing regions, visit [www.CoveredCA.com/PDFs/CC-health-plans-booklet-2015.pdf](http://www.CoveredCA.com/PDFs/CC-health-plans-booklet-2015.pdf).

The current list of insurers is for comprehensive individual health policies only. Covered California will later announce adult and family dental options available through Covered California, along with health insurance options for small businesses.

### **About Covered California**

Covered California is the state's marketplace for the federal Patient Protection and Affordable Care Act. Covered California, in partnership with the California Department of Health Care Services, was charged with creating a new health insurance marketplace in which individuals and small businesses can get access to affordable health insurance plans. Covered California helps individuals determine whether they are eligible for premium assistance that is available on a sliding-scale basis to reduce insurance costs or whether they are eligible for low-cost or no-cost Medi-Cal. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Small businesses can purchase competitively priced health insurance 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 the 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 the Legislature. For more information on Covered California, please visit [www.CoveredCA.com](http://www.CoveredCA.com).

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