

4800 California Health Benefit Exchange

The California Health Benefit Exchange/Covered California mission is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

Covered California is a public entity within state government with a five-member board appointed by the Governor and Legislature. Per Government Code section 100503(o), the board authorizes a budget to pay program expenses from the California Health Trust Fund to administer the Exchange.

3-YEAR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2017-18	2018-19	2019-20	2017-18*	2018-19*	2019-20*
4200 California Health Benefit Exchange	1,109.8	-	-	\$476,369	\$-	\$-
4201 California Health Benefit Exchange	-	1,399.0	1,399.0	-	344,454	344,163
4202 State Subsidy Program	-	-	-	-	-	428,629
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	1,109.8	1,399.0	1,399.0	\$476,369	\$344,454	\$772,792
FUNDING		2017-18*	2018-19*	2019-20*		
0001 General Fund			\$-	\$-		\$428,629
3175 California Health Trust Fund		476,369	344,454			344,163
TOTALS, EXPENDITURES, ALL FUNDS		\$476,369	\$344,454	\$772,792		

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

42 United States Code Section 18031

Government Code Sections 100500-100820

MAJOR PROGRAM CHANGES

- State Subsidy Program—The Budget Act includes \$428.6 million to provide state advanced premium assistance subsidies to qualified individuals between 200 and 600 percent of the federal poverty level and individuals at or below 138 percent of the federal poverty level. The Budget also includes statutory changes to allow Covered California to implement the program, which sunsets January 1, 2023.
- Individual Mandate—The Budget includes statutory changes to implement a state individual mandate that requires individuals to obtain comprehensive health care coverage or pay a penalty, based on the original provisions of the Affordable Care Act.

DETAILED BUDGET ADJUSTMENTS

	2018-19*			2019-20*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Adjustment to Align with Board Approved Budget	\$-	\$19,017	424.7	\$-	\$18,684	424.7
• Other Post-Employment Benefit Adjustments	-	929	-	-	929	-
• Salary Adjustments	-	3,028	-	-	3,028	-
• Benefit Adjustments	-	1,180	-	-	1,222	-
• Retirement Rate Adjustments	-	742	-	-	742	-
Totals, Other Workload Budget Adjustments	\$-	\$24,896	424.7	\$-	\$24,605	424.7

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

4800 California Health Benefit Exchange - Continued

	2018-19*			2019-20*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Totals, Workload Budget Adjustments	\$-	\$24,896	424.7	\$-	\$24,605	424.7
Policy Adjustments						
• Advanced Premium Assistance Subsidies	-	-	-	428,629	-	-
Totals, Policy Adjustments	-	-	-	428,629	-	-
Totals, Budget Adjustments	\$-	\$24,896	424.7	\$428,629	\$24,605	424.7

PROGRAM DESCRIPTIONS

4201 - CALIFORNIA HEALTH BENEFIT EXCHANGE

The California Health Benefit Exchange is responsible in part for the implementation of the federal Patient Protection and Affordable Care Act. Specifically, it facilitates the enrollment of qualified individuals and small employers in qualified health plans in the individual and small employer markets. Eligible consumers can obtain qualified health plan coverage with advance payment of the premium tax credit established by the federal Internal Revenue Code.

4202 - STATE SUBSIDY PROGRAM

The State Subsidy Program provides state subsidies through the state-based health insurance exchange, also known as Covered California, to qualified individuals with household incomes below 600 percent of the federal poverty level.

DETAILED EXPENDITURES BY PROGRAM

		2017-18*	2018-19*	2019-20*
PROGRAM REQUIREMENTS				
4200	CALIFORNIA HEALTH BENEFIT EXCHANGE			
	State Operations:			
3175	California Health Trust Fund	\$476,369	\$-	\$-
	Totals, State Operations	\$476,369	\$-	\$-
PROGRAM REQUIREMENTS				
4201	CALIFORNIA HEALTH BENEFIT EXCHANGE			
	State Operations:			
3175	California Health Trust Fund	\$-	\$344,454	\$344,163
	Totals, State Operations	\$-	\$344,454	\$344,163
PROGRAM REQUIREMENTS				
4202	STATE SUBSIDY PROGRAM			
	Local Assistance:			
0001	General Fund	\$-	\$-	\$428,629
	Totals, Local Assistance	\$-	\$-	\$428,629
TOTALS, EXPENDITURES				
	State Operations	476,369	344,454	344,163
	Local Assistance	-	-	428,629
	Totals, Expenditures	\$476,369	\$344,454	\$772,792

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	2017-18	2018-19	2019-20	2017-18*	2018-19*	2019-20*
PERSONAL SERVICES						
Baseline Positions	974.3	974.3	974.3	\$57,597	\$60,155	\$60,155

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

4800 California Health Benefit Exchange - Continued

1 State Operations	Positions			Expenditures		
	2017-18	2018-19	2019-20	2017-18*	2018-19*	2019-20*
Other Adjustments	135.5	424.7	424.7	7,628	9,407	9,407
Net Totals, Salaries and Wages	1,109.8	1,399.0	1,399.0	\$65,225	\$69,562	\$69,562
Staff Benefits	-	-	-	35,544	46,650	46,692
Totals, Personal Services	1,109.8	1,399.0	1,399.0	\$100,769	\$116,212	\$116,254
OPERATING EXPENSES AND EQUIPMENT				\$375,600	\$228,242	\$227,909
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$476,369	\$344,454	\$344,163

2 Local Assistance	Expenditures		
	2017-18*	2018-19*	2019-20*
Grants and Subventions - Governmental		\$-	\$428,629
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)		\$-	\$428,629

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2017-18*	2018-19*	2019-20*
3175 California Health Trust Fund			
APPROPRIATIONS			
Government Code section 100520	\$476,369	\$319,558	\$344,163
Adjustment to Align with Board Approved Budget	-	19,017	-
Allocation for Employee Compensation	-	3,028	-
Allocation for Other Post-Employment Benefits	-	929	-
Allocation for Staff Benefits	-	1,180	-
Section 3.60 Pension Contribution Adjustment	-	742	-
TOTALS, EXPENDITURES	\$476,369	\$344,454	\$344,163
Total Expenditures, All Funds, (State Operations)	\$476,369	\$344,454	\$344,163

2 LOCAL ASSISTANCE	2017-18*	2018-19*	2019-20*
0001 General Fund			
APPROPRIATIONS			
101 Budget Act appropriation		-	\$428,629
TOTALS, EXPENDITURES		-	\$428,629
Total Expenditures, All Funds, (Local Assistance)		\$0	\$428,629
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$476,369	\$344,454	\$772,792

FUND CONDITION STATEMENTS

	2017-18*	2018-19*	2019-20*
3175 California Health Trust Fund^N			
BEGINNING BALANCE	\$334,897	\$383,756	\$380,211
Prior Year Adjustments	-1,029	-	-
Adjusted Beginning Balance	\$333,868	\$383,756	\$380,211
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129100 Other Fees & Licenses - External - Private Sector	352,772	356,600	372,900
4153000 Sale of Natural Resources	1	-	-
4163000 Investment Income - Surplus Money Investments	4,602	100	100

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

4800 California Health Benefit Exchange - Continued

	2017-18*	2018-19*	2019-20*
4170900 Contributions to Fiduciary Funds	182,610	-	-
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	114	-	-
4171640 External Revenue - Private Sector	81	-	-
4171690 External Revenue - Other	2	-	-
Total Revenues, Transfers, and Other Adjustments	<u>\$540,182</u>	<u>\$356,700</u>	<u>\$373,000</u>
Total Resources	<u>\$874,050</u>	<u>\$740,456</u>	<u>\$753,211</u>
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4800 California Health Benefit Exchange (State Operations)	476,369	344,454	344,163
9892 Supplemental Pension Payments (State Operations)	-	1,462	3,208
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	13,925	14,329	12,874
Total Expenditures and Expenditure Adjustments	<u>\$490,294</u>	<u>\$360,245</u>	<u>\$360,245</u>
FUND BALANCE	<u>\$383,756</u>	<u>\$380,211</u>	<u>\$392,966</u>
Reserve for economic uncertainties	383,756	380,211	392,966

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2017-18	2018-19	2019-20	2017-18*	2018-19*	2019-20*
Baseline Positions	974.3	974.3	974.3	\$57,597	\$60,155	\$60,155
Salary and Other Adjustments	135.5	424.7	424.7	7,628	9,407	9,407
Totals, Adjustments	<u>135.5</u>	<u>424.7</u>	<u>424.7</u>	<u>\$7,628</u>	<u>\$9,407</u>	<u>\$9,407</u>
TOTALS, SALARIES AND WAGES	<u>1,109.8</u>	<u>1,399.0</u>	<u>1,399.0</u>	<u>\$65,225</u>	<u>\$69,562</u>	<u>\$69,562</u>

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.