
THIRD READING

Bill No: AB 1907
Author: Addis (D), et al.
Amended: 8/13/26 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 6/17/26

AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove,
Menjivar, Padilla, Pérez, Rubio, Smallwood-Cuevas

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 74-0, 5/21/26 - See last page for vote

SUBJECT: California Health Benefit Exchange

SOURCE: Author

DIGEST: This bill expands automatic enrollment from Medi-Cal to Covered California by also allowing people who apply for insurance affordability programs through the Statewide Automated Welfare System and who are eligible for financial assistance to be notified of requirements and be enrolled in specified low-cost health insurance plans as determined by Covered California. Revises open enrollment and effective dates if inconsistent with federal law.

ANALYSIS:

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. [Welfare & Institutions Code (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. [Government Code (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]
- 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, who 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 duplicative information or verification. Requires the individual to be informed about how to obtain information about the status of their application, renewal, or transfer to another program at any time, and that the information must be provided promptly when requested. [WIC §15926]
- 6) Requires Covered California, upon receipt of an individual's information from the insurance affordability program, 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, 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]
- 7) Requires Covered California to provide an individual, who is enrolled pursuant to 6) 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) Makes existing law, which requires Covered California to enroll people no longer eligible for Medi-Cal into the lowest cost silver plan, inoperative on July 1, 2027, and replaces it with 2) through 4) below.
- 2) Requires, commencing July 1, 2027, Covered California, upon receipt of an individual's electronic account, as specified, or upon receipt of a complete application for an insurance affordability program submitted through the Statewide Automated Welfare System (SAWS), to use the available information to enroll the individual or individuals determined eligible for financial assistance within required timelines in one of the following:
 - a) The lowest silver plan available;
 - b) The plan in which other members of the modified adjusted gross income household are enrolled;
 - c) The lowest cost plan available to an Indian, as defined, eligible for the reduced cost-sharing specified in federal law; or,
 - d) If Covered California has information from the County, DHCS, the managed care plan, or another plan as determined by Covered California, Covered California to enroll the individual in a plan offered by the individual's previous managed care plan.
- 3) Requires plan enrollment to occur before the termination date of coverage through the insurance affordability program or upon receipt of the complete application for an insurance affordability program through SAWS.
- 4) Requires Covered California to provide an individual who is enrolled in a plan pursuant to this bill with a notice prior to the individual's effective date of coverage that includes specified information, such as: the plan in which the individual is enrolled; the right to select another available plan and relevant deadlines; how to receive assistance selecting a plan; the right not enroll in a plan; information about appealing their previous coverage; and, instructions on how to effectuate coverage and premium payment deadlines.
- 5) Changes the annual open enrollment period and effective dates for policy years beginning January 1, 2027; to be consistent with specified federal rules to the extent those federal rules are inconsistent with California annual open enrollment and effective dates.

Comments

According to the author of this bill: “In recent years, the introduction of auto-enrollment greatly boosted California’s mission to ensure total health coverage for its residents. Despite this progress, changes in healthcare at the federal level will cause up to 3.4 million Californians to lose coverage. This bill will help connect people with affordable coverage plans based on the information they have already submitted, thus streamlining the process and reducing gaps in coverage. This bill is the next step towards 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.”

Background

Auto enrollment. 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 reports that among those who enrolled, 70% kept the default plan and close to 90% remained in the silver coverage tier. More than three-quarters of consumers who transitioned to Covered California did so without a gap in coverage. More than two-thirds of those who transitioned were from communities of color and close to 20% were Spanish-speakers. Lastly, 80% found the sign-up process easy.

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 SB 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.

Open enrollment and effective dates. The open enrollment period for the individual market, including coverage offered both through and outside the Affordable Care Act exchanges, is governed by federal regulations. Previously, the federal regulations required the annual open enrollment period to begin on November 1 of the calendar year preceding the benefit year and extend through January 15 of the benefit year, although a state exchange could adopt a later end date after January 15. The federal final Marketplace Integrity and Affordability Rule, issued on June 25, 2025, changed the open enrollment period dates for benefit years beginning on or after January 1, 2027. Under the amended federal regulations, all exchanges must begin the annual open enrollment period no later than November 1 and end it no later than December 31 of the calendar year preceding the benefit year, and the period may not exceed nine weeks in duration. For those same benefit years, coverage must be effective January 1 for plan selections received on or before December 31 of the preceding calendar year. However, this policy is currently the subject of two federal lawsuits, including one brought by a multistate coalition that includes California. On June 12th in the City of Columbus v. Kennedy, a U.S. District Court vacated the shortened annual open enrollment period for the 2027 plan year. With this ruling, Covered California will maintain a full three-month open enrollment period starting November 1 through January 31.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee, 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 DMHC for state administration (Managed Care Fund).

CDI indicates no fiscal impact for state administration.

SUPPORT: (Verified 8/14/26)

California Academy of Family Physicians
California Association of Medical Product Suppliers
California Behavioral Health Association
California Pan - Ethnic Health Network
California Primary Care Association Advocates
Health Access California
Local Health Plans of California
Los Angeles Care Health Plan
Los Angeles LGBT Center
SHARP Healthcare
Western Center on Law & Poverty, Inc.

OPPOSITION: (Verified 8/14/26)

None received

ARGUMENTS IN SUPPORT: Health Access California writes this bill will help enroll more people into affordable Covered California plans by expanding the auto enrollment process to include not only people who are losing Medi-Cal coverage but also those who apply but do not qualify for Medi-Cal. Health Access indicates Covered California is the only place where Californians who qualify can get financial assistance on a sliding scale to reduce premium costs. The Local Health Plans of California (LHPC) write that this bill allows for enrollment not only in the lowest cost silver plan but also into plans that better reflect family alignment or enhanced cost-sharing options. Additionally, LHPC writes this bill also strengthens notice requirements by ensuring enrollees receive clear, actionable instructions prior to coverage taking effect, including how to activate coverage through premium payment or opt-in steps. The California Pan-Ethnic Health Network writes that extra steps can create confusion and uncertainty which can be a barrier for some consumers and believes this bill will help enroll more people into affordable health coverage.

ASSEMBLY FLOOR: 74-0, 5/21/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins,

Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson,
Zbur, Rivas

NO VOTE RECORDED: Arambula, Chen, Garcia, Lackey, Ramos, Celeste
Rodriguez

Prepared by: Teri Boughton / HEALTH / (916) 651-4111
8/17/26 10:43:01

**** **END** ****