SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1907 (Addis) - California Health Benefit Exchange

Version: June 9, 2026
Urgency: No
Hearing Date: June 29, 2026
Policy Vote: HEALTH 11 - 0
Mandate: Yes
Consultant: Agnes Lee

Bill Summary: AB 1907 would expand an existing Covered California auto-enrollment process, as specified.

Fiscal Impact:

- Covered California estimates costs of approximately $500,000 (California Health Trust Fund) in CalHEERS-related costs for the system modifications necessary to support the expansion of the auto-enrollment program. In addition, Covered California anticipates minimal expenditures associated with marketing and communications efforts to educate newly auto enrolled consumers.

- Unknown costs, likely minor, for the Department of Managed Health Care (DMHC) for state administration (Managed Care Fund).

- The California Department of Insurance (CDI) indicates no fiscal impact for state administration.

Background:

Covered California Automatic Enrollment. Current law establishes Covered California which uses a competitive process to select participating carriers and other contractors, to make health insurance available to individuals and small businesses through qualified health plans as authorized under the federal Affordable Care Act (ACA). The Medi-Cal program provides health coverage to low-income Californians.

CalHEERS is the state's centralized, automated system used to determine eligibility for and enroll Californians in Medi-Cal or Covered California. The Statewide Automated Welfare System (CalSAWS) is the county system for determining and managing eligibility and benefits for various public assistance programs at the county level, including Medi-Cal, CalFresh and CalWORKs.

A change in income or family size may change eligibility and trigger a move from Medi-Cal to Covered California. Current law establishes an automatic enrollment process for a person who loses Medi-Cal eligibility and instead qualifies for Covered California. Such an individual receives a notice when they are disenrolled from Medi-Cal and is auto-enrolled in Covered California in the lowest-cost silver plan available, or a plan that matches their previous Medi-Cal plan.

Open Enrollment in the Individual Market. Federal regulations govern the open enrollment period for the individual market. Under federal regulations updated in 2025, Covered California must begin the annual open enrollment period no later than

November 1 and end no later than December 31 of the calendar year preceding the benefit year. However, this policy is currently the subject of two federal lawsuits, including one brought by a multistate coalition that includes California. State law requires health plans and insurers to provide an annual enrollment period for individual market health coverage from November 1 of the preceding calendar year to January 31 of the benefit year.

Proposed Law: Specific provisions of the bill would:

- Expand the existing Covered California auto-enrollment process for individuals to include individuals who have submitted health coverage applications through CalSAWS but are found ineligible for Medi-Cal.

- Require health plans and insurers to provide, to the extent that existing state law provisions are inconsistent with federal regulations, the annual enrollment period in the individual market and effective dates of coverage required by federal regulations.

Related Legislation: AB 1419 (Addis, 2025) included similar provisions related to the Covered California auto-enrollment process. The bill was held on the suspense file in this committee.

-- END --