
SENATE COMMITTEE ON HEALTH

Senator Caroline Menjivar, Chair

BILL NO: AB 1419
AUTHOR: Addis
VERSION: July 3, 2025
HEARING DATE: July 16, 2025
CONSULTANT: Teri Boughton

SUBJECT: California Health Benefit Exchange: automatic health care coverage enrollment

SUMMARY: Allows a complete application for an insurance affordability program submitted through the Statewide Automated Welfare System to be used to enroll individuals who are determined eligible for financial assistance through Covered California into specified health insurance plans, such as the lowest cost silver plan available or the individual's previous managed care plan.

Existing law:

- 1) Establishes the Medi-Cal program, administered by the Department of Health Care Services (DHCS), under which qualified low-income individuals are eligible for medical coverage. [WIC §14000, et seq.]
- 2) Establishes Covered California as an independent entity in state government not affiliated with any state agency or department, governed by a five-member board. Requires Covered California to establish and use a competitive process to select qualified health plans (QHPs) and other contractors. [GOV §100500 -100522]
- 3) Requires, for individuals determined ineligible for Medi-Cal, a county to determine eligibility for other insurance affordability programs and if the individual is found to be eligible, transfer the individual's electronic account to other insurance affordability programs via a secure electronic interface. (This electronic interface is known as the California Healthcare Eligibility, Enrollment and Retention System [CalHEERS]). [WIC §14005.37]
- 4) Defines "insurance affordability programs" as a program that is one of the following:
 - a) The Medi-Cal program;
 - b) The state's children's health insurance program; or,
 - c) A program that makes available to qualified individuals coverage in a QHP through Covered California. [WIC §15926]
- 5) Requires an entity making eligibility determinations for an insurance affordability program, during the processing of an application, renewal, or a transition due to a change in circumstances, to ensure that an eligible applicant and recipient of insurance affordability programs that meets all program eligibility requirements and complies with all necessary requests for information moves between programs without any breaks in coverage and without being required to provide any forms, documents, or other information or undergo verification that is duplicative or otherwise unnecessary. Requires the individual to be informed about how to obtain information about the status of his or her application, renewal, or transfer to another program at any time, and the information to be promptly provided when requested. [WIC §15926]

- 5) Requires Covered California to determine the criteria and process for eligibility, enrollment, and disenrollment of enrollees and potential enrollees and coordinate that process with the state and local government entities administering other health care coverage programs, including DHCS and California counties, in order to ensure consistent eligibility and enrollment processes and seamless transitions between coverage. [GOV §100503]
- 6) Authorizes Covered California, with respect to individual coverage it makes available, to collect premiums and assist in administration of federal funded advanced premium tax credits (APTCs) and cost sharing reductions (CSRs). Establishes, pursuant to regulations, the premium due date of no earlier than the fourth remaining business day of the month prior to the month in which coverage becomes effective. [GOV §100504 and CCR Title 10, §6410]
- 7) Requires Covered California, upon receipt of an individual's information from the insurance affordability program coverage, to use the available information to enroll the individual or individuals in the lowest cost silver plan available, unless it has information from the county, DHCS, managed care plan, or another plan, as determined by Covered California, that enables it to enroll the individual with their previous managed care plan before the termination date of coverage through the insurance affordability program. [GOV §100503.4]
- 8) Requires Covered California to provide an individual who is enrolled pursuant to 7) above, a notice that includes the plan information, the individual's right to select another plan and deadlines for that selection, how to receive assistance to select a plan, the individual's right not to enroll, information on appealing their previous coverage through an insurance affordability program, and, a statement that services during the first month of enrollment will only be covered if the premium is paid by the due date. [GOV §100503.4]

This bill:

- 1) Requires a notice provided by Covered California to an individual transitioning from an insurance eligibility program regarding auto enrollment into the lowest cost silver plan or the enrollee's previous plan, to include information about the effective date of coverage, and, instructions on how to effectuate coverage in the selected plan, including, but not limited to, by paying the premium on or before the due date, or, if there is no premium due, instructions on how to opt into the selected plan.
- 2) Requires the information, upon receipt of a complete application for an insurance affordability program submitted through the Statewide Automated Welfare System (SAWS), to be used to enroll an individual in the lowest cost silver plan, in the individual's previous managed care plan, or in additional plan options added by this bill such as: the plan in which other members of the modified adjusted gross income household are enrolled; or, the lowest cost plan available to an Indian, as defined in federal law, eligible for reduced cost-sharing, as specified. Makes this provision operative on July 1, 2026.

FISCAL EFFECT: According to the Assembly Appropriations Committee, Covered California estimates costs of approximately \$500,000 to make system modifications to the CalHEERS (California Health Trust Fund). In addition, Covered California anticipates minimal expenditures associated with marketing and communications efforts to educate newly automatically enrolled consumers.

PRIOR VOTES:

Assembly Floor:	79 - 0
Assembly Appropriations Committee:	14 - 0
Assembly Health Committee:	16 - 0

COMMENTS:

- 1) *Author's statement.* According to the author, California has long been a leader in expanding access to quality, affordable health care. However, too many eligible individuals still face unnecessary barriers to coverage due to complexity and gaps in the enrollment process. This bill is the next step toward ensuring that no Californian falls through the cracks when it comes to obtaining and maintaining not just the health care they can afford, but the health care they deserve. By allowing automatic enrollment upon submission of a complete application through SAWS, we can reduce delays in coverage while also lowering administrative burden, making the health care system more efficient and seamless.
- 2) *Auto enrollment.* Every month, thousands of Californians applying for coverage are determined eligible for insurance affordability programs, such as Medi-Cal, the Children's Health Insurance Program, and Covered California programs. A consumer eligible for Covered California can select a health plan through CalHEERS. However, if a consumer doesn't enroll through CalHEERS when they become eligible for Covered California, it can be more complicated to determine the next steps to become enrolled in health coverage. Consumers applying for health coverage through SAWS, which is the county based enrollment system, who are determined eligible for Covered California must take additional steps to select a Covered California plan through CalHEERS. This process can be confusing for some consumers as there may be uncertainty related to accessing their information in CalHEERS and picking a plan within the required timeframe. These steps can be a barrier to some consumers and can lead them to going without coverage.

California's insurance affordability programs have implemented several automated enrollment systems to assist a consumer to streamline the process of moving from one program to another. SB 260 (Hurtado, Chapter 845, Statutes of 2019) created automatic plan selection for subsidized Covered California coverage. Through SB 260, Covered California automatically assigns a health plan to a consumer who loses Medi-Cal coverage and gains eligibility for subsidized Covered California coverage. The consumer is then enrolled in the lowest-cost silver plan available. When possible, a consumer may be automatically enrolled in the same health insurance plan as their previous Medi-Cal managed care plan to maintain continuity of coverage and care. Records indicate that since this program was implemented in 2023, more than 200,000 consumers have been successfully auto-enrolled into Covered California health coverage. Covered California estimates that more than 100,000 Californians each year could benefit from being automatically enrolled in coverage through the SB 260 approach

- 3) *Federal policy changes.* Recently approved federal marketplace integrity regulations and budget reconciliation legislation will have an impact on Covered California enrollment for eligible individuals with the imposition of onerous eligibility verification processes and the elimination of annual automatic renewal processes. Covered California indicates for the 2025 coverage year, about 73% of enrollees (1.2 million people) automatically renewed coverage. Covered California indicates the 2025 Marketplace Integrity and Affordability Final Rule does not affect the AB 260 auto-enrollment process nor would it impact the process proposed in this bill. Covered California is reviewing the budget reconciliation bill to evaluate its

potential effects on existing programs but does not foresee any immediate impact on this bill.

- 4) *Prior legislation.* SB 260 (Hurtado, Chapter 845, Statutes of 2019) requires Covered California to enroll individuals using electronic information from Medi-Cal or the Children's Health Insurance Program in the lowest cost silver Covered California plan. SB 260 requires a health plan or insurer to annually notify an individual that when they cease to be enrolled in coverage, their contact information will be provided to Covered California to assist in obtaining other coverage, or that they may opt out of this transfer of information.
- 5) *Support.* Western Center on Law and Poverty writes the existing process created for those losing Medi-Cal eligibility does not apply to new applicants who have been determined ineligible for Medi-Cal. Western Center on Law and Poverty says these consumers must navigate a variety of discrete steps to enroll, and, this bill would minimize those steps. The California Pan-Ethnic Health Network believes this bill will help enroll more people into affordable health coverage by expanding the auto-enrollment authority to include people who submit a full insurance affordability program application through SAWS. Health Access California writes that while remarkable steps have been made towards health coverage for California residents, in 2024 over two million people still lack coverage: many who qualify but have not signed up yet. Health Access California says current auto-enrollment measures have been helping bring coverage to these individuals, but some are still falling through the cracks. The National Health Law Program writes this bill will increase the odds that a consumer eligible for low or no cost coverage through Covered California will enroll in, and access, quality and affordable health coverage.

SUPPORT AND OPPOSITION:

Support: California Pan-Ethnic Health Network
Health Access California
National Health Law Program
Western Center on Law & Poverty, Inc.

Oppose: None received

-- END --