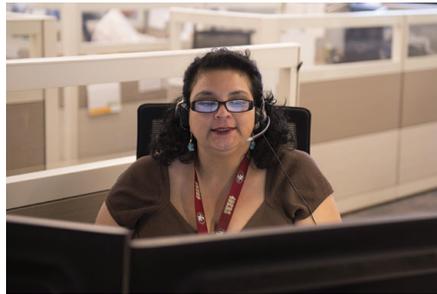


# Covered California Open Enrollment 2013–2014



## Lessons Learned



OCTOBER 2014

FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

## FOREWORD

---

Covered California has prepared “**Covered California Open Enrollment 2013-2014: Lessons Learned**” to provide early reflection on the experience and lessons learned from the first year California offered expanded health coverage through new Affordable Care Act subsidies and the expansion of Medi-Cal through the Covered California marketplace.

The report provides the first in-depth review of our efforts in the first year, including marketing, outreach and education, eligibility and enrollment support, consumer profiles, marketing research, and information about those we still need to enroll. A final section about lessons we have learned has guided — and will continue to guide — our plans for attracting and enrolling more individuals during open enrollment for 2015 and beyond.

Although California saw millions enroll in coverage in the first year, Covered California continues to be a learning organization, seeking to improve our enrollment strategies and operations at every step.

None of the success in the first year would have been possible without the dedication and hard work of literally tens of thousands of Californians in every part of the state, including insurance agents, leaders of schools and churches, county eligibility workers, labor unions, elected officials, community leaders, consumer groups, philanthropic organizations, Covered California’s staff and contractors, and our partners in state government — particularly the California Department of Health Care Services.

We look ahead to renewal and open enrollment for 2015 with great excitement and anticipation. Building on California’s success, and in partnership with many thousands of individuals on the ground carrying out our community outreach campaign, we hope to continue to change lives by helping the people of California get the health coverage they need that is now available because of the Affordable Care Act.

FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

## Table of Contents

<b>I. EXECUTIVE SUMMARY</b>	<b>3</b>
Affordable Health Plans	3
Robust Marketing, Outreach and Education	4
Effective Eligibility and Enrollment Support	4
Lessons Learned	5
<b>II. INTRODUCTION</b>	<b>9</b>
California’s Unique Challenges	10
Enrollment Projections	12
Core Principles	16
<b>III. OFFERING AFFORDABLE PLANS</b>	<b>19</b>
Active Purchaser	19
Shaping the Health Care Market	21
Standard Benefit Designs	21
Good Products, Good Prices	24
Good Products	26
Transitioning the Market	28
Provider Directories	29
<b>IV. COMPREHENSIVE MARKETING, OUTREACH AND EDUCATION</b>	<b>31</b>
Research and Planning	31
Marketing and Media	34
Messaging Strategy	35
Media Strategy	37
Social Media	39
Multicultural Campaigns	40
General Market (Multi-Segment) Campaign	41
Latino Campaign	41
Asian Campaign	42
African-American Campaign	43
Partnerships	43
Coordination with Health Plan Media and Marketing	44
Marketing Program Evaluation and Adjustments	44

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Community-Based Outreach	45
Collateral Materials	45
Outreach and Education Program	46
Outreach Grantee Highlights	47
Community Outreach Network	49
Elected Officials and Local Government	50
Regional Ground Campaign	50
Digital Toolbox	52
<b>V. ELIGIBILITY AND ENROLLMENT SUPPORT</b>	<b>53</b>
Enrollment Service Channels	53
Self-Service (Mail Applications or Website Enrollment)	53
Website (CoveredCA.com)	54
Paper Applications	56
Certified Insurance Agents	57
General Agents	58
Certified Enrollment Counselors	59
Service Center Representatives (Covered California Service Centers)	61
County Eligibility Workers	63
Plan-Based Enrollers	64
Service Channel Use by Ethnic Group	65
<b>VI. RESULTS</b>	<b>67</b>
Enrollment Profile	67
Kaiser Family Foundation: Where Are Californians Insured Now?	71
NORC Report “Covered California Consumer Tracking Survey”	74
<b>VII. LESSONS LEARNED</b>	<b>81</b>
<b>VIII. 2015 OPEN ENROLLMENT</b>	<b>85</b>
Enrollment Targets and Projections	85
Overcoming Enrollment Barriers: Key Messages	86
Retooling for 2015 and Building for the Future	86

## I. Executive Summary

Covered California's first open-enrollment period, from Oct. 1, 2013, to March 31, 2014, was successful on many levels. California enrolled more than 3 million Californians in coverage during that time — 1.4 million through Covered California and over 1.9 million in Medi-Cal.<sup>1</sup>

There is much to learn from the first open-enrollment experience, and there are opportunities for improvement in preparation for the 2015 open-enrollment period and future open enrollments and the first ever renewal process for individuals who enrolled through Covered California. In that spirit, Covered California is releasing this report, "Covered California Open Enrollment 2013-2014: Lessons Learned," to provide the Covered California Board of Directors and the public with an overview of Covered California's approaches, strategies and activities for the first open-enrollment period. Full evaluation all of the tactics and strategies employed will take time and will be used as part of Covered California's efforts to continually improve. However, the report is an early reflection on what we believe worked well, what warrants reassessment and improvement and how these lessons inform our plans for 2015 and beyond.

The report focuses on the three pillars of California's new marketplace: affordable products; comprehensive marketing, outreach and education; and effective enrollment and retention support.

### AFFORDABLE HEALTH PLANS

The Covered California Board actively embraced its role as an active purchaser and worked with staff, stakeholders, providers, health plans and regulators to develop selection criteria, solicitation procedures and contract standards for qualified health plans to be in the exchange. Covered California made a number of purchasing decisions mindful of its effect on the broader individual health care market in the state, such as in its adoption of standardized benefit designs, which under California law must then be offered throughout the individual market and policies to transition individuals to coverage meeting the new standards under health reform. Standard benefit designs also helped Covered California evaluate health plan bidders and helped consumers to more easily compare health plan options.

Covered California's selection criteria and standardization drove good product development, resulting in a competitive mix of 11 health insurance companies offering different coverage types resulting in an independent finding that the exchange's efforts increased competition in the individual insurance market. Covered California went to market with products that offered choice and competitive pricing. Most consumers in the state had more than four health insurance companies to choose from. While most Covered California consumers selected one of four

---

<sup>1</sup> The Covered California enrollment figures reflect those who selected plans, including individuals who did and did not receive subsidies. Covered California expects from 80 percent to 85 percent of those who select plans to complete the process of enrollment and pay their premium. Enrollment in Covered California has also continued after the end of open enrollment, subject to "special enrollment" criteria. Enrollment in Medi-Cal is not subject to the time-limited open-enrollment period that applies to Covered California. For consistency, the Medi-Cal figure reflects the end of the first open-enrollment period, even though Medi-Cal continues to expand month to month. Of the 1.9 million Californians newly enrolled in Medi-Cal through the end of March 2014, 1.1 million entered through the Covered California Web portal and were referred to county social services offices to complete enrollment.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

carriers offered, the addition of six regional plans meant the choices available varied in local communities and resulted in substantial enrollment in an array of plans at the local level. Almost 90 percent of Covered California enrollees benefited from receiving federal subsidies to lower their premium costs, and the majority selected Silver coverage, with Bronze coverage being the second most prevalent plan choice. Looking ahead to 2015, Covered California will once again offer good products at good prices. Covered California selected 10 health insurance companies to offer coverage in 2015. Preliminary rates reflect an average increase of only 4.2 percent, and most of those consumers who receive subsidies are likely to see their subsidy stay the same or increase in 2015.

### ROBUST MARKETING, OUTREACH AND EDUCATION

Given the state's profile, Covered California's marketing, outreach and education operation had to be anchored in and responsive to California's ethnic, cultural, regional and language diversity. Covered California engaged in early research on target audiences; careful examination of experiences with other public and private health coverage providers; and a great deal of collaboration and input from insurance agents and community stakeholders, private foundations, health plans, experts and influencers. This intense research pointed to the need for a multi-channel, multicultural marketing, outreach, education and enrollment assistance effort anchored in local communities across the state.

The two primary program elements were (1) marketing and media and (2) community-based outreach. **Marketing and media:** The marketing and advertising program consisted of paid digital and traditional advertising and direct marketing, supportive collateral materials, media relations, coordinated events and social media outreach. **Community-based outreach:** The consumer outreach program consisted of an outreach and education grant program, supporting more than 250 local groups to do community-based outreach; a community outreach network of uncompensated partners to bolster outreach efforts; partnerships with elected officials, counties and cities; state agencies; community and grassroots organizations such as faith-based, labor, retail and health care organizations; and insurance agents and other in-person assistance programs aimed at directly assisting consumers in accessing and enrolling in coverage.

Covered California conducted ongoing research and continued to make course corrections throughout the open-enrollment period, including adding to community-level support and local coordination and reallocating media resources among different channels. As enrollment data identified potential enrollment opportunities, Covered California was able to refocus resources and approaches to reach ethnic and target populations in regions that appeared to have relatively lower enrollment — such as the Central Valley, the Inland Empire and parts of Los Angeles. A broad array of local community organizations, grantees, counties, assisters and Certified Insurance Agents were effective and vital partners in outreach and education activities.

### EFFECTIVE ELIGIBILITY AND ENROLLMENT SUPPORT

Covered California met and exceeded the independent projections of likely enrollment. Despite the state's laudable successes, the unavoidable dual track of building a comprehensive enrollment system to serve millions of Californians seeking health coverage in the new marketplace, while simultaneously having to execute real-time enrollment, created challenges for

consumers trying to enroll and for partners responsible for enrollment support. Covered California's initial vision of having a system that would support "one touch and done" enrollment, was the right goal in terms of system design, but for most consumers the enrollment reality was that they required many "touches" before completing enrollment. The inherent complexity of the eligibility and health plan selection process means that many consumers need time to be educated, consider their options and reflect on the best choice for their circumstances.

Fortunately, Covered California established multiple service channels to support the enrollment function, and consumers did in fact enroll through many different entry points — online, in person, by mail and on the phone — all relying on the Covered California website and Service Center. Enrollment was supported by traditional insurance agents, Certified Enrollment Entities and assisters, county and plan-based enrollers and other community-based partners. Each service channel offered different strengths and challenges for Covered California and for consumers. Data reveal that different service channels appealed to and successfully enrolled individuals in different ethnic subgroups. Individuals enrolling in coverage often accessed more than one service channel, and enrollments most typically resulted from multiple touches among the diverse array of service, media, marketing and outreach channels.

### LESSONS LEARNED

This report highlights crosscutting lessons learned from the first open-enrollment period. Other opportunities for improvement continue to emerge, but these lessons are being used to inform the plans for open enrollment in 2015. The lessons described in the report are described below.

- **Many consumers are new to insurance and need extensive education about health insurance terminology, how to enroll in coverage and how to use insurance.** Consumers need clear, straightforward information that explains how insurance works in plain language, without jargon. There is an ongoing need for a comprehensive, accessible, educational campaign to help answer common questions about Covered California's products and promote the value of insurance. For 2015 open enrollment, advertising messaging is attempting to explain, in first-person testimonials, that health coverage means going to the doctor and getting the care you need. In addition, Covered California's education will focus on the basics of what insurance is and how to use it.
- **Affordability means different things to different people.** Many consumers, even with financial assistance through federal subsidies, found cost to be a barrier to obtaining coverage. Future communications need to address the issue of affordability by emphasizing the value of having insurance and the financial security (protection from large medical bills) that it provides. New advertising and marketing materials include testimonials from newly insured Californians explaining that insurance is a bill they don't mind paying each month, with an emphasis on the peace of mind of having coverage and the financial security it brings for those able to purchase it.
- **Target enrollment groups have unique interests, experiences and perspectives and require tailored messaging and customizable materials.** Consumers in different age, income, gender and ethnic groups reflect different circumstances, knowledge and needs

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

for information and support. Media messaging, marketing and collateral materials, assister training, and community outreach and enrollment efforts need to address the specific needs and interests of diverse communities. Community partners, grantees, agents and enrollment counselors need simple, updated fact sheets, fliers, brochures and other materials, including customizable materials for local events and target groups. Covered California expanded its targeted support to local outreach and has developed, and will continue to develop, customizable, focused materials available to community partners and insurance agents for open enrollment in 2015.

- **Most consumers relied on a variety of touch points, including in-person assistance, to successfully complete enrollment.** Most consumers needed multiple touch points, whether pursuing self-service or an assistance pathway. They wanted to ask questions, get answers, identify the options and then consider, often in consultation with friends and family, the coverage most suitable for them. Covered California responded by shifting marketing and outreach messaging and encouraging Californians to take advantage of free, confidential, in-person assistance in local communities. More than 6,400 Certified Enrollment Counselors and more than 12,000 Certified Insurance Agents will be part of a comprehensive campaign for enrollment in 2015. Covered California will continue to encourage storefronts and other locations that can help individuals enroll over multiple visits.
- **The multi-channel marketing and media mix struck an effective balance between brand (awareness) and direct response (enrollment) and will continue to be tailored to specific target audiences.** The large number of those eligible who enrolled is the strongest indicator that the community-level outreach, marketing and media campaigns, as adjusted in real time, were successful in accomplishing the two program goals: brand awareness and enrollment. Going forward, marketing and advertising will support the community outreach campaign targeting key demographic groups and segments. Building on brand awareness, advertising will be aimed at explaining how to enroll and motivating audiences to enroll by sharing the tangible ways having health coverage is improving the lives of real people in California.
- **The volume of consumer interest and interactions online, on the phone and in person exceeded expectations and challenged all systems and service channels.** From the start of open enrollment, Covered California experienced higher-than-anticipated consumer interest at all levels, which overwhelmed the service channels and systems that were in place. Given the volume, many of the original service goals were hard to reach with existing resources. Going forward, Covered California is making substantial investments to expand Service Center and information technology capacity and will continuously reassess staffing capacity and make better use of technology to anticipate and respond to potentially high demand.
- **Educators, assisters and all service channels need effective training, ongoing support and streamlined communications to support their outreach, education and enrollment activities.** Covered California established multiple training programs and

resources for service channels and enrollment partners, but the demand for training, certification and ongoing information often surpassed the systems established. Service channels vary in training and support needs, and Covered California training programs and service channel support systems need to be robust, tailored and focused. For open enrollment, Covered California will provide frequent and regular communications and updated materials to address grantee and service channel concerns and support needs. Efforts are underway to give Certified Insurance Agents access to information in Covered California systems about their own customers so they can help meet customer needs.

- **Agents, enrollment counselors, grantees and other community partners need state and regional support and coordination.** Halfway through open enrollment, Covered California responded to enrollment opportunities and feedback from partners in communities by adding capacity to improve coordination locally. Efforts “on the ground” for open enrollment for 2015 will be coordinated even more, with coordinated communication and advertising support for more than 250 organizations, 6,400 Certified Enrollment Counselors and more than 12,000 Certified Insurance Agents.
- **Partnerships matter and are transformative.** At every stage of planning and implementation for the first open enrollment, Covered California relied on and collaborated with a multicultural and varied set of state and local partners who made the unprecedented effort possible. Covered California partners made real-time adjustments and accommodations as challenges surfaced and consistently helped in resolving and addressing those challenges. The partnerships reaffirm the power of shared commitment, collaboration and common effort. Covered California will build on, nurture and continue to expand partnerships and relationships going forward.

Overall, since the close of the 2013-2014 open-enrollment period, Covered California has been focusing on revising and enhancing the consumer experience and the customer journey for individuals seeking and enrolling in coverage in the exchange. From the communication and messaging about available coverage, to the service channels available to help consumers navigate and secure coverage, to resources and communications helping enrolled individuals understand and use their coverage, every program element has undergone review.

The 2015 open-enrollment campaign will build on the lessons learned but will reflect new challenges as it includes the first ever program to encourage those who did enroll to renew their coverage, while seeking to reach more Californians who are uninsured. Covered California and all of its partners will be pushed to test and learn in real time as the programs and strategies roll out. Covered California will build on and benefit from all of the experience and resources accrued in 2013-2014, and the lessons learned in the 2015 open enrollment will inform future enrollment and retention efforts as Covered California moves from being a “startup” to what will become the new normal for millions of Californians. Covered California will continue to engage partners and stakeholders to improve systems, techniques and overall effectiveness going forward. The first two open-enrollment periods — the first for 2014 coverage and the second Covered California is about to embark upon, which includes the efforts to retain those who enrolled — will serve as testing grounds for strategies and tactics that will be refined for the future. These two open-

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

enrollment periods are providing peace of mind and new protections to millions of Californians. The success at enrolling more Californians not only benefits each of those who enroll, but also, by covering more Californians, helps to make care more affordable for years to come.

## II. Introduction

In late 2010, following passage of the landmark federal health insurance reform the Patient Protection and Affordable Care Act (Affordable Care Act), California responded by passing the first legislation in the country establishing a state-based health insurance marketplace pursuant to the act. Since it was established, the California Health Benefit Exchange, Covered California, has been driven by an expansive vision, mission and values (see Figure 1).

### Figure 1 — Covered California Vision Mission and Values

The **VISION** of the California Health Benefit Exchange is to improve the health of all Californians by assuring their access to affordable, high quality care.

The **MISSION** of the California Health Benefit Exchange 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.

The California Exchange holds six core **VALUES**: 1) consumer-focused, 2) catalyst, 3) affordability, 4) integrity, 5) partnership, and 6) results.

Covered California made an early commitment to evidence-based decision-making and to be a learning organization willing to change and to alter strategic directions as challenges and opportunities arose. Inspired by these ideals, Covered California has been working with partners across the state for more than three years to lay the groundwork and set in motion the dramatic expansion of health coverage in the state that is now under way. Anchored in the firm belief that health insurance is a right, not a privilege, Covered California's planning and execution focuses on securing that right for Californians through its services and programs.

Covered California's first open-enrollment period, from Oct. 1, 2013, to March 31, 2014, was successful on many levels. California not only enrolled more than 3 million Californians in coverage during that time — 1.4 million in health insurance through Covered California<sup>2</sup> and more than 1.9 million in Medi-Cal<sup>3</sup> — but also became a national example of potential of the Affordable Care Act. If the vision of health reform can work in a state with the size and complexity of California, it can work throughout the nation.

Covered California never took its eye off the ball. Despite significant enrollment success in this first enrollment year, Covered California recognizes the journey of fulfilling the promise of the

<sup>2</sup> Data reflect the number of individuals who selected health plans during open enrollment. An estimated 80 to 85 percent complete enrollment and pay premiums.

<sup>3</sup> Enrollment in Medi-Cal is not subject to the time-limited open-enrollment period that applies to Covered California, so this is a point-in-time reflection of Medi-Cal enrollment, which continues to expand month to month. Of the 1.9 million Californians newly enrolled in Medi-Cal through the end of March 2014, 1.1 million entered through the Covered California Web portal, yielding referrals to county social services offices to complete Medi-Cal enrollment.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Affordable Care Act and the California marketplace is just beginning. There is still much more to do to reach eligible Californians not yet covered, to ensure that individuals and families enrolled in Covered California get the health care they need, and that those who enroll maintain their coverage with Covered California or move seamlessly to other coverage.

There is much to learn from the first open-enrollment experience, and there are opportunities for improvement in preparation for the 2015 enrollment and renewal process. From its early planning stages and first open enrollment, Covered California has valued and embraced collaboration, partnership and transparency, and the exchange will continue to do so going forward. To live up to this promise, Covered California built in to all of its activities ongoing research, testing, evaluation, stakeholder engagement and transparent public reporting of results. During the first open-enrollment period, Covered California demonstrated a willingness and ability to test, listen, learn and adjust. Covered California continuously examined accomplishments and confronted challenges and, as needed, responded with adjustments in strategy, energy and resources.

In that spirit, this report provides the Covered California Board and the public with a review of the approaches, strategies and activities Covered California implemented before and during the first historic marketplace open enrollment. Full evaluation will take time: Covered California is still a work in progress. However, this report is an early reflection on what worked well and what warrants reassessment and improvement as the second enrollment year unfolds.

This report focuses on the three pillars of California's new marketplace: affordable products; comprehensive marketing, outreach and education; and effective enrollment and retention support. Covered California will integrate and refine the lessons and suggestions outlined here, as well as suggestions received from customers, partners and stakeholders on an ongoing basis. In addition, Covered California will continue to review and analyze experiences and lessons from across the nation to improve and enhance its programs while heading into the next open-enrollment period and beyond.

### California's Unique Challenges

The Affordable Care Act presented new policy, program and communications challenges for all states and the federal government. The landmark reform called for an overhaul of the nation's health insurance system to put consumers first, and for states and the federal government to offer quality coverage, make sure coverage was accessible and affordable, and administer premium subsidies and the expansion of Medicaid (Medi-Cal in California) for millions of low-income individuals. These huge changes were also subject to intense and unprecedented time pressures.

California faced outsized challenges, making it unique among states establishing state exchanges. From the start, California focused on addressing these challenges in the design of the marketplace and in the state's approach to reaching, educating and enrolling millions of uninsured and underinsured Californians, particularly those who struggle to afford the costs of health care and coverage. Covered California was also mindful that its marketplace design and implementation would shape the broader health insurance market in California for those who

were not eligible for subsidies through the exchange, many of whom had coverage prior to the initial open enrollment.

As one of the largest states in the nation, in terms of both population and geographic reach, California’s commitment to establishing a high-quality, fully functioning state-based marketplace was a formidable undertaking. An estimated 7.1 million Californians were uninsured sometime during the year prior to the implementation of reform.

As California embarked on planning and starting up an exchange, the estimated number of Californians eligible for coverage under the Affordable Care Act was the largest in the nation. Covered California estimated that its target population in 2014 (the universe of eligible persons) was more than 5.3 million California residents: 2.6 million who qualify for subsidies in Covered California and 2.7 million who do not qualify for subsidies but are eligible for guaranteed coverage in Covered California or the outside market based on the California Simulation of Insurance Markets 1.8 described below (see Figure 2).

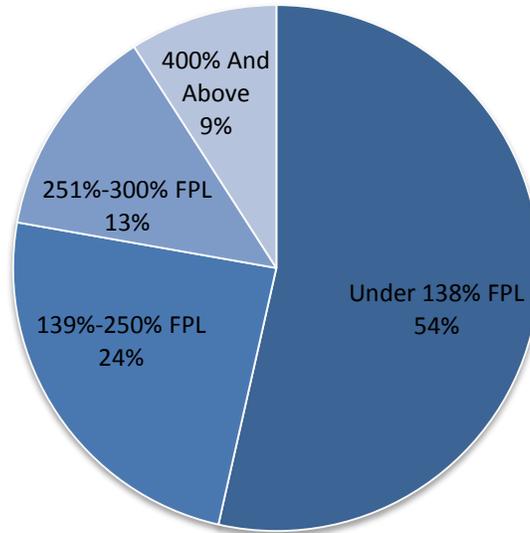
In addition, CalSIM estimated that 1.4 million Californians were newly eligible for Medi-Cal based on the Affordable Care Act Medicaid expansion, and more than two million additional Californians were eligible for Medi-Cal under pre-Affordable Care Act rules but were not enrolled. An additional one million Californians were considered ineligible for either subsidized coverage in California or full-scope Medi-Cal because of their legal status.

<b>Figure 2 — Californians Eligible for Affordable Care Act Coverage in 2014 (ages 0-64)</b>	
Eligible for premium or cost-sharing subsidies in exchange	2.6 million
Eligible for exchange with no subsidies and non-exchange individual market	2.7 million
Total exchange eligible	5.3 million
Newly eligible for Medi-Cal (Medi-Cal expansion)	1.4 million

Source: California Simulation of Insurance Markets, 1.81

Figure 3 shows the distribution of non-elderly uninsured in California by federal poverty level. California’s population, including those who are uninsured, is also more diverse than that of any other state in terms of language, culture and geography. To succeed as the new Affordable Care Act marketplace, Covered California would need to reach and enroll Californians living in both large, urban areas and remote, rural areas, spread over a vast geographic expanse that is the third largest in the country, after Alaska and Texas. California’s population reflects tremendous socioeconomic, linguistic and cultural diversity.

**Figure 3 — Distribution of the Nonelderly Uninsured in California by Federal Poverty Level, 2012**



*Source: Covered California; Kaiser Family Foundation, Distribution of Uninsured in States, 2012*

## Enrollment Projections

Given the breadth and complexity of California’s target population, Covered California was fortunate to have access to a robust data model to support its enrollment projections and program planning activities. The California Simulation of Insurance Markets (CalSIM) is a micro-simulation model designed by the Center for Health Policy Research at the University of California, Los Angeles (UCLA), and the Center for Labor Research and Education at the University of California, Berkeley.

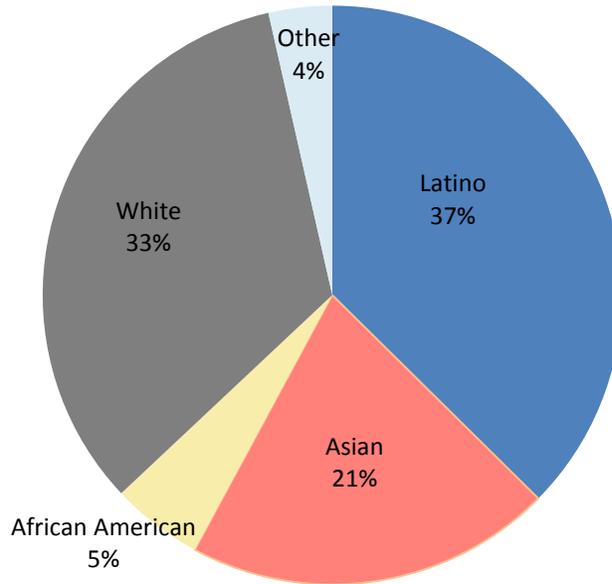
CalSIM uses a wide range of official data sources, including the California Health Interview Survey, to develop eligibility and enrollment projections by various demographic factors, including race and ethnicity, age, income and health status, among other variables. The CalSIM model can estimate the impact of various elements of the Affordable Care Act, such as the total population of Californians who are eligible for advanced premium tax credits or Medi-Cal, as well as likely exchange and Medi-Cal take-up rates. The CalSIM model yields a projected range of potential eligible individuals, with a “base” enrollment estimate, reflecting “most likely” assumptions about individual and employer behavior, and an “enhanced” enrollment projection at the higher end, based on more aggressive assumptions about individual and employer behavior.

The CalSIM model has undergone multiple iterations as new data become available. In May 2014, two months after the close of the first open-enrollment period, the CalSIM team released

version 1.91. The updated model shows yearly enrollment projections through 2019 and includes estimated distributions of eligible enrollees by race and ethnicity, age, gender, income and sources of coverage before the Affordable Care Act, as well as the number of limited-English-proficient eligible individuals. CalSIM version 1.91 provided updated totals for the subsidy-eligible population, as well as a revised racial and ethnic composition of the subsidy-eligible population. Covered California began using the revised estimates shortly after its publication.

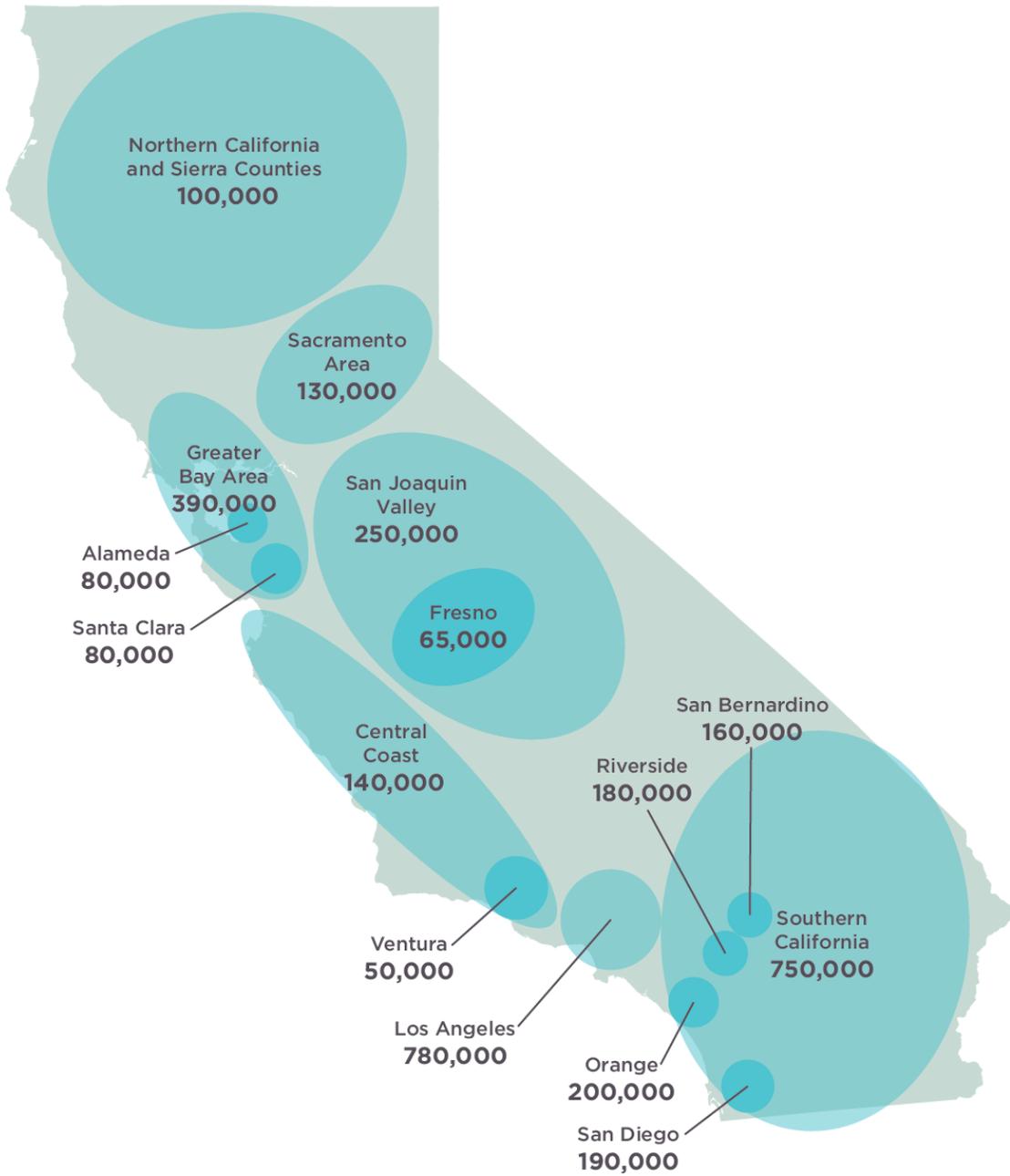
Figure 4 shows the racial and ethnic distribution of Californians who qualify for financial assistance through Covered California, as updated in the CalSIM version 1.91 estimates published in May 2014. Figure 5 shows the geographic reach of the exchange-eligible population.

**Figure 4 — Race and Ethnicity of Individuals Eligible for Covered California Subsidies**



Source: Covered California, CalSIM version 1.91

Figure 5 — Number of Californians Eligible for Covered California Subsidies, by Region



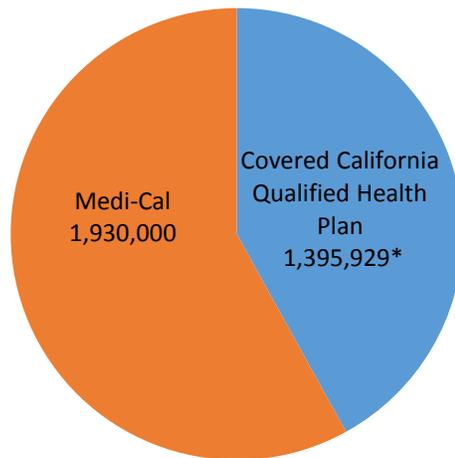
Source: Covered California, based on data from CalSIM version 1.8 and the U.S. Census Bureau.

Initially, California used CalSIM version 1.8 projections as early enrollment benchmarks.

- **By the end of the first open-enrollment period:** Enrollment of 580,000 Californians in subsidized and non-subsidized coverage in Covered California.
- **By the end of 2014:** Enrollment of 970,000 Californians in subsidized and non-subsidized coverage and 480,000 Californians newly eligible for Medi-Cal coverage.
- **By the end of 2015:** Enrollment of 1.3 million Californians in subsidized and non-subsidized coverage and 560,000 Californians newly eligible for Medi-Cal coverage.
- **By the end of 2016:** Enrollment of 1.6 million Californians in subsidized and non-subsidized coverage and 630,000 Californians newly eligible for Medi-Cal coverage.

By the end of the first open-enrollment period, California had already exceeded the 2014 year-end base projection of 970,000 newly covered individuals. By April 2014, more than 3 million Californians enrolled in Covered California and Medi-Cal combined — 1.4 million in the exchange, including 1.2 million in subsidized coverage (88 percent) (see Figures 6 and 7) and approximately 1.9 million enrolled in Medi-Cal. Of those enrolled in Medi-Cal, 1.1 million accessed the Covered California Web portal, which triggered referral to local county social services staff to process and complete the Medi-Cal application. The final enrollment numbers also exceeded all the base CalSIM projections for race, ethnicity and age.

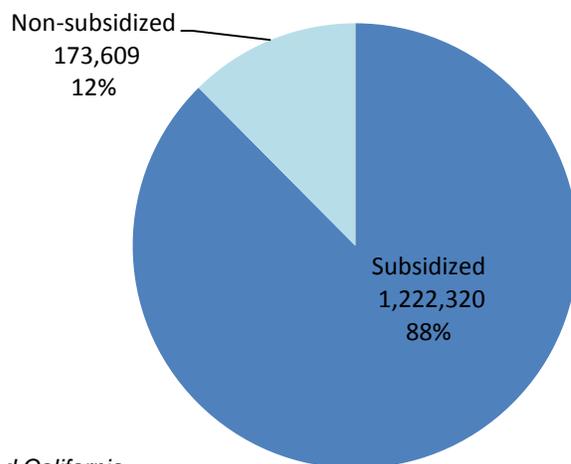
**Figure 6 — Enrollment in Covered California and Medi-Cal, as of April 2014**



Source: Covered California

\* Reflects the number who selected health plans. Approximately 80-85 percent complete enrollment and pay premiums.

**Figure 7 — Covered California Enrollment, as of April 2014  
Subsidized and Non-Subsidized**



Source: Covered California

## Core Principles

Today, Covered California stands with an array of trusted and hardworking partners in the privileged position of touching the lives of millions and being part of the historic expansion of health coverage. California has launched a competitive health care marketplace and Covered California gives consumers the tools to make better health coverage choices; provides the opportunity for low- and moderate-income families to afford and maintain coverage; and allows all Californians, regardless of income, to participate in a reformed and fair health insurance marketplace that does not exclude anyone based on health status.

Deeper evaluation of the first enrollment period continues. This report offers some early findings that Covered California will use to guide its work going forward. The planning and execution of the first open-enrollment period reflect Covered California's commitment to the following overarching principles, which will continue to drive its efforts.

- **Leadership focused on consumers:** Consumers are at the heart of the Affordable Care Act. Although the Affordable Care Act remains controversial in some sectors, there is broad consensus that the reformed market must protect consumers and ensure they have access to quality, affordable health care. Covered California will continue to work with policymakers, state and community leaders, and stakeholders to develop, refine and implement consumer-driven policies, programs and strategies.
- **Collaboration and coordination with state and local agencies:** Covered California initiated early partnerships with state and local agencies, including the California Department of Health Care Services, the California Department of Insurance, the California Department of Managed Health Care and county social service agencies, to establish clear roles, common goals and, when applicable, shared governance approaches. These partnerships will continue to inform and support Covered California programs and services.

- **Key partner and stakeholder engagement:** Covered California actively engages with and invites regular input through multiple public forums. A diverse mix of stakeholders not only informs its decisions but also partners in supporting the implementation of the Affordable Care Act. Stakeholders include health care consumer advocates, health plans, insurance agents, chambers of commerce, technology firms, marketing and communication companies, leaders from the entertainment industry and social media, unions and labor advocacy organizations, community educators and enrollment assisters, community-based organizations, private philanthropy, academic and educational institutions, and community clinics and other health care providers. These partners have been and will continue to be on the front lines of promoting enrollment, and they remain invaluable sources of expertise, firsthand knowledge, and problem identification and resolution. Covered California's state and local partners to advance and refine Covered California messaging, programs and operations.
- **Flexibility in real time:** During the first open enrollment, Covered California remained focused on the goal of getting individuals and small businesses covered and remained nimble throughout the planning and implementation phases. This report identifies key examples of course corrections adopted as open enrollment unfolded, including, notably, substantial revisions to the marketing focus and outreach efforts aimed at California's Latino, African-American and young adult communities. For example, these modifications included new advertising materials, additional advertising buys and local partnerships, such as with a trusted community leader, civil rights icon Dolores Huerta, to expand Covered California's reach in the Latino community. Flexibility will remain Covered California's watchword.
- **Transparency and shared learning:** Covered California conducts its policy and program development in a transparent and open manner, engaging partners and stakeholders along the way to inform its work and program improvements. Public board meetings, advisory committees, other public forums and public posting of working materials, budgets and program data reinforced this transparency. Covered California publicly identifies and deliberates on its successes and challenges and relies on internal and external research and evaluation to learn and implement necessary adjustments.

The sections that follow offer an overview of the planning, implementation and execution of the initial open enrollment of Covered California for the 2014 coverage year. Through analysis of each of the three pillars — affordable products; comprehensive marketing and outreach; and effective enrollment and retention support — this report identifies successes and challenges, best practices and opportunities for improvement. Covered California maintains an unwavering commitment to continuous refinement and improvement of its programs, services and results leading into the 2014-2015 open-enrollment period.

**FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED**

### III. Offering Affordable Plans

The starting point of a successful state-based exchange is having affordable health care plans to offer that consumers find meet their coverage needs. The Covered California Board, staff, stakeholders and partners participated in a collaborative process to design and secure health coverage products for the marketplace and to provide consumers in every region of the state meaningful choice among competing affordable, high-quality coverage options.

#### Active Purchaser

The California Affordable Care Act of 2010 created California's exchange and authorized, but did not require, Covered California to be an "active purchaser." The Covered California Board embraced its role as an active purchaser and worked with staff, stakeholders, providers, health plans and regulators to develop selection criteria, solicitation procedures and contract standards to meet Covered California's mission and goals. The active purchaser approach means that the exchange selectively chooses from among competing health plans based on price, quality and consumer choice. This is in contrast to accepting and contracting with all applicant health plans that meet minimum criteria, the model used in most other states and in the federally facilitated marketplace.

As an active purchaser, Covered California selects qualified health plans for participation based on an assessment of the extent to which the products they intend to offer are in the best interests of qualified individuals and small employers coming to the exchange for coverage. The California Affordable Care Act specifically requires that Covered California set participation and selection criteria to ensure that it provides health care coverage choices that offer the "optimal combination of choice, value, quality and service."

To meet this expectation, Covered California established specific policies and expectations, including standards on the number and type of health plans to make available in each region, the plan design and rating principles, the network composition, the inclusion of essential community providers and rigorous criteria for issuer selection and qualification. Covered California developed a comprehensive qualified health plan model contract, which incorporated and clarified regulatory, service, system performance, reporting and quality standards to be met by participating qualified health plans. The final model contract reflected extensive input, feedback and public discussion with stakeholders, issuers and the board in Covered California Board meetings, written comment and its Health Plan Management Advisory Group.

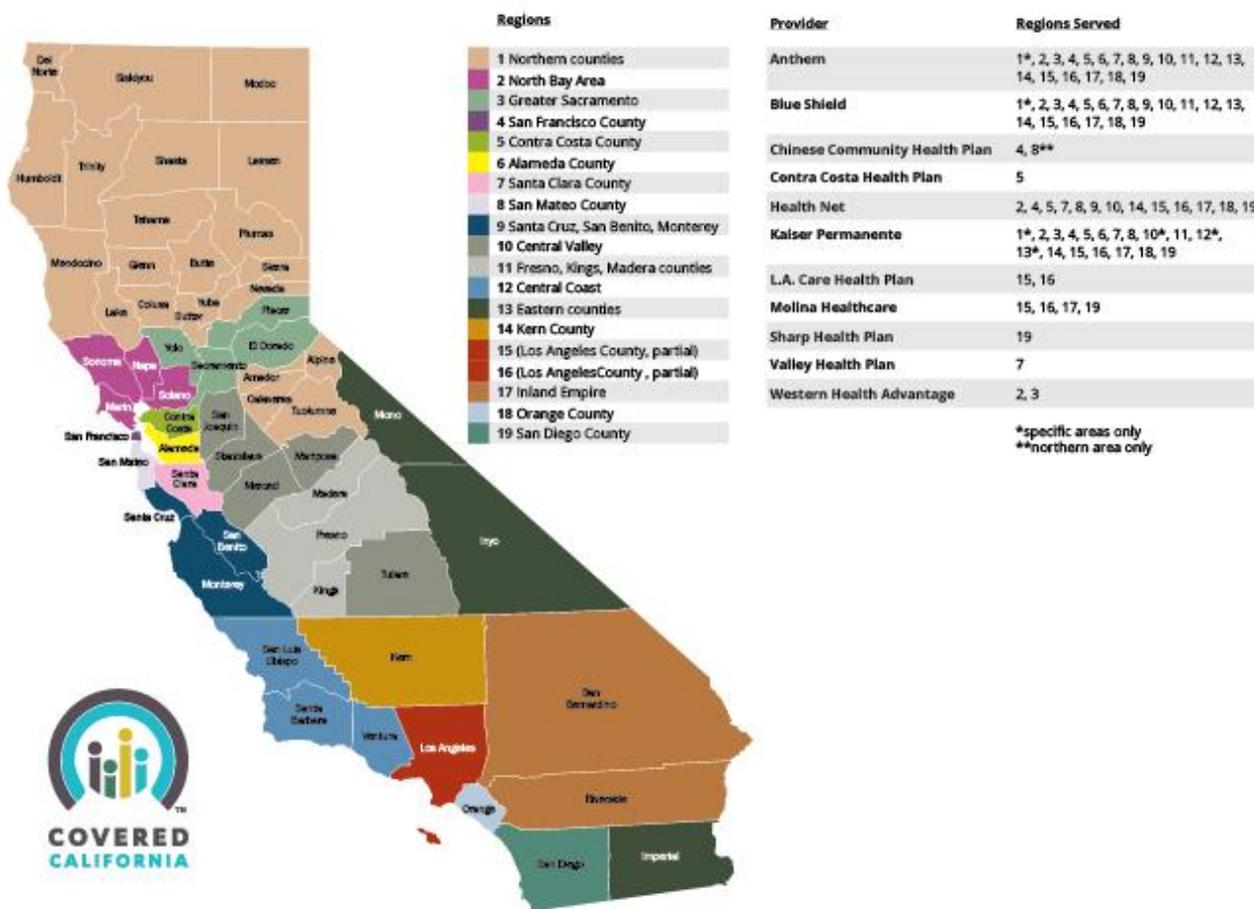
In the first solicitation process, dozens of health plans expressed potential interest in participating. During negotiations, some issuers revised proposals or lowered prices, and Covered California rejected some plans because the prices were too high or the offerings were duplicative or inadequate. Some issuers dropped out when confronted with the Covered California participation standards, including contract requirements to advance and promote its goals in care management, quality improvement, prevention and enrollee wellness, and future cost reductions. The board adopted a multi-year contracting policy encouraging plans to actively engage in the first open enrollment and cautioned that with the exception of Medi-Cal plans and new entrants to the market Covered California would not allow new issuers or product changes

FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

in 2015. During the solicitation and negotiation process, Covered California also confronted emerging and evolving federal guidelines and regulations necessitating ongoing revisions to the contract and expectations for participating plans as the process unfolded.

The Covered California negotiation team conducted face-to-face meetings with individual issuers. It reviewed offerings, and possible enhancements, to best meet consumers' needs and align with Covered California Board goals for qualified health plan selection. Covered California ultimately selected 11 issuers to serve Californians. In every county, consumers had the choice of at least two issuers, and in some of the most populous regions consumers had five or six choices. The four largest issuers in the state's individual market participated and Covered California also offered regional health plans, market leaders in specific areas, and issuers that historically served Medi-Cal populations. Figure 8 maps the product offerings by the 19 pricing regions set in state law.

**Figure 8 — Covered California Health Plan Offerings by Pricing Region, 2014 Coverage Year**



## Shaping the Health Care Market

In addition to allowing Covered California to function as an active purchaser and proactively organize the marketplace, the California Affordable Care Act positioned the exchange to shape the overall coverage market for individuals, families and small employers, inside and outside the exchange. The act authorized Covered California to standardize product offerings in the marketplace and determine what products to offer. California's implementing law also established state-specific requirements for product offerings both inside and outside the exchange, which depended in part on policy decisions to be made by Covered California.

At a minimum, state law requires issuers in California's exchange and in the off-exchange individual and small-group markets to offer products in the exchange at all five coverage levels (Bronze, Silver, Gold and Platinum [sometimes referred to as metal tiers], and minimum coverage [sometimes referred to as catastrophic]). If exchange issuers offer coverage in the non-exchange market, they must at least offer the exchange products at the same price. Issuers not participating in the exchange must offer at least one of the exchange standard benefit designs (if the exchange standardizes benefits) in each of the four metal tiers (issuers outside of the exchange cannot sell minimum coverage catastrophic, plans at all).

These state requirements mean that Covered California policy decisions have market-wide implications for individual and small-group coverage. Covered California recognized both the significant opportunities to ensure there is a level playing field for consumers and the challenges for Covered California to thoughtfully consider how its decisions would affect the coverage landscape in the state.

### STANDARD BENEFIT DESIGNS

After extensive research, analysis, stakeholder input and public deliberations, Covered California adopted standardized benefit designs across all coverage tiers. The board adopted standardized product offerings for the following reasons:

- To simplify consumers' ability to compare options and provide designs that promote access to needed care. Fundamentally, standardized benefit designs allow consumers to more easily compare coverage options on an apples-to-apples basis. Holding benefits constant promotes comparison and competition among health plans based on price, networks, quality and customer service. Covered California recognized that many consumers in the target group for coverage and eligible for subsidies may not have been recent health insurance purchasers and that it would be the first time that many Californians ever purchased individual coverage. By arming consumers with upfront, consistent information about coverage and cost-sharing options, Covered California made it easier for consumers to shop for and compare coverage offerings available in their area. In addition, Covered California specifically developed benefit designs that would encourage consumers accessing needed care and limiting their avoiding care because of out-of-pocket costs.
- To streamline the evaluation of health plan bids. In addition to the benefits to consumers, standardized designs allowed Covered California to more easily evaluate proposed product offerings and premium prices among issuers seeking to participate in Covered California.

**FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED**

- To reduce opportunities for risk selection. In addition, standardized benefits align with a central goal of the Affordable Care Act: to shift market competition among issuers to comparisons of quality, cost and service, which reduces incentives in the pre-reform market for issuers to manage risks by employing strategies to enroll lower-risk, low-cost consumers. Prior to the Affordable Care Act, issuers could refuse to cover individuals with pre-existing conditions or health issues and could tailor products and related marketing tactics to maximize the enrollment of healthier consumers.

Working with contracted actuaries, health plans and other stakeholders, Covered California identified a starting point benchmark plan for standardizing benefits. The team incorporated state and federal coverage requirements, including the requirement starting in 2014 for all individual and small-group issuers to cover a minimum set of essential health benefits defined in federal and state law. In each coverage level, Covered California designed both copayment and coinsurance plans. In copayment plans, consumers primarily pay fixed dollar amounts at the point of service for contracted providers. In coinsurance plans, consumer cost-sharing for some services is based on a percentage of the issuer’s negotiated rate for services provided by contracted providers. Figure 9 shows consumer cost-sharing and out-of-pocket maximums for 2014 in each the four metal tiers for specific benefits in selected standard plans.

<b>Figure 9 — Covered California Standard Benefit Designs, 2014 Cost Sharing by Coverage Level (Metal Tier), Selected Benefits</b>				
<b>Benefit Category</b>	<b>Bronze</b> Covers <b>60%</b> of average annual cost	<b>Silver</b> Covers <b>70%</b> of average annual cost	<b>Gold</b> Covers <b>80%</b> of average annual cost	<b>Platinum</b> Covers <b>90%</b> of average annual cost
Preventive Care Copay*	No cost	No cost	No cost	No cost
Primary Care Visit Copay	\$60 for 3 visits	\$45	\$30	\$20
Specialty Care Visit Copay	\$70	\$65	\$50	\$40
Urgent Care Visit Copay	\$120	\$90	\$60	\$40
Emergency Room Copay	\$300	\$250	\$250	\$150
Lab Testing Copay	30%	\$45	\$30	\$20
X-Ray Copay	30%	\$65	\$50	\$40
Generic Medicine Copay	\$19 or less	\$19 or less	\$19 or less	\$5 or less
Annual Out-of-Pocket Maximum Individual and Family	\$6,350 individual and \$12,700 family	\$6,350 individual and \$12,700 family	\$6,350 individual and \$12,700 family	\$4,000 individual and \$8,000 family

Source: Covered California

\*In most situations, this is true for one visit per year.

Covered California standard benefit designs included coverage plans referred to as “Enhanced Silver” plans, with lower consumer cost-sharing for those individuals and families who meet the specific income eligibility levels for the reductions outlined in the Affordable Care Act. Figure 10 shows the copayments and deductibles in each Enhanced Silver plan, by income level, for selected health care services.

Covered California obtained extensive feedback from regulators and stakeholders on the benefit designs and worked with the federal actuarial value calculator to define products consistent with the coverage levels (metal tiers) in the Affordable Care Act. Coverage tiers are based on actuarial value, the percentage of benefits covered by the issuer compared with the portion paid by the consumer in the form of copayments, coinsurance and deductibles.

<b>Figure 10 — Standard Benefit Designs — Enhanced Silver Plans Reduced Cost-Sharing Levels, by Income Eligibility</b>			
<b>Coverage Category</b>	<b>Enhanced Silver 94</b> Covers 94% of average annual cost	<b>Enhanced Silver 87</b> Covers 87% of average annual cost	<b>Enhanced Silver 73</b> Covers 74% of average annual cost
<b>Single Income Ranges</b>	<b>Up to \$17,235</b>	<b>\$17,236 to \$22,980</b>	<b>\$22,981 to \$28,725</b>
Annual Wellness Exam	\$0	\$0	\$0
Primary Care Visit	\$3	\$15	\$40
Specialist Visit	\$5	\$20	\$50
Laboratory Tests	\$3	\$15	\$40
X-Rays and Diagnostics	\$5	\$20	\$50
Imaging	10%	15%	20%
Generic Drugs	\$3	\$5	\$19
Annual Out-of-Pocket Maximum Individual and Family	\$2,250 individual and \$4,500 family	\$2,250 individual and \$4,500 family	\$5,200 individual and \$10,400 family

**Pediatric dental.** Under the Affordable Care Act, children's dental coverage is one of the 10 essential health benefits required for individual and small-group coverage newly offered in 2014. The inclusion of children’s dental coverage as a core essential benefit underscores the importance of good dental care and its role in children's overall health. For the 2014 coverage year, Covered California offered five stand-alone pediatric dental plans in the individual exchange and nine in the Small Business Health Options Program (SHOP) exchange. Covered California also defined standard copayments, deductibles and coinsurance amounts for children’s dental coverage. The standard dental plans included two benefit and actuarial value

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

options (based on the percentage of average costs the dental plan covers): 85 percent, which features higher premiums but lower average out-of-pocket costs; and 70 percent, a value plan with lower premiums and higher average out-of-pocket costs.

The offering of separate dental plans for 2014 raised concerns about whether families would access the coverage or be willing to pay an additional amount for it. Despite these concerns, more than 26,000 children enrolled in stand-alone dental plans through Covered California, 34 percent of the children who enrolled in health coverage during open enrollment. To improve on those results and ensure access to dental coverage for all children going forward, for the 2015 coverage year, all Covered California health plan options include pediatric dental coverage embedded in the plan designs so that all children enrolled in Covered California policies will have dental coverage.

### GOOD PRODUCTS, GOOD PRICES

Standard benefit designs drove good product development, resulting in a strong selection of health insurance plans of different coverage types, including exclusive provider organizations (EPOs), health maintenance organizations (HMOs) and preferred provider organizations (PPOs). Covered California achieved its goal of at least one HMO and one PPO and a minimum of two carriers in each region of the state. Covered California reached out to issuers previously serving primarily Medi-Cal enrollees and successfully added five issuers of individual coverage to its offerings: Chinese Community Health Plan, Contra Costa Health Plan (which will not be continuing in 2015), L.A. Care Health Plan, Molina Healthcare and Valley Health Plan.

Covered California went to market with products that offered choice and competitive pricing. There are no comparable measures by which to judge Covered California's individual premium prices in 2014. The Affordable Care Act dramatically reformed the individual market by setting a minimum level of required benefits (more like coverage for small employers) and by prohibiting issuers from denying coverage or charging higher rates for people with pre-existing health conditions. By way of illustration, Covered California achieved rates comparable to average rates charged to small employers in California before 2014, a market where benefits and coverage rules were most like the new individual market reforms. Figure 11 shows average premiums for Bronze and Silver plans across the state for a 40-year-old. What consumers actually pay varies by age, the coverage plan they choose, the region they live in and whether they are eligible for premium assistance.

<b>Figure 11 — Statewide Average Premium Rates, 2014 Coverage Year</b> (for Bronze and Silver plans across all 19 pricing regions, 40-year-old)			
	Lowest	Second-lowest	Third-lowest
Bronze	\$219	\$234	\$236
Silver	\$304	\$325	\$335

Figure 12 shows the final 2014 product offerings by county, issuer and model type.

Figure 12 — Covered California Health Plan Offerings for 2014 Coverage Year, by Pricing Region		
Region	Counties	Issuer/ Plan Type
1	Alpine, Del Norte, Siskiyou, Modoc, Lassen, Shasta, Trinity, Humboldt, Tehama, Plumas, Nevada, Sierra, Mendocino, Lake, Butte, Glenn, Sutter, Yuba, Colusa, Amador, Calaveras, Tuolumne	Anthem — PPO Blue Shield — EPO Kaiser Permanente — HMO (specific areas only)
2	Napa Sonoma Solano Marin	Anthem — PPO Blue Shield — EPO Kaiser Permanente — HMO Health Net — PPO Western Health Advantage — HMO
3	Sacramento Placer El Dorado Yolo	Anthem — PPO, HMO Blue Shield — PPO Kaiser Permanente — HMO Western Health Advantage — HMO
4	San Francisco	Anthem — EPO Blue Shield — PPO Chinese Community Health Plan — HMO Health Net — PPO Kaiser Permanente — HMO
5	Contra Costa	Anthem — PPO Blue Shield — PPO Contra Costa Health Plan — HMO Health Net — PPO Kaiser Permanente — HMO
6	Alameda	Anthem — PPO Blue Shield — EPO Kaiser Permanente — HMO
7	Santa Clara	Anthem — PPO, HMO Blue Shield — PPO Health Net — PPO Kaiser Permanente — HMO Valley Health Plan — HMO
8	San Mateo	Anthem — PPO Blue Shield — PPO Chinese Community Health Plan — HMO (northern San Mateo only) Health Net — PPO Kaiser Permanente — HMO
9	Santa Cruz Monterey San Benito	Anthem — PPO Blue Shield — EPO Health Net — PPO
10	San Joaquin, Stanislaus, Merced, Mariposa, Tulare	Anthem — PPO Blue Shield — PPO Health Net — PPO Kaiser Permanente — HMO (specific areas only)

Figure 12 — Covered California Health Plan Offerings for 2014 Coverage Year, by Pricing Region		
Region	Counties	Issuer/ Plan Type
11	Fresno Kings Madera	Anthem — PPO, HMO Blue Shield — PPO Kaiser Permanente — HMO
12	San Luis Obispo Ventura Santa Barbara	Anthem — PPO Blue Shield — PPO Kaiser Permanente — HMO (specific areas only)
13	Mono Inyo Imperial	Anthem — PPO Blue Shield — PPO Kaiser Permanente — HMO (specific areas only)
14	Kern	Anthem — PPO Blue Shield — PPO Health Net — PPO Kaiser Permanente — HMO
15	Los Angeles (partial)	Anthem — EPO, HMO Blue Shield — PPO Health Net — PPO, HMO Kaiser Permanente — HMO L.A. Care Health Plan — HMO Molina Healthcare — HMO
16	Los Angeles (partial)	Anthem — EPO, HMO Blue Shield — PPO Health Net — PPO, HMO Kaiser Permanente — HMO L.A. Care Health Plan — HMO Molina Healthcare — HMO
17	San Bernardino Riverside	Anthem — PPO, HMO Blue Shield — PPO Health Net — PPO, HMO Kaiser Permanente — HMO Molina Healthcare — HMO
18	Orange	Anthem — EPO, HMO Blue Shield — PPO Health Net — PPO, HMO Kaiser Permanente — HMO
19	San Diego	Anthem — EPO, HMO Blue Shield — PPO Health Net — PPO, HMO Kaiser Permanente — HMO Molina Healthcare — HMO Sharp Health Plan — HMO (copay), HMO (coinsurance)
<i>Source: Covered California</i>		

**GOOD PRODUCTS**

As shown in Figure 13, the largest number of Covered California consumers selected one of four plans: Anthem Blue Cross (30.5 percent), Blue Shield of California (27.3 percent), Health Net (18.9 percent) and Kaiser (17.3 percent). The remainder of consumers selected regional and

local carriers. The independent Kaiser Family Foundation found that, compared with the individual market prior to 2014, Covered California brought new competition to the individual market.

The March 2014 Kaiser Family Foundation report titled “*Sizing up Exchange Market Competition*” examined three indicators of individual market competition: the market share of the largest insurer, the number of insurers with more than 5 percent market share and an established metric for market share across insurers, known as the Herfindahl-Hirschman Index. The report found that Covered California was a more competitive marketplace than the state’s individual market was before reform. The percent market share of the largest company dropped from 47 percent in the 2012 individual market to 30 percent in Covered California, while the number of companies statewide with greater than 5 percent market share increased from three in the 2012 individual market to four after Covered California was operating.

Although it was not part of the Kaiser Family Foundation study of statewide markets, Covered California also had a profound impact on local markets. In specific regions of the state, the following five local/regional plans each achieved more than 5 percent market share: Chinese Community Health Plan, L.A. Care Health Plan, Molina Healthcare, Sharp Health Plan and Western Health Advantage.

Figure 13 — Covered California Enrollment by Health Plan as of March 31, 2014						
Issuer	Subsidy Eligible		Unsubsidized		Total	
Anthem Blue Cross of California	369,077	30.2%	55,981	32.3%	425,058	30.5%
Blue Shield of California	332,681	27.2%	48,776	28.1%	381,457	27.3%
Chinese Community Health Plan	13,381	1.1%	925	0.5%	14,306	1.0%
Contra Costa Health Plan	976	0.1%	115	0.1%	1,091	0.1%
Health Net	237,701	19.5%	26,378	15.2%	264,079	18.9%
Kaiser Permanente	210,179	17.2%	30,919	17.8%	241,098	17.3%
L.A. Care Health Plan	32,396	2.7%	5,728	3.3%	38,124	2.7%
Molina Healthcare	10,625	0.9%	1,106	0.6%	11,731	0.8%
Sharp Health Plan	10,455	0.9%	2,632	1.5%	13,087	0.9%
Valley Health Plan	1,647	0.1%	244	0.1%	1,891	0.1%
Western Health Advantage	3,202	0.3%	805	0.5%	4,007	0.3%
<b>Grand Total</b>	<b>1,222,320</b>		<b>173,609</b>		<b>1,395,929</b>	

Source: Covered California, April 2014

Figure 14 shows that the majority of enrollees, those with subsidies and those buying unsubsidized coverage, chose Bronze or Silver coverage. Individuals with subsidies overwhelmingly chose the Silver coverage level, which best matches with the premium subsidies available and offers the additional cost-sharing reductions to those eligible.

Figure 14 — Covered California Enrollment by Coverage Level (Metal Tier) as of March 31, 2014						
Coverage Level	Subsidy Eligible		Unsubsidized		Total	
Minimum Coverage	6,534	0.5%	13,160	7.6%	19,694	1.4%
Bronze	297,448	24.3%	61,880	35.6%	359,328	25.7%
Silver	809,085	66.2%	51,722	29.8%	860,807	61.7%
Gold	61,507	5.0%	21,851	12.6%	83,358	6.0%
Platinum	47,746	3.9%	24,996	14.4%	72,742	5.2%
<b>Grand Totals</b>	<b>1,222,320</b>		<b>173,609</b>		<b>1,395,929</b>	

Source: Covered California, April 2014

### TRANSITIONING THE MARKET

In the lead up to open enrollment, Covered California conducted extensive analysis and received expert and stakeholder input on policy options and decisions related to plan contracting and plan management. As one result, Covered California required, by contract, all Covered California health plans, representing the overwhelming majority of individual market carriers in the state, to terminate by the end of December 2013 any non-grandfathered individual coverage that was not fully compliant with the Affordable Care Act. The contract provision also required qualified health plans to offer, market and sell coverage to transition consumers into compliant plans. Without this requirement, health plans would have been able to continue coverage in products that may have offered fewer benefits and less coverage than the Affordable Care Act requires until the coverage renewal date, in some cases extending well into 2014, and those covered individuals would not have been part of the common risk pool for determining 2015 rates.

Informed by expert analysis from the independent actuarial firm Milliman, Covered California adopted this policy to align the inside and outside markets with an eye toward protecting consumers and stabilizing the market. Starting in January 2014, under state law, all new individual coverage must be sold on a calendar-year basis. The Covered California policy facilitated that transition. Consumers receiving notice of coverage terminations were also able to shop for new coverage from any carrier and, importantly, find out if they were eligible for assistance to reduce their premium through Covered California. If consumers did not learn about and take advantage of premium assistance, many would have risked paying rates much greater than for subsidized coverage in the exchange. Some consumers could also have ended up being subject to two out-of-pocket deductibles in one year. Covered California was also concerned that last-minute renewals to capture market share would destabilize the Covered California risk pool, yield higher rates for coverage that met the new standards and result in even higher rates for consumers converting to compliant coverage in 2014 or 2015.

Given the complexities of the transition for consumers, and the mixed messages about these conversions in the public media, Covered California worked with its health plans to make the transition as smooth as possible. Covered California provided consumers with more time to shop and sign up for coverage effective Jan. 1, 2014, allowing for selection through the final days of December 2013, with payments due Jan. 5, 2014. Notwithstanding these efforts, many consumers who had coverage prior to 2014 faced confusing changes to both their coverage and networks of available providers. Covered California established a special unit in its Service Center and a unique toll-free telephone line for specialized assistance to affected consumers. Covered California also worked with health plans to coordinate co-branded consumer notices informing consumers about their coverage options.

Covered California is continuing to assess the market impacts of its policy and program decisions, including the market transition policy, and is working with regulators, health plans, consumer advocates and researchers to evaluate those impacts. Although there are still insufficient data to evaluate the market transition to compliant products, the NORC report “Covered California Consumer Tracking Survey” released in May 2014 offers some preliminary insight. (For more about the NORC report and its findings, see section VI of this report, “Results.”) Of the nearly 2,000 Californians surveyed, 20 percent reported that they had received a cancellation or non-renewal notice, with one third reporting that the cancellation was because of the Affordable Care Act. The survey asked consumers enrolled in Covered California to assess the cost and quality of the new and old products. Of those surveyed, 48 percent perceived themselves as winners overall, 28 percent perceived themselves as losers, and 24 percent found it difficult to assess and compare the products (e.g., a plan that costs more but is better coverage vs. a plan that costs less but provides a lower level of coverage).

### PROVIDER DIRECTORIES

Covered California prioritizes providing consumers with the tools necessary to shop for and compare health plan offerings and make a selection that best meets their needs. For this reason, Covered California required all participating health plans to provide electronic versions of participating provider directories for publication and integration on the Covered California website. Covered California envisioned using that information to develop a robust online search function for consumers to select coverage with the providers of their choosing.

Covered California was disappointed to find that the data and records submitted by some health plans, representing tens of thousands of doctors, hospitals and medical centers throughout the state, had significant challenges. The data submitted contained inconsistent provider names across health plans, as well as errors and omissions, and it was difficult to keep pace with the additions and changes health plans continued to make throughout the open-enrollment process. Covered California ultimately determined it was not able to provide consumers with reliable and accurate information and removed its online provider directory tool and decided to link to each health insurance company’s online provider directory instead.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Covered California continued to advise consumers to check directly with an individual health plan to find out whether a specific provider was available in the network before selecting the plan. Covered California remains committed to developing this consumer resource and is working with regulators, health plans and provider organizations to improve the links to health plan online provider directories prior to the start of the 2014-2015 coverage year. Covered California will continually reassess its opportunity to launch an accurate, combined provider directory.

## IV. Comprehensive Marketing, Outreach and Education

Covered California recognized from its inception the enormity of the task of educating, reaching and enrolling the millions of Californians newly eligible for coverage, premium assistance and in the expanded Medi-Cal program under the Affordable Care Act. Given the complexity of health insurance generally, and the sweeping nature of the historic reforms of the health insurance market, many consumers would be challenged to understand their options and successfully navigate those options to secure coverage.

Given the state's profile, Covered California's marketing, outreach and education operation had to be anchored in and responsive to California's ethnic, cultural, regional and language diversity. Covered California adopted and implemented a comprehensive campaign to inspire and engage not only individuals and small employers, but also communities, partners and influencers to reach and motivate Californians to enroll.

### Research and Planning

Beginning in 2011, Covered California engaged in public dialogue, comprehensive planning, demographic and market research, diverse stakeholder engagement and aggressive program development to establish the marketing, outreach and education campaigns for the initial open enrollment and customer service.

Covered California engaged in early research about target audiences; careful examination of experiences with other public and private health coverage providers; and a great deal of collaboration and input from stakeholders, private foundations, health plans, experts and influencers. This intense research pointed to the need for a multichannel, multicultural marketing, outreach, education and enrollment assistance effort to ensure that uninsured and low-income Californians received the information and support they needed to access coverage. The task was to reach a diverse pool of potential enrollees in California, including many who had no previous health care coverage, and ensure they were enrolled in the right program and got coverage based on eligibility. Covered California needed aggressive outreach, public awareness and enrollment assistance programs using a wide variety of tools.

During the research phase, Covered California acknowledged the challenges of launching a new "brand" in a new consumer category, one that had already been the subject of extensive public misinformation and distortion. The initial marketing, outreach and education plan identified the following significant challenges in achieving Covered California's enrollment goals:

- **Ambitious goals** — Covered California's enrollment projections were aggressive and reflected the target of having at least 70 percent of those eligible for subsidies enrolled within five years. Covered California viewed achieving the enrollment projections as critical to keeping insurance costs down both in Covered California and in the broader market.
- **Diverse state** — California's diverse geographic, ethnic and racial profile would require a significant investment in multilingual media and community outreach to ensure reach and the communication of culturally appropriate messages, both monolingual and bilingual. As

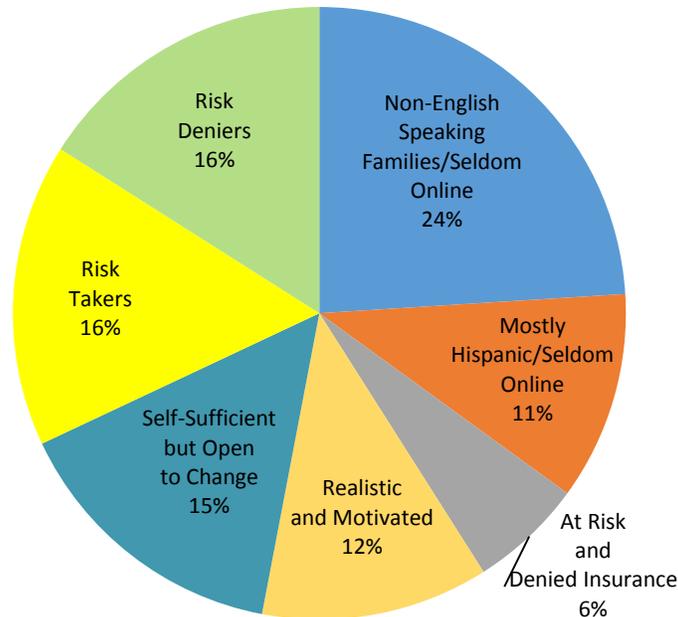
## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

a reference point, Medi-Cal uses 13 spoken and 12 written threshold languages to serve program beneficiaries. California is the largest state in terms of population and one of the biggest in terms of geographic reach. Potential Covered California enrollees live in both large, urban areas and remote, rural areas spread over a large geographic area.

- **Large and diverse media markets** — California’s uninsured and those with insurance now eligible for subsidies would also be more costly to reach than the populations of other states because of the sheer size and scope of California’s media markets. California has some of the most expensive media markets in the nation and more designated media market areas when compared with other states. For example, California is the only state with three of the nation’s top 20 Nielsen-ranked designated market areas: Los Angeles (No. 2 in the nation behind New York City), San Francisco/Oakland/San Jose and Sacramento/Stockton/Modesto. This complexity of California’s media complicates any effort to reach, educate and market new coverage options to California residents.
- **Program complexity** — Health insurance is complex. Even the most educated audiences can find terminology, acronyms and abbreviations difficult to understand (e.g., deductibles, copayments, premiums, etc.). The Affordable Care Act aimed to simplify and streamline coverage options but also introduced new terminology and programs such as the federal premium tax credits for low-income individuals and families. Health literacy was and continues to be a challenge when communicating with potential exchange enrollees.
- **Few directly comparable models** — Even with the success of the Massachusetts Connector, there was no existing model for developing a health insurance marketplace in a state the size and complexity of California. While Covered California researched best practices of other states, it was mining new territory, as well as doing what has been described as “building a car while going 70 miles per hour.”

In addition to analyzing the state’s ethnic and cultural diversity, and its media markets, the marketing planning process benefited from 2013 research conducted for Covered California by NORC at the University of Chicago. NORC stratified potential enrollees into market segments based on other characteristics and behaviors that might affect their willingness and ability to seek health insurance coverage. Figure 15 illustrates these diverse consumer profiles and estimates the proportion of eligible Californians in each consumer segment.

**Figure 15 — Covered California Eligible Population Segments by Consumer Trait**



Source: NORC, 2013

Covered California considered the NORC market segments in the development of content, messaging, advertising targeting and the training for community outreach and enrollment efforts. More explanation of each segment follows.

- **Non-English-speaking families/seldom online (24 percent)** — The largest single segment is composed primarily of non-English-speaking Latinos. These Californians do not speak or read English well and do not use the Internet.
- **Mostly Latino/seldom online (11 percent)** — This segment is also predominantly Latino but much more English proficient than the non-English-speaking segment. They speak and read English well. Most do not use the Internet or are infrequent users.
- **At risk and denied insurance (6 percent)** — This small segment is the most likely to report a chronic condition, a disability or having been denied health insurance because of a pre-existing health condition. They are most likely to be in the 55- to 64-year-old group that is likely to have difficulty getting insurance regardless of health status. The majority of this group is non-Hispanic white.
- **Realistic and motivated (12 percent)** — This segment is well educated, majority-female and Internet savvy. Latinos are the largest ethnic group.
- **Self-sufficient but open to change (15 percent)** — There are more Latinos than any other race/ethnicity in this group, which has slightly higher incomes than the “realistic and

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

motivated” segment. They also report better health and less worry about both health and money problems.

- **Risk takers (16 percent)** — The majority of this segment is white. They are well-educated, have relatively high incomes and are frequent Internet users.
- **Risk deniers (16 percent)** — This segment is mixed in terms of race/ethnicity. Along with the “risk takers,” it is the youngest of the four youth segments. Like the “risk takers,” they are well-educated, have relatively high incomes and are frequent Internet users.

Covered California engaged Ogilvy Public Relations to conduct initial market research and planning for a comprehensive marketing, outreach and education effort. The resulting plan and outline informed the state’s applications for federal Exchange Establishment Grant funding and set the stage for early staffing and program development. In the summer of 2013, Covered California added the expertise of Weber Shandwick to the staff/consulting team to refine and execute key components of the marketing and advertising campaign.

The comprehensive marketing, outreach and enrollment program, and the ongoing test-and-learn approach, continued to be informed by extensive quantitative and qualitative research prior to and during the open-enrollment process, including consumer surveys, stakeholder input and focus group testing of campaign messages in multiple languages, creative approaches and collateral materials. The two primary program elements were:

- **Marketing and media** — The marketing and advertising program consisted of paid digital and traditional advertising and direct marketing; supportive collateral materials; media relations; coordinated events; social media outreach; and partnerships with state agencies and community and grassroots organizations such as faith-based, labor, retail and health care organizations.
- **Community-based outreach** — The consumer outreach program consisted of an outreach and education grant program, which included supporting more than 250 local groups to do community-based outreach; a Community Outreach Network of uncompensated partners to bolster outreach efforts; and in-person assistance programs aimed at directly assisting consumers in accessing and enrolling in coverage.

### Marketing and Media

Covered California’s marketing strategy and media budget reflected analysis of the California market (paid media and consumer dynamics), enrollment goals and target populations, expert marketing and sales analysis and comparisons to comparable health insurance and government agency marketing initiatives. Covered California collaborated early with existing state agencies administering public coverage programs, including the California Department of Health Care Services and the Managed Risk Medical Insurance Board, to inform the development of the marketing and education efforts and to learn from prior state experiences and successes. The marketing campaign was anchored in cultural, regional and language diversity, with allocation of resources based on best practices and targeting subsidy-eligible populations.

Covered California identified two primary marketing objectives:

- **Drive brand awareness** — Focus on building the Covered California brand and explain what it is and how it can help Californians. The branding strategy emphasized multicultural relevance to reflect the state’s ethnically diverse population and to break through to key target audiences.
- **Drive enrollment** — Drive enrollment in and purchase of health insurance through Covered California, with the following commitments: test and learn through creative execution and message, evolve advertising messages in response to the market environment, and remain flexible and opportunistic throughout the open-enrollment period (and beyond).

## MESSAGING STRATEGY

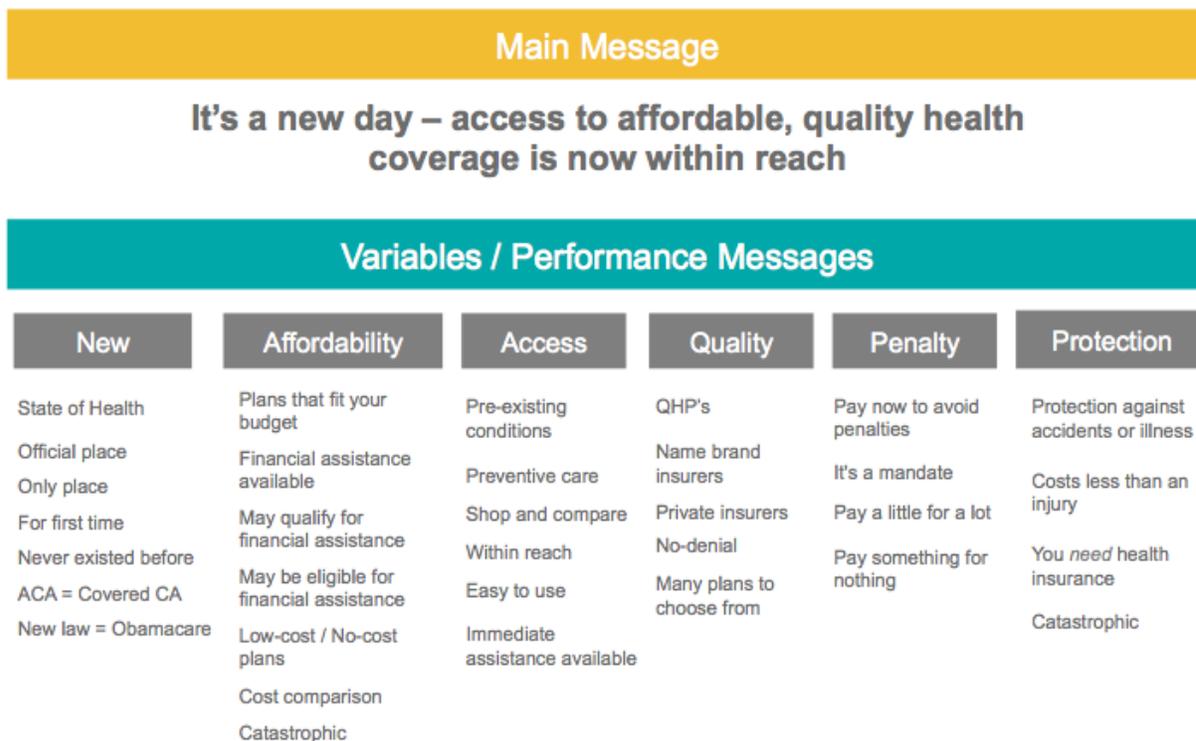
The Covered California marketing team developed a comprehensive message platform — based on the research and focus groups — to integrate all facets of marketing and advertising, including detailed variables for each element of the message, as outlined in Figure 16.

The marketing campaign rolled out in stages, to educate consumers about the new marketplace and coverage options, prove the value of coverage to potential customers and, ultimately, drive enrollment. To disseminate the core messages, the team developed a campaign design and timeline to communicate the various segments in a cohesive but distinctive way. The four stages of the campaign were “Introduce,” “Educate,” “Prove” and “Enroll”:

- **Introduce** (September 2013-December 2013) — A “welcome” campaign to build brand awareness and announce to Californians that health care was now within their reach and that they would have access to low- or no-cost health insurance.

This stage of the campaign included two creative directions: “Welcome to Covered California” and “Welcome to a New State of Health.” The campaign began with these messages in English and Spanish and involved television, radio, print, online banners, social media, search engine marketing and direct mail. Rather than just developing a translation of the English campaign elements, the design included specific development to reach the Latino community. A specific Spanish-language execution called “Doors” showed Latino Californians welcoming Covered California into their homes. By October 2013, the campaign was expanded to include Asian languages in select communities.

Figure 16 — Covered California Marketing Message Platform



Source: Covered California

- **Educate** (January 2014- March 2014) — “Welcome to Answers” was an educational platform featuring common health scenarios and designed to answer questions about Covered California products and services.

This stage of the campaign was a course correction in response to research and feedback midway through open enrollment. Focus groups and feedback identified continuing consumer confusion about coverage and enrollment. This stage included TV and an online video series, as well as digital banners, radio, social media, and direct mail in English and Spanish (2.7 million pieces) to notify Latinos in particular and subsidy-eligible Californians in general of the opportunity to access confidential, local, in-person enrollment assistance. The goal was to address concerns about immigration and confusion about how and where to get free, confidential, in-person assistance.

- **Prove** (February 2014 and ongoing) — “I’m In/Tengo un Plan” testimonials from real people offered proof that Covered California was transforming lives and validated the value of Covered California coverage benefits. These creative executions featured stories told by Covered California enrollees, many of whom had not had health insurance for some time due to various challenges in their lives.

This stage of the campaign included executions in TV; radio; digital media; magazines; newspapers; and out-of-home billboards, bus shelters and convenience store posters. In

addition to Latino audiences, the campaign included creative executions tailored to African-American, LGBT and Asian/Pacific Islander audiences and produced in multiple languages. High-impact print and digital units extended the reach, including four-color, full-page newspaper ads and several homepage and health page takeovers across online sites.

- **Enroll** — All stages of the campaign were orchestrated to work in conjunction and persuade the target groups to take action and move from a “culture of coping” to a “culture of coverage.”

## MEDIA STRATEGY

Covered California planned for its media and marketing campaign to reach California’s diverse ethnic, language and regional market segments in all 12 designated media markets of the state. The media strategy called for significant upfront and sustained investments of paid and earned media during the first open-enrollment period, across virtually all available media channels, helping Covered California reinforce and amplify the community-based outreach efforts. Based on the research and evidence, Covered California adopted a comprehensive multichannel media approach.

“Earned media” refers to the exposure and publicity Covered California gets organically across various media channels (TV, radio, print, digital) through public relations efforts conducted by Covered California, federal agencies, health plans or other partners’ promotional efforts. “Paid media” refers to the media exposure generated from buying airtime and advertising in multiple media channels, which allows Covered California to have greater control of the messaging to the public. Covered California’s paid media strategy focused on purchasing through media outlets reaching Californians primarily through the following channels and methods.

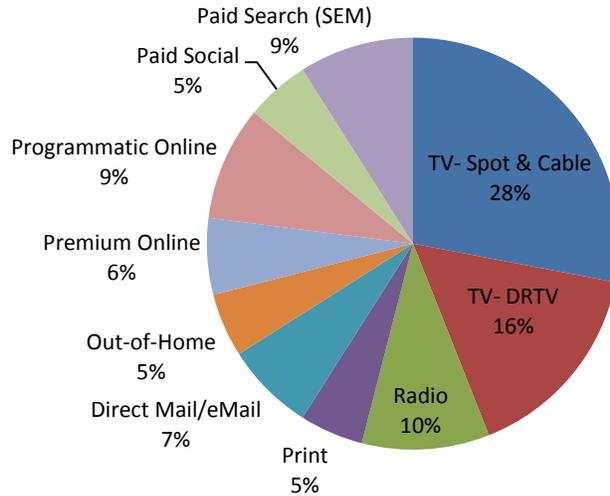
- **TV (spot and cable)** — Includes TV commercials (usually 30-second or 15-second), run on major networks or cable channels — during prime time, daytime, morning or nighttime. Covered California purchased spot and cable TV from major TV networks as well as in-language, ethnic TV stations in order to drive brand awareness by reaching audiences matched to the demographics of those who are subsidy-eligible.
- **Direct-response TV (DRTV)** — Includes TV commercials (usually 60-second or 30-second) that have strong “calls to action,” driving people to call the Covered California Service Center (using an 800 number) and visit the Covered California website. DRTV media agencies usually purchase remnant airtime from media outlets such as broadcast stations and cable networks, making the cost per unit of DRTV less than the cost of spot and cable TV. As with spot and cable TV, DRTV purchase was designed to reach Covered California’s target audiences of subsidy-eligible viewers.
- **Radio** — Includes radio commercials prerecorded or read by disc jockeys (e.g., live reads). Covered California purchased radio from large radio vendors with sizeable networks of radio stations throughout the state as well as from smaller, community-based, ethnic radio vendors. Covered California used radio to drive awareness and brand consideration and for enrollment deadline reminder messages.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

- **Print** — Includes newspapers, community/ethnic newspapers and weekly magazines. The cost per print ad varies by size, color vs. black-and-white, and day of the week. Print is a good media vehicle to drive brand awareness and brand consideration. Covered California specifically used print media to target African-American, Asian and Latino communities.
- **Direct mail/shared mail** — Includes targeted mailings based on select demographic criteria. Direct mail typically has the name/address of each individual on the mail piece, whereas shared mail is included in a package of ads from various advertisers dropped in the mail (such as Valpak). The primary purpose is to drive response, encouraging people to enroll.
- **Out-of-home** — Includes billboards, bus shelters, convenience store posters, etc. Out-of-home advertising is used as an awareness driver and is a good media vehicle to target a specific population locally.
- **Premium online** — Includes online banner ads, which can be bought from select websites that are contextually relevant to target audiences and are usually high-impact, large-sized units. The primary purpose is to drive awareness.
- **Programmatic online** — Includes online banner ads bought from major digital ad networks that have programmatic capabilities and networks of many websites to precisely target the audience using demographic targeting, geo-targeting and behavioral targeting. The primary purpose is to drive traffic to the website.
- **Paid social** — Includes promoted posts/tweets run on major social channels, such as Facebook, Twitter, Google+, etc. This complements earned social media efforts and helps strengthen the online social presence.
- **Search engine marketing (paid search)** — The primary purpose is to drive traffic to the website. Paid search includes ads bought through a process called “keyword bidding,” where advertisers determine how much to pay to own a search result for a given keyword. Advertisers only pay when there is a click to their website. The program emphasized keywords related to the Affordable Care Act, health care, health insurance and the emerging Covered California brand. Search ads with specific calls to action, such as “Sign up Now” and “Find Local Help,” were especially successful. Search engine marketing drove 3.2 million visits to CoveredCA.com, 10.2 percent of total traffic, and delivered one of the highest rates of conversion to enrollment leads (16 percent) compared with other channels.

Figure 17 shows Covered California media spending by channel for the 2013-2014 fiscal year.

**Figure 17 — Covered California Media Spending by Media Channel, July 2013-June 2014 (\$57.5 million gross media)**



Source: Covered California

## SOCIAL MEDIA

Covered California established an early, aggressive social media program for multi-segment (general market) and Spanish-speaking audiences across Facebook, Google+, Twitter and YouTube. Initially, content focused on socializing available materials on the new Covered California official site, highlighting facts about coverage options, incorporating key program messages and promoting local help and the CoveredCA.com website. Additionally, Covered California developed interactive content, including “Ask the Expert,” through which Covered California experts would engage with consumers in real time about a specific topic. Covered California also held the “Tell a Friend — Get Covered” campaign, which included the development of Web content and a live-streaming event, which targeted young adults online through informative and entertaining video content. The “Tell a Friend — Get Covered” campaign launched in January 2014 and generated substantial social media awareness, helping to turn the public dialogue from national website problems to the benefits of coverage.

Covered California also launched an aggressive acquisition program that increased the reach of quality, shared content through a program that used the power of storytelling to inform audiences with a continuous flow of engaging bit-sized visuals. Overall, social audiences across the board maintained a steady growth over the course of the open-enrollment period, with small boosts on Facebook in December 2013 and March 2014 and on Twitter in November 2013 and March

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

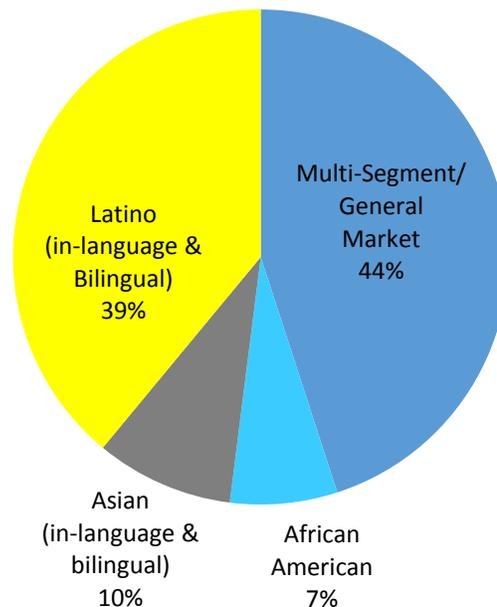
2014. By March 2014, English Facebook Likes totaled 184,888 while Twitter garnered 37,959 followers. As for Spanish social channels, Facebook likes totaled 41,076, and there were 5,767 followers on Twitter.

As with other aspects of the marketing and media program, the team adjusted the content and focus of social media in real time to respond to emerging questions, concerns and lagging enrollment in key demographics.

### MULTICULTURAL CAMPAIGNS

Covered California media and marketing campaign was organized around four distinct cultural segments which specifically complemented the extensive community outreach campaigns happening in all parts of the state. Figure 18 shows media spending by cultural segment.

**Figure 18**  
**Covered California Media Spending by Cultural Segment**  
**July 2013-June 2014: \$57.5 million gross media**



**Source: Covered California**

**Note: spending is not proportional to target populations due to variations in media cost and consumption. All cultural segments are reached in the general market.**

## GENERAL MARKET (MULTI-SEGMENT) CAMPAIGN

The general market campaign was designed to cast the widest net, reaching English-speaking, subsidy-eligible Californians of multiple ethnic or cultural backgrounds from rural areas to urban areas. In addition to “multi-segment” focus, the campaign was designed to reach the millennial population (ages 18-34) emphasizing digital media including social media, digital and mobile advertising, and paid search.

Covered California launched the multi-segment “Welcome” campaign in September 2013 as a test campaign (in English and Spanish) in San Diego, Sacramento and Chico/Redding. As open enrollment began on Oct. 1, 2013, the “Welcome” campaign was rolled out in all 12 media markets in the state. The campaign included direct-response TV (DRTV) (which asks consumers to respond directly by calling the Covered California 800 number or visiting the website), radio, online banners, social media and paid search, spot (regional) and cable TV, print, out-of-home media, and direct mail/shared mail.

In January 2014, Covered California designed and implemented the “Welcome to Answers” campaign via TV, online videos, radio and other direct-response approaches as an educational platform. Real-time research and evaluation in late 2013 revealing that many Californians remained confused about the enrollment process supported this messaging approach. This campaign featured common health scenarios and answers to common questions about Covered California’s products and services, to help consumers understand coverage options and encourage them to enroll.

In parallel with the “Welcome to Answers” campaign, Covered California launched the “I’m In” campaign to capture the emotional relief of getting health insurance. This campaign featured real people newly enrolled in coverage, many of whom were getting health insurance for the first time, telling their stories and describing the positive impacts in their lives. In mid-February, these stories began to launch on spot TV, digital media, print and out-of-home media.

## LATINO CAMPAIGN

From its inception, the Latino-directed marketing campaign covered all 12 media markets in the state, with the heaviest penetration in areas with the highest percentages of Latinos: Los Angeles, the Inland Empire, San Diego, San Francisco/Oakland, San Jose, the Central Valley and Sacramento. Coverage included both Spanish-language media and general market media outlets. Similar to the multi-segment campaign, Spanish-language ads for the “Bienvenido” (“Welcome”) campaign ran from September 2013 through December 2013 in multiple media channels such as TV, radio, print, out-of-home media, social media, paid search and direct mail/shared mail.

The Spanish version of the “Welcome to Answers” campaign, “Respuestas a Tus Preguntas,” was launched in early January 2014 via direct-response television (DRTV), online videos, and radio. Covered California also developed the “Tengo Un Plan de Salud” (“I have a health plan”) campaign, similar to the “I’m In” multi-segment effort featuring real people newly enrolled in coverage, to expand the Latino campaign via spot TV, digital media, print and out-of-home advertising.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Through a partnership between Covered California, Univision and The California Endowment, Covered California was able to promote key messages and provide information about the new health care law in Spanish-language media. This collaboration included the integration of Covered California's messaging with Univision's special news and health-focused programs, Covered California ads running on Univision's TV and radio networks in select markets, and custom online ad units developed for Univision.com. Local events included town hall events, health fairs and other relevant events hosted by Univision during this period. Covered California also hosted several enrollment events specifically focused on Latino audiences, such as Cesar Chavez Day rallies featuring Dolores Huerta, cofounder of the United Farm Workers and a respected icon in Latino communities.

After an early assessment of enrollment results in December 2013, Covered California increased its marketing campaign and paid media focused on Latinos to increase Latino enrollment. In addition to the confusion still evident among many consumers, research revealed that Latinos specifically were more interested in working with enrollment counselors and agents to get assistance with the application and health plan selection process. Covered California quickly adapted its marketing message through all advertising forums to highlight the availability of free, confidential, local, in-person enrollment assistance while calling attention to the open-enrollment deadline of March 31, 2014.

In the first quarter of 2014, the media spend for Latinos increased 73 percent compared to the last quarter of 2013, including additional Spanish-language TV, radio, digital/social media, direct mail, print and out-of-home advertising. Additionally, in order to increase its reach among English-speaking Latinos, Covered California increased its multi-segment radio spend in selected regions with high concentrations of Latinos (Los Angeles, the Inland Empire and the Central Valley). The partnership with Univision and The California Endowment helped extend the message further in Spanish-language media.

### ASIAN CAMPAIGN

The Covered California Asian marketing campaign reached Asian-American audiences both statewide and in specific regions with high concentrations of the population, including Los Angeles, San Francisco, Sacramento, Fresno and San Diego. From its inception, the campaign was designed to reach Asians in specific languages, including Chinese (Cantonese and Mandarin), Vietnamese, Korean and Tagalog, through select media channels such as TV, radio, print and out-of-home mediums. The campaign added digital advertising in Chinese and Korean on a statewide level and radio advertising in Hmong, Cambodian and Laotian in select markets. In addition, the campaign reached Asian-Americans through multi-segment media placements, with advertisements that featured Asian-American consumers.

Although early enrollment among Asian groups was proportionately higher than it was among Latino and African-American communities, Covered California continued to maintain a strong focus on Asian-Americans. By the first quarter of 2014, the media spend for Asian-Americans increased by 24 percent compared with the fourth quarter of 2013 and included additional TV, radio and out-of-home advertising. As part of the ground campaign (see the section "Community Based Outreach" within section IV of this report for more detail) Covered California partnered

with grantees and community-based organizations to host several local outreach, education and enrollment events in areas with high concentrations of Asian-Americans and partnered with faith-based organizations, schools and health organizations in those communities to increase Asian enrollment.

### AFRICAN-AMERICAN CAMPAIGN

Throughout open enrollment, Covered California focused on African-American audiences, especially those residing in Los Angeles, San Francisco/Oakland, Sacramento and San Diego. The African-American campaign included multiple media outlets, through spot TV, cable TV, spot radio, print, out-of-home advertising and statewide digital marketing.

After the assessment of early enrollment results in late 2013, Covered California increased paid media efforts to reach African-Americans, including print and TV advertising, including supplements in African-American publications between October 2013 and March 2014. By the first quarter of 2014, advertising purchases in African-American media increased by 35 percent compared with the last quarter of 2013. The ground campaign initiated in early 2014 (see the section “Community Based Outreach” within section IV of this report) included a renewed focus on reaching out to African-American communities. As part of that effort, Covered California hosted or participated in many local outreach, education and enrollment events, such as Martin Luther King, Jr. Day rallies and parades in Sacramento and Los Angeles. In addition, Covered California and local partners actively collaborated with faith-based organizations, schools and health organizations in African-American communities.

### PARTNERSHIPS

In all phases of marketing planning and operations, Covered California built and relied on partnerships at the state and local levels to generate awareness, relay and reinforce key messages and convert consumer interest into action.

Covered California effectively collaborated with state and federal agencies such as the California Department of Health Care Services and the California Employment Development Department to deliver educational and collateral materials to potential customers. For example, between November 2013 and March 2014, Covered California sent more than 6 million direct mail pieces to unemployment benefit recipients and 300,000 pieces to Healthy Families Program households (California’s Children’s Health Insurance Program, now part of Medi-Cal) and child support program recipients.

Covered California’s strategy of building partnerships, such as its work with The California Endowment and Univision and partnerships established through outreach and education grants, and its training of in-person assisters and agents in local communities were other essential elements in driving awareness and achieving enrollment success. These important partnerships are described in more detail in the sections later in this report about outreach and enrollment support.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

### COORDINATION WITH HEALTH PLAN MEDIA AND MARKETING

Covered California and its contracted health plans agreed to share marketing strategies, approaches, channels and any creative messages or materials produced. To facilitate timely and effective exchange and sharing of information, Covered California met regularly with health plan representatives jointly and one on one, via both webinar and in-person meetings. The ongoing communication allowed Covered California to keep health plans well-informed about marketing plans and activities and to engage in mutual learning about early experiences, challenges and program adjustments. Covered California worked with the health plans to develop marketing guidelines that detailed what information health plans should provide to Covered California, and when and how it should be submitted, as well as other guidance related to the development of health plan marketing and enrollee materials. In addition to Covered California's marketing investment, health plans invested approximately \$46 million in marketing statewide.

### MARKETING PROGRAM EVALUATION AND ADJUSTMENTS

Throughout the open-enrollment period, the marketing team measured, evaluated and adjusted the strategies, messages, media buys and media markets. Early planning, ongoing evaluation and just-in-time program and resource allocation adjustments were core elements of the 2013-2014 open-enrollment campaign.

The NORC report "Covered California Consumer Tracking Survey" released in May 2014 revealed that total awareness of Covered California increased from 12 percent in June 2013 to 79 percent by March 2014. The marketing and media campaigns reached more than 80 percent of the target audience. Direct-response media and marketing generated nearly 400,000 calls to the Covered California Service Center between September 2013 and March 2014. Digital marketing, including digital advertising, social media and search engine marketing, generated 50 percent of the traffic directly to CoveredCA.com between September 2013 and March 2014. Partnerships with other state agencies, health plan partners, media partners and grantees/stakeholders resulted in 15 percent of the referrals. Other marketing approaches (traditional awareness advertising, collateral materials supporting community outreach and public-relations activities) yielded 35 percent of the website traffic.

In January 2014, Covered California applied insights learned from real-time research. Covered California conducted consumer focus groups, consumer surveys and interviews with Certified Enrollment Entities, Certified Insurance Agents and outreach grantees. The ongoing research sharpened understanding of the target populations and reinforced that there was a lack of knowledge about health insurance among many consumers, who needed a trusted expert to walk them through the application and health insurance plan selection process. The early experiences reinforced the concept that many Californians needed in-person assistance to complete coverage applications, especially in households with complex income, demographic and immigration circumstances.

These lessons resulted in reallocations of marketing and media resources in early 2014 in ethnic and cultural segments, as previously described. In addition, Covered California decreased digital media to reallocate funds to radio and TV media, with emphasis on multicultural outlets, and print

media advertising was increased to enable additional placements in culturally specific publications.

In an effort to incorporate research insights into the messaging and support Certified Enrollment Counselors and Certified Insurance Agents, both the “Welcome to Answers” and “I’m In” and “Tengo un Plan” materials and messages in all media introduced the idea of finding “local help” as the call to action. Over time, the call to action in the ads evolved from “find local help or call the Service Center to enroll” to “go to CoveredCA.com to find local help” and then to “find free, confidential, local help” — directing consumers to Certified Insurance Agents and Certified Enrollment Counselors. By providing a clearer roadmap for how to find help, and developing local directories of in-person assistance available in communities, Covered California shifted the focus from encouraging phone calls to getting consumers the local in-person assistance they needed to facilitate enrollment. In addition, the marketing team developed shorter, simpler fliers and fact sheets (many with English on one side and Spanish on the other) to be used by agents, assisters and outreach teams based on their feedback about early collateral materials.

Focus groups in February 2014 also revealed that many people planned to wait until the last moment to enroll. As a result, Covered California’s messaging during the first two weeks of March urged Californians to enroll then to avoid the crowds for the final two weeks. Covered California anticipated high call volumes during the last two weeks of March even without any promotion, so the team tapered off the direct-response advertising during this period, as Covered California emphasized operational productivity to complete and process enrollments.

### Community-Based Outreach

From the beginning, Covered California emphasized community mobilization and grassroots education and outreach as essential elements in reaching eligible Californians to educate them about the Affordable Care Act and introduce the coverage options available through Covered California. Local grantees and partners provided education and outreach in many different languages in all 58 counties.

Covered California consumer outreach had three main program elements: the Outreach and Education Program grants, the Community Outreach Network and a regional ground campaign developed in early 2014 as a course correction to bolster enrollments in key geographic and demographic areas.

Individuals and groups working at the grassroots level used collateral materials designed to equip consumers with clear, easy-to-read information, to introduce consumers to Covered California.

### COLLATERAL MATERIALS

Covered California invested more than \$4 million in collateral materials (brochures, fact sheets and other sales support documents) to support outreach and education about Covered California’s products and services as well as motivate consumers to enroll.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Examples of collateral materials developed by Covered California include: a “Welcome” trifold in English, Spanish, Chinese and Vietnamese; an enrollment guide in English and Spanish; a more detailed 12-page brochure called “Changes in Health Care are Coming” in English, Spanish, Chinese and Vietnamese, with “regional inserts” providing region-specific health plan information; health insurance “frequently asked questions” (FAQs); and material specifically oriented to young adults. Feedback from grantees, assisters and consumers early in the open-enrollment period revealed that they needed additional directed materials to reach specific audience segments. Additionally, there was a desire for customizable and more personalized materials that were easier to understand. To meet these needs, Covered California developed additional materials, such as information cards (including cards targeted to millennials), fact sheets, elected official mailers, e-proposals (consumer coverage quotes) and “Paper Calculator” collateral pieces.

### OUTREACH AND EDUCATION PROGRAM

Covered California designed the Outreach and Education Program (grant program) to engage organizations with trusted and established relationships in communities representing the cultural and linguistic diversity of the state. Under the grant terms, grantees had to provide individuals and small businesses with accurate, impartial and culturally and linguistically appropriate information about Covered California and generate enrollment “leads” for connection to the Service Center and enrollment assisters.

Covered California criteria for selection of outreach grantees stressed applicant experience and capacity in reaching the target populations identified by CalSIM. Covered California awarded a total of \$40 million during two rounds of grants to nearly 50 organizations (with more than 250 subcontractor organizations) for public awareness, education and outreach campaigns aimed at consumers, small businesses and health care providers/professionals from July 2013 through December 2014 – covering the first two open-enrollment periods. Grantees included community-based organizations; faith-based groups; health care providers; government agencies; trade, labor and professional organizations; colleges, universities and schools; for-profit organizations; and American Indian tribes.

During the initial grant funding opportunity, Covered California awarded \$36.4 million to more than 250 organizations to reach individual consumers and to three organizations focused on small businesses interested in Covered California’s Small Business Health Options Program (SHOP). After the initial round of grants, Covered California conducted a thorough analysis to identify any gaps in the program. As a result, Covered California subsequently issued a request for proposals for a provider education grant program, awarding an additional \$3.1 million dollars to four organizations to educate health care professionals and, secondarily, individual consumers about Covered California and the health insurance plans offered through the marketplace.

Covered California developed a training program for outreach grantee staff, hoping to train 1,000 as Certified Educators. Demand far exceeded expectations, and to date more than 2,000 Certified Educators have completed training. In order to have a ready Certified Educator workforce, Covered California provided instructor-led training sessions from July through September 2013 and moved to online training in early October through the newly implemented

Covered California learning management system. The learning management system is a software application for the administration, documentation, tracking, reporting and delivery of Covered California's e-learning education and training programs. As it was developed, all previously trained educators received "supplemental" training to bridge the gap between versions 1.0 and 2.0 of the training curriculum. Covered California intended that most outreach grantees would also become Certified Enrollment Entities (see the section of this report titled "Eligibility and Enrollment Support"), but less than a third of the grantees actually became Certified Enrollment Entities.

In the months leading up to open enrollment in October 2013, grantees helped to create visibility and recognition of Covered California in local communities and served as early testers of training and collateral materials. Grantees struggled initially to meet the aggressive goals and timeline of the program, leading to an overall slow start in implementation. Delays in the availability of training and materials complicated the ramp-up process. Grantee-generated leads also did not produce conversions to enrollment at the levels originally projected.

Covered California engaged Richard Heath Associates (RHA) to help in the early research, design and ongoing support of the outreach and education grant program. RHA provided hands-on program support and technical assistance through field monitors that functioned as communication liaisons between Covered California and grantees. The field monitors who were selected lived in the local regions and communities in which they served, and they brought a high level of cultural competence to help grantees refine and reach target populations and tailor outreach and education messages and strategies.

The field monitors facilitated timely communication to Covered California about lessons learned, successes and challenges from the field, including identifying high-priority issues for escalation and responsive mid-course adjustments, which enabled real-time program changes and updates to be made. Field monitors made it more efficient to communicate Covered California policy changes and other relevant messaging to grantees and provided technical assistance on best practices and emerging successful strategies from other regions. The field support worked hand in hand with educators and often joined in coordinating phone banks, community events and other opportunities for greater engagement of targeted groups. This hands-on approach to responsive technical assistance also involved role-playing scenarios in the field, coaching educators, providing in-person training when a unique need surfaced and creating regional learning communities so that partners in the field could communicate and share their experiences as they were implementing the programs. The field monitors supported the coordination through in-person meetings with grantees and other stakeholders in specific regions identified by Covered California.

### OUTREACH GRANTEE HIGHLIGHTS

Outreach grantees reached 18.9 million Californians: 16.1 million individual consumers, 1.4 million business owners and 1.3 million medical professionals. This section highlights several of the innovative approaches implemented by Covered California outreach grantees.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

- **California State University (CSU) Health Insurance Education Project.** Based at CSU Los Angeles, this grant project implemented a multipronged approach to reach and educate students. It recognized that not all young adults consider themselves to be “invincible,” without need of health insurance, and that many students are concerned about their ability to afford coverage. The on-campus program emphasized peer-to-peer education in which student coordinators gave more than 1,500 classroom presentations, conducted more than 60 forums, staged 300 enrollment events and generated more than a half-million emails. During the open-enrollment period, the estimated number of uninsured CSU students dropped from 25-30 percent to 10 percent, and the estimated number of uninsured Latino students dropped from 40 percent to 13 percent, with one-third of students reporting that a family member had also signed up for coverage.
- **University of California Davis (UCD) Center for Reducing Health Disparities.** The UCD center implemented a unique and successful strategy for reaching Latino consumers through the hosting of pláticas (chats and conversations), informal one-on-one or small-group presentations. The center documented a 76 percent conversion rate to enrollment leads from the pláticas approach.
- **Los Angeles LGBT Center.** As a recognized and trusted messenger in the Los Angeles lesbian, gay, bisexual and transgender (LGBT) communities, the LGBT center worked with local partners and subcontracting organizations to develop outreach capacity at existing service sites considered safe for the community. For example, the center incorporated Covered California messaging and materials onsite at a recovery support group organized by AIDS Project Los Angeles and conducted outreach activities in conjunction with the Red Circle Project, an HIV and AIDS prevention program tailored for American Indians. The center also expanded its reach by providing sensitivity training for other enrollment entities. The initial open-enrollment period offered numerous opportunities for the center and other LGBT community resources around the country to identify promising practices in LGBT outreach, leading to a national report published by Out2Enroll, “Key Lessons for LGBT Outreach and Enrollment Under the Affordable Care Act.”
- **Vision y Compromiso.** As the primary statewide “promotora” organization, Vision y Compromiso promoted health coverage available through Covered California in communities and at local events, many of which were focused on Latino consumers. In the Bay Area, Vision y Compromiso educators were successful in providing outreach and education at the local “Farmacia Milagros de Mexico.” They conducted outreach and education at a Naturalization Ceremony held at the Los Angeles Convention Center. In the areas of San Bernardino/Riverside, Coachella, San Diego, and Orange County, the educators focused on working with families at faith-based organizations, school districts and county fairs.
- **African-American Faith-Based Organizations.** Covered California awarded grants to organizations specifically committed to engage African-American communities. Grantees included the California NAACP, the California Black Health Network and Community Health Councils, which, in turn, subcontracted with churches and faith-based organizations including the Episcopal Diocese of Los Angeles, Congregations Organized for Prophetic

Engagement (COPE), Southern California Conference AME Alliance, and Unity Fellowship Social Justice Ministries. The church-affiliated grantees worked with pastors and ministers willing to mention Covered California during church services and in some cases were able to set up regular outreach tables alongside enrollment entities on the weekends during high-traffic times. Grantees also incorporated Covered California messages into existing church programs, such as church-sponsored marriage and family counseling/support groups. COPE used community meetings held at local churches, where the focus was school engagement, and congregants they already trusted as educators were able to inform parents about the availability of affordable health care and encourage them to enroll.

- **The Actors Fund.** According to a study from the National Endowment for the Arts, California has the highest number of artists in the nation. The Actors Fund, a nationwide human services organization that assists professionals in the performing arts and entertainment industry, used regularly scheduled workshops to reach uninsured consumers at its primary location in Los Angeles. As word of the workshops spread, the fund also worked with local organizations serving Latinos to reach many Spanish speakers in the arts community.
- **Asian Americans Advancing Justice, Los Angeles.** Asian Americans Advancing Justice conducted outreach and education, including one-on-one educational sessions, through local resources already seen in the community as safe and reliable, such as libraries and temples, churches and mosques. This grantee also cosponsored a first-of-its-kind national report in 2014, “Native Hawaiian and Pacific Islanders in the United States: A Community of Contrasts,” which highlighted the diversity and complexity of these Asian populations.

## COMMUNITY OUTREACH NETWORK

The Community Outreach Network consists of uncompensated organizations interested in conducting consumer outreach and education about Covered California and coverage available under the Affordable Care Act. By the end of May 2014, 160 organizations statewide were registered as network partners.

Covered California focused on registering partners serving specific population segments, particularly those with disproportionate enrollment barriers. Sixty percent (98 out of 162) of the Community Outreach Network partners served Latino communities, including 36 percent (35 out of 98) serving communities with 50 percent or more Latino residents. The remaining network partners focused on other target populations, including African-Americans, or specialized in language services, including multiple Asian languages, Farsi, Hebrew, Dari, Pashto, Punjabi, Hindi and Russian.

The Community Outreach Network was a way to be proactive and engage organizations at strategic entry points where the target populations work, live, shop and play. Network activities supported and complemented the enrollment assistance provided by Certified Educators, Certified Enrollment Counselors and Certified Insurance Agents. Covered California provided network partners with toolkits, collateral materials, insurance plan booklets, video resources and fact sheets in 13 languages. Covered California staff held multiple webinars and conference calls to provide information to the partners and met directly with Los Angeles regional partners to

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

develop outreach and education strategies. Partners hosted, co-hosted and participated in outreach, education and enrollment events; distributed information materials and brochures; and provided contact information for and made referrals to local enrollment assistance and the Covered California enrollment website. Despite the successes, Community Outreach Network partners experienced challenges because they did not have access to the same training, materials and support made available to grantees and enrollment entities.

### ELECTED OFFICIALS AND LOCAL GOVERNMENT

Covered California worked closely with elected officials at the federal, state and local levels to raise awareness of Covered California plans and opportunities to receive financial assistance to purchase an affordable, quality health plan. Elected officials and their staffs became trusted sources for information about the Affordable Care Act and opportunities to enroll in coverage. Members of Congress and state legislators held more than 70 local events throughout the state to help educate their constituents and provide enrollment opportunities. More than 2 million informational pieces of mail were sent to inform constituents about the important changes that had been made in state and federal law. Hundreds of congressional and legislative staff members participated in regular briefings, trainings and webinars to keep up-to-date on the new laws and the enrollment process in order to provide effective assistance to constituents who had questions and needed help.

Local elected officials — mayors, city council members, county supervisors, community college district trustees and school board members — were also active in the outreach effort. Many cities, including Long Beach, Sacramento, Irvine, Seaside and West Hollywood, launched “Cover Your City” efforts to reinforce awareness about local opportunities to sign up for coverage. City and county libraries provided safe, trusted venues for enrollment counselors and agents to meet individuals who wanted to enroll. Events sponsored by local community college and school district boards also elevated visibility about health reform and the need for “young invincibles” to enroll.

### REGIONAL GROUND CAMPAIGN

Based on enrollment as of Dec. 31, 2013, and its ongoing field research and contacts, Covered California identified additional enrollment opportunities in key geographies (Los Angeles, the Central Valley and the Inland Empire) and target demographics, including Latinos and African-Americans. To address underperforming areas and populations with low enrollment, Covered California both refocused media efforts and acted quickly to implement a regional ground strategy to leverage existing resources and improve coordination and collaboration among local partners in seven regions of the state: Stockton/Modesto, Fresno, the San Fernando Valley, East San Gabriel Valley, South Los Angeles, San Bernardino and Riverside.

The regional effort involved adapting in the field to enhance coordination among trusted neighborhood resources and local partners in a way that could supplement and complement the revised marketing and advertising campaigns.

Ground efforts in Latino communities, in particular, were based on the insight that local resources are critical in reaching Latino consumers — many of whom want to access in-person assistance in their neighborhoods. Trusted community partners made a tremendous difference in engaging Latino consumers.

Regional coordinators, supported by Covered California staff in Sacramento, brought together in local communities Certified Insurance Agents, Certified Enrollment Counselors, outreach grantees, nonprofit community groups, schools and churches to coordinate local events and increase event staffing through joint planning. The regional campaign included media and communication strategies, high-profile days of action and direct mail and e-mail to reach consumers who had stopped short of completing enrollment for a variety of reasons. As one starting point, the regional strategy focused on following up with unfinished applications and customer leads that were generated but not completed to increase enrollment — particularly with Latinos, African-Americans and young adults.

Despite relatively slow enrollment levels in the first months of open enrollment in some areas and communities, by the close of open enrollment Covered California had surpassed enrollment projections for its key geographic and demographic targets. For example, subsidized Latino enrollment increased from 75,000 on Dec. 31, 2013, to more than 300,000 by the end of open enrollment, and African-American enrollment increased from 10,800 to 30,700.

It is impossible to attribute the ultimate enrollment successes directly to the ground campaign, given all of the simultaneous strategies in place. Enrollment success resulted from these simultaneous and evolving strategies, including the recognition and course correction to reach previously uninsured individuals through multiple “touches,” in contrast to the initial goal of having one touch and being done, across the marketing campaign and enrollment service channels. The late surge in enrollment also likely reflects a tendency for people to wait until the last month of open enrollment to take action. Still, based on feedback from the field and the research that has been done, it appears that the ground campaign was a significant contributor to the surge in enrollments toward the latter half of open enrollment. Covered California is planning for it to be a key ingredient of outreach and marketing planning going forward.

The ground campaign appears to have been a successful course correction, but it would have benefited from advanced planning and focused goal setting earlier in the process. The ground campaign highlighted and attempted to address the need for more effective integration of community relations, marketing, outreach and local service channels. The campaign adopted a strategy of flexibility and responsiveness doing what seemed necessary as open enrollment proceeded, but this sometimes led to role confusion for staff. As with all aspects of Covered California programs timely tracking of enrollment performance and conversion rates would have improved the program’s ability to drive decisions, allocate resources and measure effectiveness. Community leaders — local elected officials, Dolores Huerta and church-based leaders, such as those in the African-American communities — were effective agents and partners, and additional local leaders and influencers will be needed going forward.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

### DIGITAL TOOLBOX

The ground campaign, grantee and assister surveys, and feedback from diverse partners in the field highlighted a need for increased support and communications between Covered California and its outreach and enrollment partners, agents, educators, Community Outreach Network participants, county social services staff, media and local community organizations of all types. To address this need, Covered California developed an online digital toolbox (at <http://digitaltoolbox.CoveredCA.com>) with dynamic and shareable digital content, including social links, campaign videos, English and Spanish tweets and Facebook posts, training and education videos, resources, reference guides and other communication materials. Partners were able to access the toolbox and reuse, repost and retweet the content to advance and support Covered California messaging, outreach and communications.

## V. Eligibility and Enrollment Support

From the beginning, Covered California, along with state and local partners and stakeholders, set high expectations for a “no wrong door” approach to eligibility and enrollment, including smooth enrollment processes and effective information and education strategies to ensure consumers received needed information in an accurate, accessible, understandable and transparent manner. As with all aspects of Covered California operations, eligibility and enrollment support activities are subject to continuous learning and adjustment based on input from national partners, California stakeholders, ongoing research, and evaluation and measurement of enrollment experiences and outcomes.

### Enrollment Service Channels

Given the size and diversity of the eligible populations, Covered California developed multiple entry points and service channels for individuals to apply for and access coverage, including any affordability programs for which they were eligible, in the manner they chose and with enrollment assistance that would meet their needs. Figure 19 shows the overall enrollment results by service channel. The Covered California enrollment service channels are described below.

- **Self-service** includes individuals who submitted online and paper applications directly to Covered California. Many of them also had interactions with community outreach organizations, Covered California’s Service Center, Certified Insurance Agents and Certified Enrollment Counselors in local communities.
- **Certified Insurance Agents** are state-licensed agents certified by Covered California to assist consumers seeking coverage through the exchange or through Medi-Cal.
- **Certified Enrollment Counselors** are certified and trained by Covered California to assist with enrollment in coverage through Covered California and Medi-Cal and are employed by a Certified Enrollment Entity.
- **Service Center representatives** include all staff at the Covered California Service Center locations.
- **County eligibility workers** determine eligibility for Medi-Cal and other state and local coverage programs and are eligible for training to support Covered California enrollment and premium assistance eligibility.
- **Plan-based enrollers** are employed or are under contract with participating qualified health plans and help individuals who have selected a specific health insurance company to complete the application and enroll in coverage.

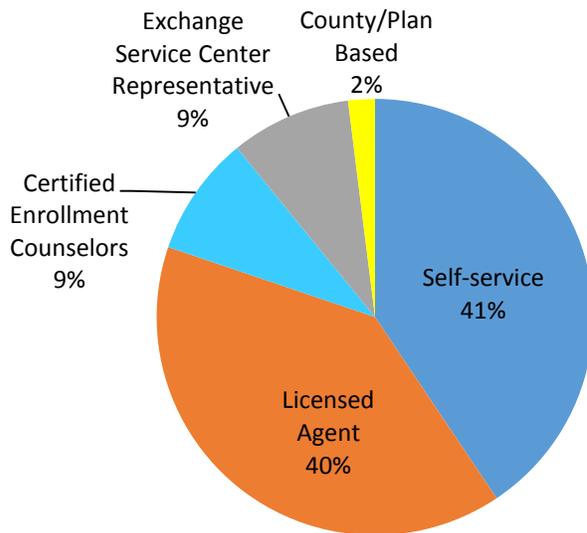
The enrollment service channels are discussed in more detail in the next sections.

#### SELF-SERVICE (MAIL APPLICATIONS OR WEBSITE ENROLLMENT)

To support consumers in being able to shop for and access coverage on their own, Covered California and the Department of Health Care Services developed an online application process

for Medi-Cal and subsidized or non-subsidized coverage through Covered California through the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS, accessible through the CoveredCA.com website) and a streamlined paper application to facilitate enrollment in person and by mail.

**Figure 19**  
**Covered California Enrollment by Service Channel, All Groups**



Source: Covered California (Totals do not add due to rounding)

### WEBSITE (COVEREDCA.COM)

The website was the engine that drove enrollment for Covered California and the expansion of Medi-Cal. The website supported enrollment from all channels and was the source of enrollment information for many who enrolled. Covered California needed a public-facing enrollment system to provide millions of consumers the ability to shop for and compare health plans, provide detailed information about health coverage options and programs, screen for public program eligibility and flag individuals for referral to counties to process Medi-Cal eligibility, facilitate health plan selection and finalize enrollments in multiple health plans.

Development of the website began in July 2012. The plan for the website included a consumer-focused design that would provide an easy, secure avenue to move a consumer from browsing to shopping. Senior staff at Covered California and the California Department of Health Care Services jointly developed and worked on the eligibility and enrollment business rules and website functionality, meeting at least monthly or as determined by project lifecycle demands to facilitate timely decision-making and design improvements. The launch timeline was initially based on a phased-in approach, with three distinct releases beginning with initial registration and shop and compare functionality in July 2013, launch of eligibility and enrollment functions by September 2013, and integration with county welfare systems by January 2014.

During all phases of the launch, the primary focus was on security and core functionality. The website conducted user-acceptance testing on all components and continually identified the

need for improvements that would enhance the consumer experience and the capability to support assisters in the enrollment process. Leading up to the website launch, Covered California focused on the consumer enrollment journey and ensuring the highest possible functionality for the start of open enrollment.

The website met its ambitious timeline for functionality — a significantly tighter timeline than is the industry standard — but with several less critical functions deferred to either later in the open-enrollment period or even subsequent to the open-enrollment period. At the start of open enrollment, the website supported eligibility and enrollment, health plan shopping and comparison, electronic verification of income through state and federal data hubs, agent and assister registration, training and certification, and related internal support and functionality. The data and reporting function was delayed to ensure customer service functionality. Given the enormous demand for data in real time, Covered California worked with the California Department of Health Care Services to leverage data across teams and is working toward full functionality of a robust Covered California data warehouse.

The website generated consumer notices both electronically and by mail for individuals participating in the online enrollment process. However, many consumers were confused when they received multiple notices and experienced delays between their online activities and the notices sent. For example, consumers who had completed enrollment, and continued to select a health plan, might subsequently receive a progress notice in the mail confirming the initial enrollment and urging them to go online and select a health plan. Through a combination of factors, there were delays in the electronic transmission and receipt of information between Covered California and the health plans, making it sometimes difficult for consumers to confirm their enrollment with the health plan they chose. These challenges highlighted the need for a thorough review of the consumer notices and timelines, which has informed the plans for 2014-2015, as well as improved consumer messaging so that they can better understand the timing for processing applications and finalizing enrollment in the health plan selected.

Traffic to the website was substantially higher than anticipated. The continued high volumes throughout the course of open enrollment necessitated intense efforts to keep the performance at a minimally acceptable level. While 90 percent of visitors saw response times of two seconds or less, 10 percent had longer response times, which affected overall consumer satisfaction. In addition, the website volume was not steady and consistent throughout open enrollment. Website use peaked on key dates, such as during the first week of open enrollment, during early December (because of individuals seeking coverage effective Jan. 1) and during the last week of open enrollment in March, which presented episodic challenges for website capacity.

Despite challenges and delays, during the course of open enrollment, the website worked for an overwhelming majority of customers the majority of the time. The website had more than 13 million visits, and the site was up 98 percent of the time, with only 2 percent unplanned down time. This included nearly five days in February when the system was offline, which was the only significant unplanned outage in the entire six-month open-enrollment period.

During the launch and rollout, Covered California engaged experts in real time — including Oracle, system partner Accenture, health plan information technology staff, and leading

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

telecommunication vendors Level 3 and CISCO — to assist with immediate system performance improvements. The website team also coordinated daily situation room meetings with experts, the California Department of Health Care Services and local county social services agencies. These meetings provided a platform to quickly identify and implement nightly system performance improvements and enhancements. Throughout the open-enrollment cycle, the team fine-tuned the consumer experience and implemented process improvements.

“Course corrections” included adding the “Apply Now” button to the Shop and Compare Tool; adding tagging to both the consumer-facing CoveredCA.com site and the enrollment website, which allowed for the gathering of analytic information to inform and improve the marketing and ground campaigns; making improvements in the landing portal and website — both the English- and Spanish-language versions — to improve consistency in tone, look and feel. The course corrections resulted in significant and measurable improvements, but Covered California continues to identify and implement improvements.

### PAPER APPLICATIONS

Covered California, in conjunction with the California Department of Health Care Services, used and refined the federal Department of Health and Human Services streamlined paper application. The federal model application collects the information necessary to conduct eligibility determinations for insurance affordability programs, including exchange subsidies and Medi-Cal. California used the federal application as its baseline model and, in addition, worked with applications in use in the Healthy Families and Medi-Cal programs. For individuals, the basic paper application developed was three pages in length; the total application, including the introductory material, privacy statement, optional questions, attachments and Frequently Asked Questions (FAQs), was 33 pages. (The online application allowed consumers to skip questions that were not relevant to them.)

Covered California and the Department of Health Care Services conducted readability and usability testing on the paper application, including one-on-one field-testing in select geographic regions and in multiple languages. Although some focus group participants found the application to be lengthy, the feedback revealed it was generally clear and its purpose was understood. Unfortunately, the final changes to the paper application that resulted from the in-depth testing and revisions were not fully incorporated in to the online application, which had to be programmed in advance of the testing. In addition, the paper applications in Spanish and Asian languages were not available until late December 2013. As open enrollment unfolded, Covered California also found that paper applications submitted were not always complete. Of the 112,911 paper applications received, approximately 10 percent were missing key information and required additional follow-up to process the enrollments.

Based on feedback from grantees and partners, it is clear that many individuals who completed enrollment using a “self-service” method also interacted with other service channels and outreach contacts to get help. For example, an individual might have first learned about Covered California at a clinic or community organization, and then accessed the website later to enroll. Some individuals initially contacted the Service Center, a Certified Enrollment Counselor or an outreach grantee, but then they followed up by directly submitting their own paper application.

## CERTIFIED INSURANCE AGENTS

Certified Insurance Agents enroll both individuals in the exchange and small-employer groups in Covered California's Small Business Health Options Program (SHOP). In order to enroll individuals and small businesses in health coverage through Covered California, agents must be licensed by the California Department of Insurance and certified by Covered California. Covered California looks to work with agents who are knowledgeable about the Affordable Care Act and the specifics of Covered California and who are willing to continue to build their knowledge base moving forward. Agents produced 40 percent of the individual enrollments for the first open-enrollment period and submitted 77 percent of SHOP enrollments.

Covered California engaged Pinnacle Claims Management to assist in supporting agents. Pinnacle is an all-inclusive third-party administrator that provides health benefit management services for self-funded employers. Covered California selected Pinnacle to provide SHOP administrative services, SHOP sales and marketing services, and agent support for both the individual exchange and SHOP.

Covered California also worked with the California Association of Health Underwriters, which represents agents in California, to solicit their feedback and assistance in working with Certified Insurance Agents. The association worked with Covered California to finalize the agent model contract, fine-tune wording in communications to agents and consumers, and identify local agents to attend Covered California events. However, early marketing materials did not adequately identify agents as a valuable and free enrollment resource. Over time, Covered California made the marketing pieces more favorable to agents, although agents still would prefer more clear communication about their availability to the public.

Certified Insurance Agent training started in early September 2013 and was quickly in a backlogged position — more agents than anticipated wanted training/certification, and not enough classes were available. Early in the process, the four-hour website training became non-mandatory, with only the eight-hour instructor-led training required. Tracking the status of classes available, appointments, testing, etc. on the learning management system did not go smoothly, because the system was inconsistent, sometimes not available and generally not user friendly. In general, the agent training/certification process was not a positive experience for many agents. It was apparent shortly after the website launch that the Certified Insurance Agent training content did not fully match the real-world experience of agents, and Covered California deployed ad hoc webinar training to adjust and augment the core certification training.

Following launch on Oct. 1, 2013, there were long hold times at the Covered California Service Center, and Certified Insurance Agents began complaining that they did not have a dedicated service unit to assist them. To address these concerns, in late 2013, Covered California expanded Pinnacle's responsibilities to include agent sales support for the individual exchange. Pinnacle added a dedicated agent support line in February 2014.

Unfortunately, hold times were also long on the Pinnacle agent support line, and early implementation challenges with the website and customer relationship management system affected Pinnacle's ability to handle inbound agent calls for the individual exchange. These

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

access issues often resulted in agents calling several times about issues that were not resolved, exacerbating the call volume and wait times. In addition, at times the Pinnacle agent support phone lines were inundated with consumer calls. Covered California allowed Certified Insurance agents, accustomed to being able to call health plan member services or health plan agent service lines, to call either the Service Center or the Pinnacle agent support line, whichever the agent preferred.

Latino enrollment increased significantly following the regional ground campaign. Covered California met with Certified Insurance Agents serving the Latino community in the second half of the open-enrollment period and found that they preferred the smaller venue and the more focused approach in those meetings. The meetings provided a forum for the agents to express their opinions and concerns about their target audience, including the need for marketing and enrollment materials in Spanish.

Certified Insurance Agents played a particularly significant role in enrolling Asians/Pacific Islanders. More than half of enrollees who identified as part of this ethnic category (54 percent) enrolled through a Certified Insurance Agent—the highest of all ethnic groups. This underlines the importance of in-person, community-focused enrollment efforts in the Asian/Pacific Islander community, as identified in the aforementioned NORC report “Covered California Consumer Tracking Survey.” The NORC data suggested that Asians had the most difficulty using the Covered California website but also had the highest exposure to campaign-based education, media and outreach activities.

Covered California sought to support the need agents have for timely and concise information when an issue arises. Pinnacle marketing staff has been exceptional with this function, often drafting, circulating for comments and releasing urgent email blasts with very little notice. Agents also have many questions and issues with the website, making it crucial to provide specific training, guides, etc. to all users, so that applications and changes can be processed efficiently. Agents also consistently requested training about Medi-Cal and about special enrollments outside the open-enrollment period.

Late in the planning for open enrollment, the Department of Health Care Services (DHCS) decided to pay Certified Insurance Agents \$58 per completed application resulting in eligibility for the Medi-Cal program. Because these payments have required reissuing contracts to all of the insurance agents, as of September 2014, those payments had not been made. Covered California will continue to work with the Department of Health Care Services to make payments to agents in the coming months and on a more regular basis.

### GENERAL AGENTS

To support enrollment in SHOP, Covered California contracted with four general agencies. General agents provide sales support for licensed agents and act on behalf of the carrier — in this case SHOP. General agents do a combination of agent back-office work and carrier enrollment work. General agents work with the agent community for a commission paid by their contracted carriers for all of the cases they submit on behalf of the agents who use them. Instead of submitting a case directly to a carrier, the agent submits it to the general agent, who reviews

and corrects the application before submitting it to the carrier. For that service, the carrier pays the general agent an “override,” or commission. About 80 percent of small-group sales are typically sold with the use of general agents. Individual agents can use a general agency or not and are not contracted with general agents, so they can work with any or all of them.

General agents have been important partners for Covered California and provided the platform for supplementing agent education and certification. The general agents also offered their assistance and conducted training classes at their own expense to help with the training backlog, which helped to significantly increase the number of Certified Insurance Agents. Covered California general agents participated in SHOP marketing efforts, but the overall participation of general agents in SHOP is somewhat less than in the traditional small-employer market.

### CERTIFIED ENROLLMENT COUNSELORS

The main purpose of the Certified Enrollment Counselor program was to recruit and register qualified entities and train their staff members as Certified Enrollment Counselors who could assist uninsured and eligible consumers to enroll in and retain health coverage through Covered California and Medi-Cal. The program built a diverse network of Certified Enrollment Entities and Certified Enrollment Counselors to assist Covered California in accomplishing its enrollment goals.

The original enrollment assistance program, referred to as the “Assisters Program,” was composed of Certified Insurance Agents, Certified Enrollment Counselors and Navigators. Prior to implementation, Covered California changed the composition of the assisters program to the in-person assistance program including Certified Enrollment Entities and Certified Enrollment Counselors. Covered California is implementing a separate Navigator Program for grants in 2014 and is allocating grant funding to qualifying entities to provide outreach, education and enrollment assistance to eligible individuals.

In eight months, Covered California built a robust and diverse statewide network of Certified Enrollment Counselors and Certified Enrollment Entities. The network represents the cultural and linguistic diversity of California to ensure service for target and hard-to-reach populations. From initial application to activation, applicants received high-touch technical assistance to complete the application and fulfill all program requirements. The program deployed an extensive application review process to ensure that only eligible entities aligning with program regulations were approved to participate.

Certified Enrollment Counselors also passed a rigorous application review process and satisfied several steps in the certification process, from training to background clearance. Extensive recruitment and technical assistance provided to these candidates guided them through to the finish line. Covered California developed a three-day training curriculum in online and in-person formats. Covered California conducted 167 instructor-led training sessions since September 2013 and trained 6,278 total individuals. To build on the existing Certified Educator network, Covered California simplified conversion training to leverage the existing training already received by Certified Educators to expedite counselor certification.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

The Certified Enrollment Counselor network continues to grow and currently has more than 6,400 active Certified Enrollment. More than the 13 Medi-Cal threshold languages are available in the network. Certified Enrollment Counselors reflect California's diversity. For example, 58 percent of Certified Enrollment Counselors speak Spanish, 3 percent speak Cantonese, 2 percent speak Mandarin, 3 percent speak Vietnamese, and 1 percent speak Korean.

Certified Enrollment Entities actively participated in local events and created new events to meet local community needs. In addition, Certified Enrollment Entities presented Covered California information and health plan options at existing meetings, conferences, classrooms and workshops to educate and inform consumers. Certified Enrollment Entities were not required to report outreach activities, and therefore data are not available on these efforts, but the entities participated in more than a hundred Covered California sponsored/initiated enrollment events and many more sponsored by other organizations.

Throughout open enrollment, weekly webinars and daily communications to the Certified Enrollment Entities/Certified Enrollment Counselors network aided in the dissemination of important program information and provided vital technical assistance and real-time program updates. This data-driven, evidenced-based check-in was central to Covered California's ability to understand and course-correct as necessary. For example, NORC research revealed that individuals who had community exposure to information about Covered California were five times as likely to enroll as those with no such exposure were.

Certified Enrollment Entities enrolled 339,000 individuals, 32 percent in Covered California and 68 percent in Medi-Cal. Enrollment in Covered California was concentrated among 150 of the 831 entities, with the top 50 entities responsible for more than 50 percent of Covered California members who enrolled through counselors. Counselors receive \$58 for enrollments and Covered California has paid out nearly \$2 million in compensation to date.

From this effort, Covered California and its assisters learned the importance of powerful individual stories and the need to tailor messages to subgroups within target communities; 48 percent of individuals assisted by Certified Enrollment Counselors were Latino. In addition, Covered California found it is important to align services at convenient times and locations for consumers and to offer consumers educational information in workshop sessions prior to the appointment with an enrollment counselor. The assisters program also identified the need to increase health literacy for individuals previously uninsured and to foster collaboration across outreach and enrollment partners so that both education and enrollment assistance can be available at sponsored local events. Service channel training may be more useful if focused on hands-on training rather than on providing policy background. Finally, assisters need multilingual, culturally relevant collateral materials and an effective lead management system that can support timely consumer follow-up.

Certified Enrollment Entities received \$58 per application that resulted in successful enrollment in a Covered California plan or eligibility for the Medi-Cal program. As of September 2014, California had paid \$3.6 million in compensation to Certified Enrollment Entities for enrollment in Covered California.

## SERVICE CENTER REPRESENTATIVES (COVERED CALIFORNIA SERVICE CENTERS)

A key component of Covered California's pledge to begin and remain consumer-centric was the development of three Service Center locations where representatives of Covered California would answer questions from the public by telephone and help with one-on-one enrollment. The three center locations (Rancho Cordova, Fresno and Concord) eventually employed nearly 600 full- and part-time workers who answered hundreds of thousands of calls from opening day through March 31, 2014. The centers remain open today, answering questions and providing support for Californians who want to enroll in Covered California.

The original Service Center in Rancho Cordova prepared for a soft launch focused on supporting general inquiry and Certified Enrollment Counselor support while building staff capacity of fully-trained resources ready for open enrollment beginning Oct. 1, 2013. Efforts to hire hundreds of front-line staff, managers and analysts needed to support Service Center operations began in January 2013. The Service Center training team was the first complete team engaged in order to ensure staff would receive comprehensive instruction on the Affordable Care Act and Covered California's role in the marketplace prior to taking consumer phone calls. The quality assurance and knowledge management staffs were hired shortly thereafter and the Service Center deputy director and other operations and back office management staff came aboard in spring 2013.

While challenged by the need to get authority to conduct background checks needed for employees having access to confidential and sensitive consumer information, the hiring effort conducted by the Service Center and human resources resulted in over 250 staff being on-boarded to support the launch once the Department received legal authority to conduct required background checks. Intensive recruitment, including an additional 320 people hired in January and February 2014, continued through March 2014 to support the surge at the close of open enrollment.

Throughout its recruitment efforts, Covered California prioritized hiring bilingual Service Center representatives. As the demand for representatives to handle the high call volumes increased, Covered California redoubled its efforts to hire staff, including bilingual staff. The growing recognition that many consumers needed multiple "touches" to complete enrollment also prompted increased recruitment and training activities to bolster bilingual staff. Covered California contracted with Language Line Solutions for all languages to allow the centers to meet service goals and to reduce delays for non-English speakers getting assistance in their native language. Covered California did succeed in directly serving many non-English speakers through Service Center staff. For example, throughout the open-enrollment period, 57 percent of Spanish speakers had their calls handled directly in-language by a Service Center representative without need of the language line. By March 2014, Service Center representatives also directly handled in-language 96 percent of Russian callers, 72 percent of Hmong callers, 81 percent Tagalog, 67 percent Korean, 57 percent Cantonese, 47 percent Vietnamese, 92 percent Arabic and 85 percent of Armenian callers.

The initial groups of newly hired staff participated in a five-week instructor-led training course starting July 2013. The length of new employee training decreased as call volumes rose and the

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

need to add staff quickly in response to demand. The Service Center training team remained nimble and made curriculum and post-classroom support changes to promote a positive consumer experience.

Covered California began taking phone calls on Aug. 19, 2013, one week ahead of schedule. Service center representatives answered consumer questions about the Affordable Care Act, the role of Covered California, when open enrollment would begin, and how affordable health coverage could provide financial security for their families. Additionally, service representatives responded to calls from Certified Enrollment Counselors with questions about training and the marketplace.

Throughout open enrollment, the Service Center made numerous operational changes to improve service to consumers and increase efficiencies. For example, the customer resolution team was created to reduce the time consumers spend on the phone with a team of Service Center representative leads available to handle difficult or lengthy phone calls. A dedicated team handling consumer chat was created in the Rancho Cordova Service Center to ensure that consistent, accurate, and helpful information was transmitted to consumers. A rapid response team representing all areas of the Service Center worked to create policies and procedures, job aids and talking points to assist staff in serving consumers professionally.

Covered California's call center received much higher call volume than expected. In addition, and very significantly, as open enrollment progressed it became abundantly clear that the vision of "one touch and done" was overly optimistic and most potential consumers needed multiple contacts in multiple venues to secure and process their enrollment. Consumers rarely completed enrollment on their first call and most needed information, answers, and time to discuss options with friends and family before enrolling and selecting a health plan. Confusing or multiple notices received during and after the enrollment process drove additional and repeat calls to the Service Center.

Call center efficiency and performance is critical to the consumer experience and establishing a viable and responsive call center was a top priority in early planning. However, the initial service level goals proved unachievable during the first open enrollment given the unanticipated call volumes actually received. The strong consumer response was positive reinforcement that millions of Californians were aware of Covered California and interested in getting coverage but the numbers put a strain on the Service Center's capacity. Answering 80 percent of calls within 30 seconds was not achievable given call volume, staffing resources, and available space. In addition, call center staff needs timely updates and training on system, operations and policy changes; comprehensive procedures and job aids; consumer-focused talking points; consistent induction and up-training, and an intuitive, user-friendly knowledge management system to access all this information. The first open enrollment highlighted that Covered California needs to continue to streamline and enhance its communications with Service Center staff and other enrollment partners.

## COUNTY ELIGIBILITY WORKERS

As part of Covered California's preparation for its first open enrollment, county eligibility workers who conduct eligibility for Medi-Cal were key partners and a critical service channel that also supported enrollments in Covered California. Covered California developed recorded webinars and training materials available through the learning management system to train county workers on Covered California and determining eligibility for premium assistance. County eligibility workers were able to study the materials online at their own pace and then take an online exam to test their knowledge and retention of the materials. Workers must pass the exam with a score of 80 percent or higher to be certified by Covered California for enrollment assistance in Covered California. As of May 2014, a total of 8,227 county staff across 58 counties completed training and passed the exam to become certified.

Training evaluations revealed that the training materials were not sufficiently tailored for county staff given that each county operates with varying processes and procedures. Responding to feedback received from county eligibility workers, Maximus, under its contract with Covered California designed and developed a prototype of the training course module, "Selecting the Right Plan." This module incorporates county feedback along with scenarios and activities to best meet the training needs of this audience. Since counties do not have a common system or uniform communication tool across the state, it was difficult to ensure that county workers received training materials timely, prior to training.

In response to the challenges, Covered California created a centralized repository allowing designated county training coordinators and county change agents to access training materials for workers' upcoming training sessions. Covered California also created a forum where county workers could pose questions related to training via email and receive real time responses. In addition, Covered California collaborated and participated in established weekly website technical county calls for both program and technical training needs to prepare county workers for open enrollment. Some county staff completed and passed the exam but their names did not appear on the county report identifying completion of training due to technical difficulties with the learning management system.

As part of the customer relationship management system, Covered California implemented the "Quick Sort Calculator," a tool that runs a calculation based on income and household composition similar to the online shop and compare tool. Quick sort indicates if a consumer is likely Medi-Cal eligible and displays the appropriate county call center for the service representative to transfer the consumer for assistance in enrolling in Medi-Cal. Covered California worked with county social service agencies to develop a transfer protocol and met regularly to identify challenges, make adjustments and improve operational effectiveness. Covered California tracked the transfers to counties to ensure consumers were successfully connected with county systems. Data consistently showed that consumers did not receive busy signals, very small numbers of calls were abandoned (e.g., .3-1.4 percent) and more than 95 percent of calls (and as high as 99 percent in some counties) met the service level standard of being answered within 30 seconds.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

### PLAN-BASED ENROLLERS

The main purpose of the plan-based enrollment program was to train employees of qualified health plans participating in Covered California so that they could assist eligible consumers to enroll in and retain coverage in the qualified health plan. Covered California identified plan-based enrollers as one service channel that would provide a direct path to coverage for consumers who had selected a health plan.

The original vision of the program was that staff from qualified health plan issuers as well as Medi-Cal managed care plans with no formal relationship to the Exchange would participate. Analysis revealed that Covered California and Department of Health Care Services would need to consider and work through potential challenges before Medi-Cal health plans could participate in an enrollment assistance program. The program adopted was limited to participating qualified health plan issuers and all qualified health plan issuers applied. As of the end of April 2014, there were more than 1,200 certified and active plan-based enrollers.

Plan-based enrollers must be employed or under contract with the qualified health plan issuer. Plan enrollers can be health insurance agents licensed by the California Department of Insurance, known as captive agents, or application assisters meeting federal requirements who must complete and pass the Exchange's fingerprinting and criminal background check process before becoming certified.

Plan enroller training began in mid-September 2013 delivered by Maximus Inc. under contract. Although the training was originally designed to be a Train-the-Trainer program, Covered California decided there was not enough time to deliver a Train-the-Trainer program before open enrollment began, so instead created an online webinar-based training program. Training was approximately 10 hours long and facilitated by a remote instructor providing support to individuals at different locations accessing the training through the internet. Webinar recordings remain available through the learning management system to the plan enroller audience to view at their convenience. An exam administered through the system was required for certification.

Two training evaluation surveys were administered to plan enrollers through the online survey tool, Survey Monkey: one conducted by Maximus, the other through The Tori Group, a Covered California contracting consultant agency. The Maximus survey, with 642 respondents found an overall positive response to the training and offered some suggestions for improvement. Respondents to The Tori Group survey indicated the training was useful, the pace was appropriate and that the training left them moderately/very prepared to perform their job function. Users liked that the training was self-paced and did not require signing up for in-person classes and or pre-scheduled webinar training.

There were some implementation challenges. The learning management system did not function as hoped and it was difficult for plan enrollers to use and launch the system. The training modules were in some cases redundant and need more detailed scenarios and examples of potential issues and individual challenges that might arise. It was also difficult to track the training process and all of the requirements for certification manually and, without a database and tracking system, errors occurred.

In addition, plan enrollers needed support from Covered California that was not initially available. The CalHEERS login page directed plan enrollers to contact the Service Center, but the Service Center was not equipped to assist plan enrollers. Covered California established a bridge line for plan enrollers, but this remained a source of confusion throughout open enrollment. Covered California learned that plan enrollers actually need their own Web portal instead of sharing access through the Certified Enrollment Counselors portal which had limited functionality and incorrectly identified plan enrollers as Certified Enrollment Counselors to consumers. This was a point of confusion for both plan enrollers and consumers. To improve communications, Covered California established a mailing list and email box dedicated to plan enrollers, which allowed for ongoing training updates on topics such as special enrollment periods, Medi-Cal eligibility and enrollment, and changes in system functionality.

### Service Channel Use by Ethnic Group

Figure 20 shows the distribution of service channel use by ethnicity.

Figure 20 — Covered California Enrollment by Service Channel, by Race/Ethnicity											
Race/ ethnicity	Self		Agent		Certified Enrollment Counselor		Service Center Rep.		County Eligibility Worker and Plan-based Enroller		Grand Totals
American Indian and/or Alaska Native	1,154	46%	685	28%	249	10%	348	14%	48	2%	2,484
Asian	74,388	33%	121,293	54%	13,116	6%	11,681	5%	2,719	1%	223,197
Black or African-American	16,860	59%	5,391	19%	2,032	7%	3,554	13%	572	2%	28,409
Latino	120,275	42%	78,336	28%	56,080	20%	22,825	8%	5,929	2%	283,445
Mixed Race	42,712	73%	9,253	16%	1,350	2%	4,702	8%	454	1%	58,471
Native Hawaiian and/or Other Pacific Islander	1,332	55%	629	26%	149	6%	221	9%	77	3%	2,408
Other	11,366	40%	12,314	43%	1,596	6%	2,867	10%	626	2%	28,769
Unknown Race/Non-Latino	13,457	35%	19,761	52%	1,163	3%	3,190	8%	479	1%	38,050
Unknown Race/Unknown Ethnicity	41,343	14%	175,883	61%	31,011	11%	34,800	12%	6,783	2%	289,820
White	215,889	58%	102,088	28%	9,738	3%	37,451	10%	4,223	1%	369,389
<b>Grand Totals</b>	<b>538,776</b>	<b>41%</b>	<b>525,633</b>	<b>40%</b>	<b>116,484</b>	<b>9%</b>	<b>121,639</b>	<b>9%</b>	<b>21,910</b>	<b>2%</b>	<b>1,324,442</b>

Source: Covered California, April 2014

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

The data in Figure 20 reveal that different service channels appeal to and successfully enroll individuals in different ethnic groups including:

- **Black/African-Americans** were most likely to enroll through a self-service channel (59 percent) and less likely to enroll through an agent (19 percent);
- **Asians** were most likely to get enrolled through an agent (54 percent) and less likely to enroll through self-service (33 percent);
- **Latinos** were likely to seek in-person assistance, enrolling through agents (28 percent), Certified Enrollment Counselors (20 percent) and county or plan-based enrollers (2 percent) and somewhat less likely to enroll through self-service (42 percent). Of the individuals enrolled by Certified Enrollment Counselors, 48 percent were Latino and 40 percent of individuals enrolled by plan-based enrollers were Latino.

## VI. Results

As this report highlights, Covered California actively tracks, monitors and assesses its programs and operations to measure success and identify improvements needed. Covered California continues to build its data analysis capacity and to work in collaboration with stakeholders, experts and researchers who are also tracking and analyzing data and outcomes on implementation of the roll-out of the Affordable Care Act in California. This section reviews some of the known data and findings as a point in time assessment of progress and a foundation for continuous quality and program improvement.

### Enrollment Profile

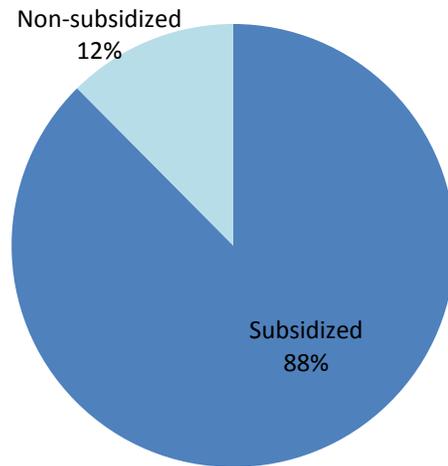
At the close of the 2014-2015 open enrollment, Covered California and Medi-Cal combined had successfully enrolled more than 3 million Californians.

In addition to Medi-Cal and Covered California, other Californians enrolled in private individual and employer coverage outside of the exchange during open enrollment. By way of illustration, in August 2014, Department of Managed Health Care reported the results of a survey of its regulated commercial health plans, which revealed that nearly 600,000 Californians had enrolled in non-grandfathered individual coverage outside of the exchange. (Comparable numbers are not yet available from the California Department of Insurance.)

Covered California recognized from the start that its efforts and the efforts of all of its partners throughout the state contribute to and build the Affordable Care Act vision of building a “culture of coverage.” Through the experience and lessons of the first open enrollment, Covered California has learned that individuals respond to community-level outreach and multiple media and outreach approaches and enroll through multiple service channels, all of which complement and reinforce the importance and the benefits of coverage, whether it is in Covered California, Medi-Cal or non-exchange private coverage.

Figure 21 reveals that the overwhelming majority of Covered California enrollees are individuals eligible for and receiving federal premium subsidies which lower the monthly premiums they have to pay.

**Figure 21 — Covered California Enrollment, as of April 2014  
Subsidized and Non-subsidized**



*Source: Covered California*

Covered California significantly exceeded CalSIM base projections for enrollment in every region of the state. Figure 22 compares Covered California enrollment as of April 15, 2014, to the six month base projection for the period ending March 31, 2014, and reveals that overall enrollment was more than 200 times the base projection as refined in CalSIM 1.91, more than 800,000 enrollees above estimated enrollment levels.

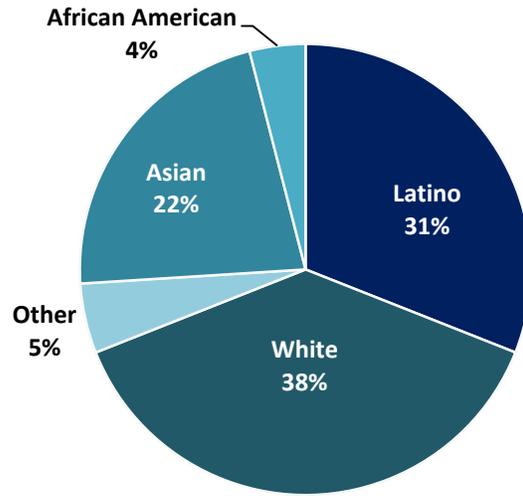
The comparison reveals that although enrollment exceeded projections in all regions, some regions such as the San Joaquin Valley, including Fresno county, had relatively lower enrollment overall despite being above projected levels. Highest enrollment levels occurred in the Greater Bay Area and Central Coast regions with the lower relative enrollment levels in the Central Valley and the Inland Empire.

<b>Figure 22 — Covered California Enrollment compared to Base Projection Selected regions and counties, as of April 15, 2014</b>				
<b>Regions</b>	<b>Base Projection for 3/31/2014</b>	<b>Total Enrolled (with plan selection)</b>	<b>Difference from base projection</b>	<b>Performance to date (percent of base projection)</b>
Northern California	22,571	51,710	29,139	229%
Greater Bay Area	89,599	289,022	199,423	323%
Sacramento	28,726	69,540	40,814	242%
San Joaquin	58,137	108,183	50,046	186%
Central Coast	32,602	95,500	62,898	293%
Los Angeles	177,602	400,889	223,287	226%
Other Southern California	170,763	381,078	210,315	223%
<b>TOTALS</b>	<b>580,000</b>	<b>1,395,929</b>	<b>815,929</b>	<b>241%</b>
<b>Specific Counties</b>				
Fresno	14,500	23,164	8,664	160%
Orange	44,392	131,804	87,412	297%
San Diego	43,054	121,900	78,846	283%
San Bernardino	35,692	53,623	17,931	150%
Riverside	40,377	69,350	28,973	172%

Source: Covered California

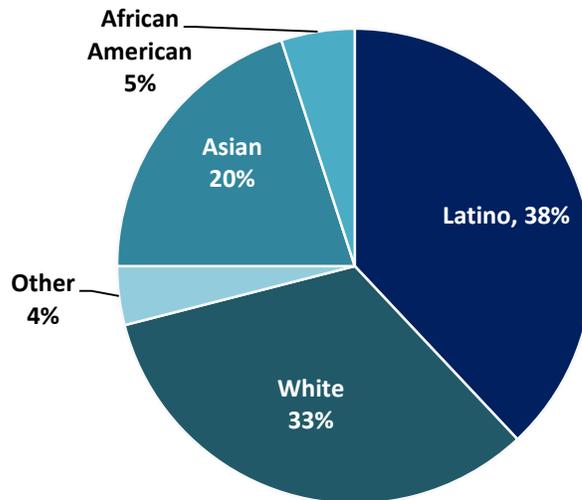
Figure 23 shows the race and ethnicity of Covered Californians receiving subsidies, and Figure 24 reveals that the relative percentages in each racial and ethnic subgroup are at or very near the proportions of each group among those estimated to be eligible for subsidies in Covered California.

**Figure 23 — Covered California Subsidized Enrollment by Race and Ethnicity as of April 15, 2014**



Source: Covered California

**Figure 24 — Estimated Subsidy Eligible Population — CalSIM 1.91**



Source: Covered California

## Kaiser Family Foundation: Where Are Californians Insured Now?

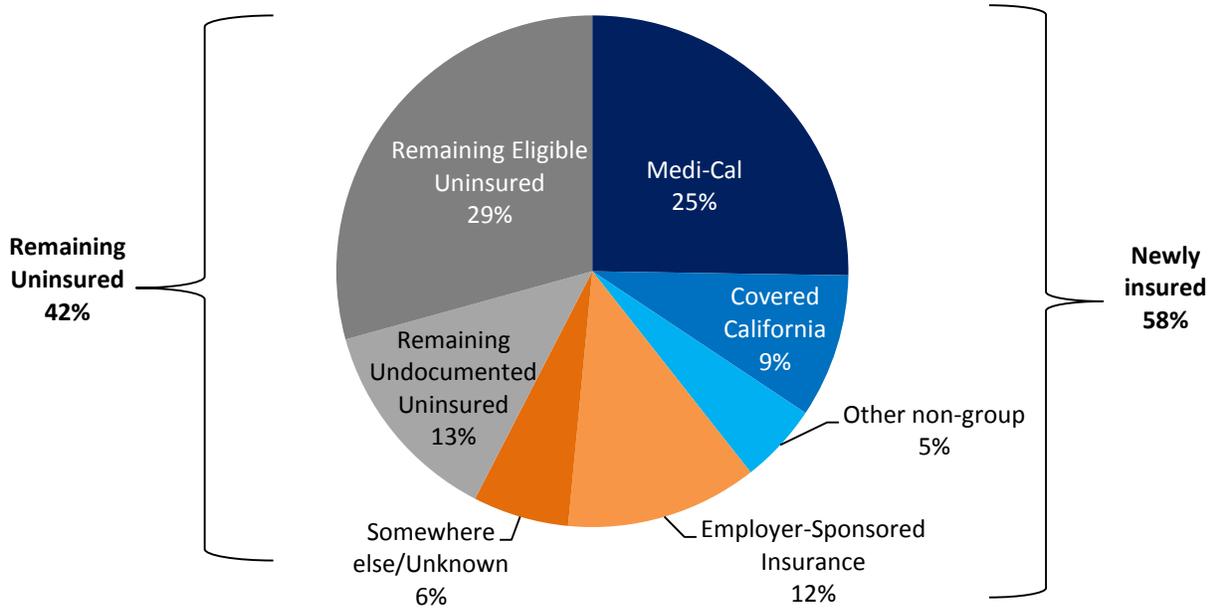
One external source for evaluation of the potential results and outcomes of the first open-enrollment period is the second wave of the Kaiser Family Foundation's Longitudinal Panel Survey released in July 2014. The Kaiser study follows the experiences of a randomly selected sample of more than 1,200 Californians who were uninsured in the summer of 2013 captured through a baseline survey at that time. The 2014 survey findings include:

- Nearly six in 10 (58 percent) previously uninsured Californians report getting health insurance since last summer, which based on estimates of the state's uninsured at the time would mean that approximately 3.4 million previously uninsured adult Californians gained coverage (see Figure 25.)
- The largest share of previously uninsured Californians gained coverage through Medi-Cal (25 percent), followed by those gaining coverage through an employer (12 percent) or Covered California (9 percent). Another 5 percent say they obtained other individual market coverage.
- The share gaining coverage was similar among whites (61 percent), blacks (62 percent) and Hispanics eligible for coverage (61 percent). Among all previously uninsured Hispanics, including those whose immigration status makes them ineligible for Medi-Cal or Covered California, half (52 percent) gained coverage (see Figure 26).
- Four in 10 residents (43 percent) with no prior insurance gained coverage. Outreach played a role in expanding coverage, as a larger share of those who report being contacted about signing up for health insurance say they gained coverage than the share among those who were not contacted (69 percent vs. 52 percent). Most of those who gained coverage from Medi-Cal or Covered California say that someone helped them to sign up (60 percent).
- When asked to name the reason why they got covered in their own words, a fifth (21 percent) of the newly insured volunteer that they were motivated by the Affordable Care Act and wanted to avoid the penalty for not having health insurance. Others say they got it because of issues with their health (17 percent), as a safeguard against emergencies and high medical bills (14 percent), or for more general health needs and preventive care (13 percent).
- Most of the newly insured say their plan is a good value for the amount they pay (73 percent) and report feeling well protected by their plan (64 percent). More say that gaining coverage has made them feel more financially secure than less secure (37 percent vs. 16 percent), though nearly half (46 percent) of those newly insured in plans other than Medi-Cal say that paying for coverage is difficult.
- The majority of the newly covered say it was easy to find the information they needed about enrolling (80 percent) and to sign up for coverage (76 percent). Confirming enrollment, however, created challenges for some enrollees. About three in ten (29 percent) of those who enrolled in Medi-Cal and about four in ten (42 percent) of those who enrolled through Covered California say this was "very" or "somewhat" difficult. Significant shares also reported it was difficult to determine if their income qualified them for assistance.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

- Among those who remain uninsured and are eligible for subsidies in Covered California, many have characteristics that will likely make them more of a challenge to insure. Among this group, 15 percent say they have never had health insurance, and another 56 percent say they have been uninsured for two or more years. Most have low-to-moderate incomes. (see Figure 27).
- About six in 10 (62 percent) of the remaining uninsured are Hispanic, and nearly half of this group is not eligible for coverage through Covered California or Medi-Cal due to their immigration status. In addition, most remaining uninsured Hispanics (54 percent), and 37 percent of those Hispanics eligible for Affordable Care Act coverage options, say they worry that enrolling in coverage would bring attention to their family's immigration status. These concerns persist even though federal immigration officials have said they will not use application information as the basis for enforcing immigration laws in a Department of Homeland Security policy issued in October of 2013.
- Cost also remains a barrier for those still uninsured. When asked to say in their own words why they didn't have coverage, a third (34 percent) point to costs as the reason — far more than cited any other reason. This is true even though most of the remaining uninsured say insurance is something they need (71 percent) and is worth the costs (59 percent).
- In contrast to those who gained coverage, most people who tried to get coverage but remain uninsured say that shopping was difficult. At least two-thirds of those who tried say that it was hard to find a plan that met their needs (76 percent); and difficult to compare covered services (71 percent), out-of-pocket costs (69 percent), and monthly premiums (67 percent). A majority (58 percent) also say it was difficult to find the information they needed about signing up.

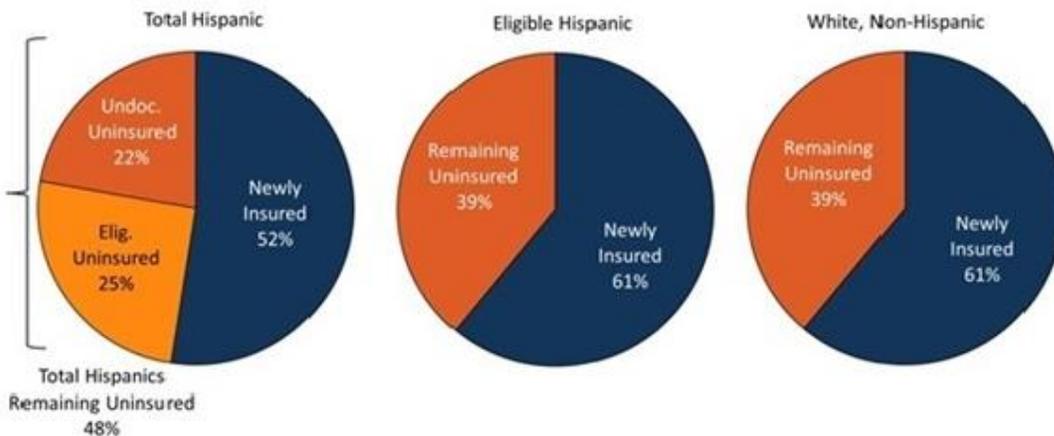
Figure 25 — Sources Of Coverage Among California's Previously Uninsured



Source: *Where Are California's Uninsured Now? Wave 2 of the Kaiser Family Foundation California Longitudinal Panel Survey (April 1-June 15, 2014)*

Figure 26 — In California, Previously Uninsured Whites and Eligible Hispanics Report Gains in Coverage at Similar Rates

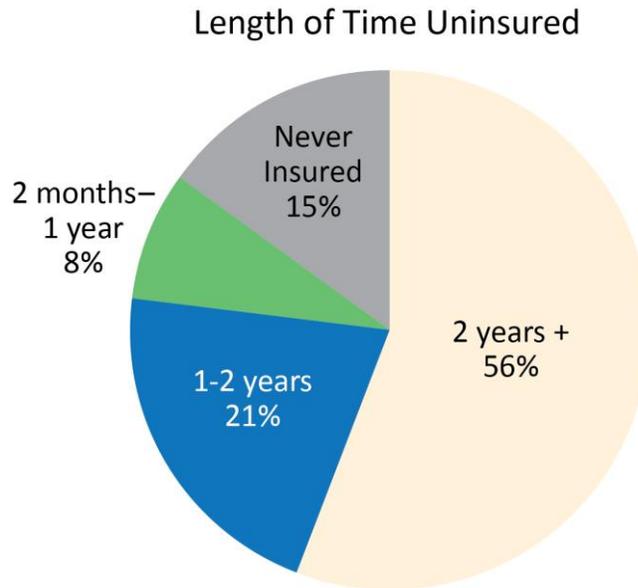
Are you, yourself, now covered by any form of health insurance or health plan including a private health insurance plan, a plan through an employer, or a plan through Medi-Cal, or do you not have health insurance at this time?



NOTE: "Eligible" refers to those who would be eligible for participation in the ACA coverage expansions based on their self-reported status as a citizen, permanent resident, or lawfully present immigrant.  
 SOURCE: *Where Are California's Uninsured Now? Wave 2 of the Kaiser Family Foundation California Longitudinal Panel Survey (April 1- June 15, 2014)*



Figure 27 – Demographics of California’s Remaining Uninsured



NOTE: For those who report being U.S. citizens or permanent residents, “Exchange subsidy target group” refers to those with incomes greater than 138 percent and up to 400 percent of FPL.

Source: *Where Are California’s Uninsured Now? Wave 2 of the Kaiser Family Foundation California Longitudinal Panel Survey (April 1-June 15, 2014)*

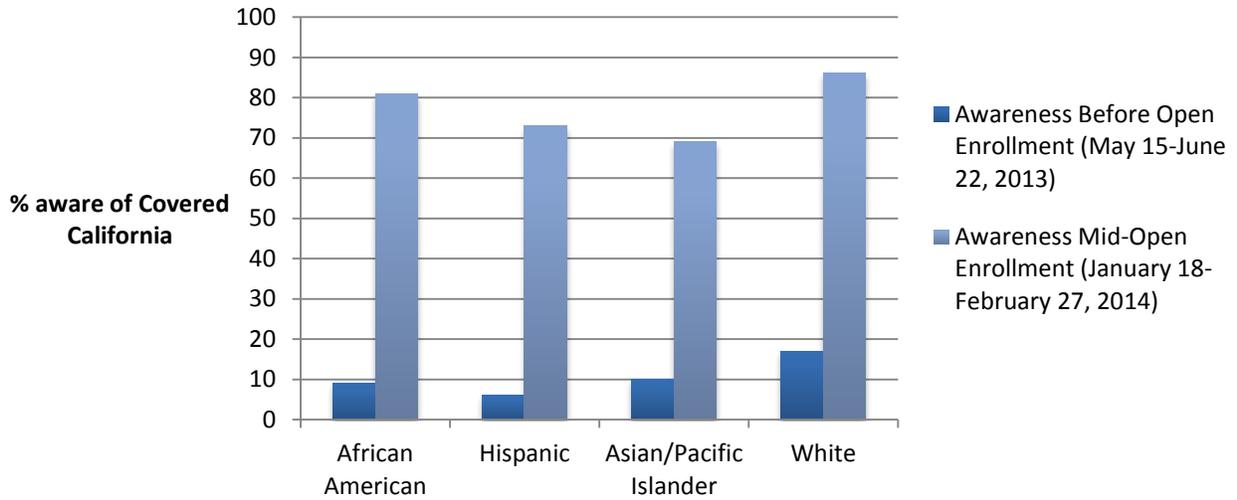
## NORC Report “Covered California Consumer Tracking Survey”

NORC at the University of Chicago conducted a baseline survey of the Covered California consumer market in the summer of 2013 and is following that survey with a series of tracking surveys. The objectives of the study are to assess changes in awareness, knowledge, attitudes, purchasing patterns and behaviors among Californians. The first tracking survey was conducted by phone in early 2014 and surveyed nearly 2,000 individuals between the ages of 18 and 64, legal residents with incomes above 100 percent of the federal poverty who are decision makers about health care for themselves or their families.

The following figures summarize some of the findings of the NORC report released in May 2014 which reflects consumer awareness before the final March 2014 enrollment activities.

There was a very strong increase in awareness of Covered California in six months, across all ethnic groups, with a slight gap with Latinos and Asian/Pacific Islanders compared to other groups (see Figure 28).

**Figure 28 — General Awareness of Covered California: Before Open Enrollment vs. Mid-Open Enrollment**

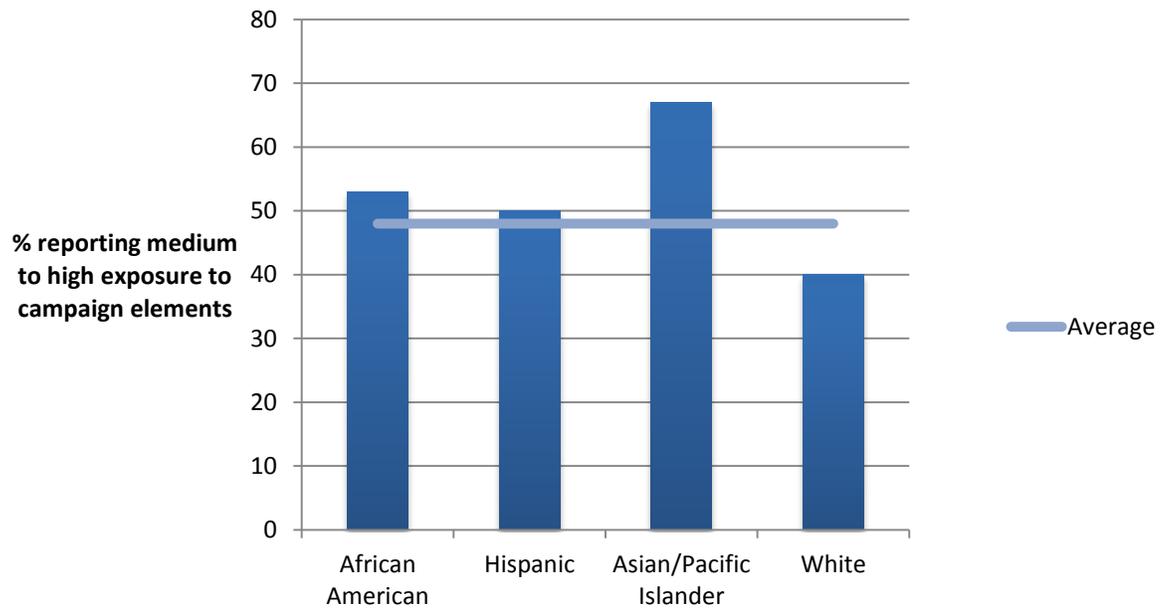


Source: NORC at the University of Chicago, "Covered California Consumer Tracking Survey" (January 17-February 27, 2014)

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Campaign exposure measured the extent to which consumers had been directly contacted or heard about Covered California at a community event such as a school or church. Consumers with campaign exposure were more likely to purchase a plan: 40 percent of consumers with high exposure enrolled, vs. 8 percent with no exposure. Campaign exposure was successful across ethnic groups, reaching 50 percent and more of all targeted ethnic populations (see Figure 29).

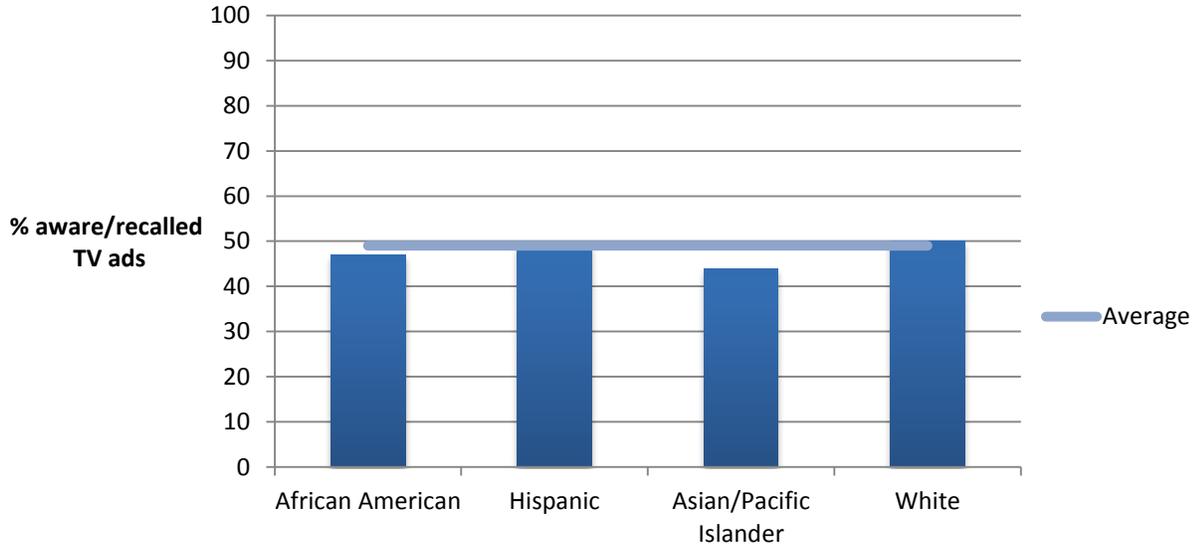
**Figure 29 — Exposure to Campaign Elements (CEC, Agent, Community Event)**



Source: NORC at the University of Chicago, Covered California Consumer Tracking Survey (January 17-February 27, 2014)

TV advertising reached half of the population across all ethnic groups (see Figure 30), which was important since consumers who saw ads report being far more likely to actually enroll.

Figure 30 — TV Ad Awareness/Recall

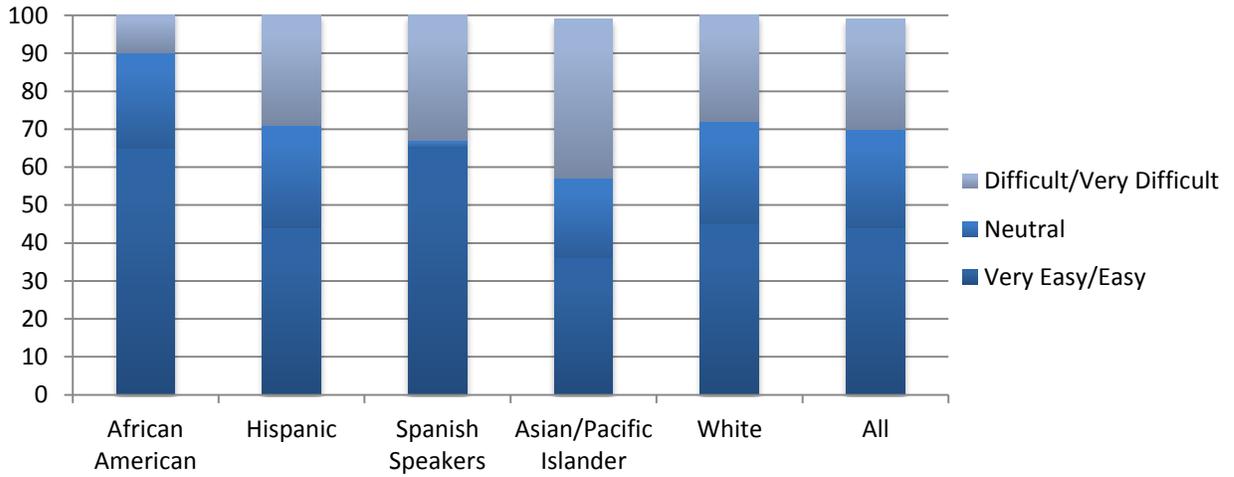


Source: NORC at the University of Chicago, "Covered California Consumer Tracking Survey" (January 17-February 27, 2014)

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Covered California’s enrollment website, but on average 30 percent found the site “difficult” to use in purchasing coverage (see Figure 31).

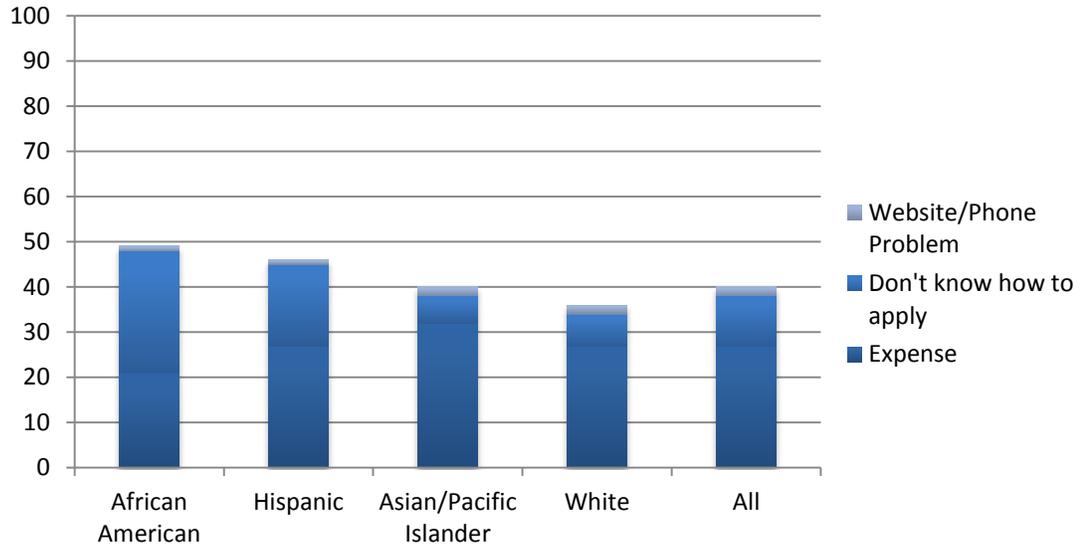
**Figure 31 — Ease of Purchase on the Covered California Website**



Source: NORC at the University of Chicago, "Covered California Consumer Tracking Survey" (January 17-February 27, 2014)

Cost is the primary reason for most uninsured consumers to not purchase coverage, while problems with the website and phone service were a very small factor — 2 percent or less across the board (see Figure 32).

**Figure 32 — Top Reasons for Non-Purchasers**



Source: NORC at the University of Chicago, "Covered California Consumer Tracking Survey" (January 17-February 27, 2014)

**FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED**

## VII. Lessons Learned

The first open-enrollment period resulted in a dramatic expansion of health coverage for millions of Californians. This first-year enrollment sets a high bar for Covered California and means that for 2014-2015 its programs and systems need to be refined and improved so it can build on the success to date. Individuals remaining uninsured are those most likely be harder to enroll and individuals enrolled in the first year will need to renew coverage.

Covered California is an organization dedicated to learning and will continue to evolve and improve for the next open enrollment and into the future. This report shows that throughout open enrollment and since its close, Covered California continually assessed and evaluated its programs and strategies and consistently invited feedback and suggestions from stakeholders, partners and the public. Covered California conducted focus group testing, surveyed assisters and grantees and engaged with state and local leaders to prevent and identify problems and to implement strategies and course corrections as appropriate.

This section highlights crosscutting lessons learned from the first open-enrollment period. Other opportunities for improvement continue to emerge, but the lessons listed below are being used to inform the plans for open enrollment in 2015.

- **Many consumers are new to insurance and need extensive education about health insurance terminology, how to enroll in coverage and how to use insurance.** Consumers need clear, straightforward information that explains how insurance works in plain language, without jargon. There is an ongoing need for a comprehensive, accessible, educational campaign to help answer common questions about Covered California's products and promote the value of insurance. For 2015 open enrollment, advertising messaging is attempting to explain, in first-person testimonials, that health coverage means going to the doctor and getting the care you need. In addition, Covered California's education will focus on the basics of what insurance is and how to use it.
- **Affordability means different things to different people.** Many consumers, even with financial assistance through federal subsidies, found cost to be a barrier to obtaining coverage. Future communications need to address the issue of affordability by emphasizing the value of having insurance and the financial security (protection from large medical bills) that it provides. New advertising and marketing materials include testimonials from newly insured Californians explaining that insurance is a bill they don't mind paying each month, with an emphasis on the peace of mind of having coverage and the financial security it brings for those able to purchase it.
- **Target enrollment groups have unique interests, experiences and perspectives and require tailored messaging and customizable materials.** Consumers in different age, income, gender and ethnic groups reflect different circumstances, knowledge and needs for information and support. Media messaging, marketing and collateral materials, assister training, and community outreach and enrollment efforts need to address the specific needs and interests of diverse communities. Community partners, grantees, agents and enrollment counselors need simple, updated fact sheets, fliers, brochures and other

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

materials, including customizable materials for local events and target groups. Covered California expanded its targeted support to local outreach and has developed, and will continue to develop, customizable, focused materials available to community partners and insurance agents for open enrollment in 2015.

- **Most consumers relied on a variety of touch points, including in-person assistance, to successfully complete enrollment.** Most consumers needed multiple touch points whether pursuing self-service or an assistance pathway. They wanted to ask questions, get answers, identify the options and then consider, often in consultation with friends and family, the coverage most suitable for them. Covered California responded by shifting marketing and outreach messaging and encouraging Californians to take advantage of free, confidential, in-person assistance in local communities. More than 6,400 Certified Enrollment Counselors and more than 12,000 Certified Insurance Agents will be part of a comprehensive campaign for enrollment in 2015. Covered California will continue to encourage storefronts and other locations that can help individuals enroll over multiple visits.
- **The multi-channel marketing and media mix struck an effective balance between brand (awareness) and direct response (enrollment) and will continue to be tailored to specific target audiences.** The large number of those eligible who enrolled is the strongest indicator that the community-level outreach, marketing and media campaigns, as adjusted in real time, were successful in accomplishing the two program goals: brand awareness and enrollment. Going forward, marketing and advertising will support the community outreach campaign targeting key demographic groups and segments. Building on brand awareness, advertising will be aimed at explaining how to enroll and motivating audiences to enroll by sharing the tangible ways having health coverage is improving the lives of real people in California.
- **The volume of consumer interest and interactions online, on the phone and in person exceeded expectations and challenged all systems and service channels.** From the start of open enrollment, Covered California experienced higher-than-anticipated consumer interest at all levels, which overwhelmed the service channels and systems that were in place. Given the volume, many of the original service goals were hard to reach with existing resources. Going forward, Covered California is making substantial investments to expand Service Center and information technology capacity and will continuously reassess staffing capacity and make better use of technology to anticipate and respond to potentially high demand.
- **Educators, assisters and all service channels need effective training, ongoing support and streamlined communications to support their outreach, education and enrollment activities.** Covered California established multiple training programs and resources for service channels and enrollment partners, but the demand for training, certification and ongoing information often surpassed the systems established. Service channels vary in training and support needs, and Covered California training programs and service channel support systems need to be robust, tailored and focused. For open enrollment, Covered California will provide frequent and regular communications and

updated materials to address grantee and service channel concerns and support needs. Efforts are underway to give Certified Insurance Agents access to information in Covered California systems about their own customers so they can help meet customer needs.

- **Agents, enrollment counselors, grantees and other community partners need state and regional support and coordination.** Halfway through open enrollment, Covered California responded to enrollment opportunities and feedback from partners in communities by adding capacity to improve coordination locally. Efforts “on the ground” for open enrollment for 2015 will be coordinated even more, with coordinated communication and advertising support for more than 250 organizations, 6,400 Certified Enrollment Counselors and more than 12,000 Certified Insurance Agents.
- **Partnerships matter and are transformative.** At every stage of planning and implementation for the first open enrollment, Covered California relied on and collaborated with a multicultural and varied set of state and local partners who made the unprecedented effort possible. Covered California partners made real-time adjustments and accommodations as challenges surfaced and consistently helped in resolving and addressing those challenges. The partnerships reaffirm the power of shared commitment, collaboration and common effort. Covered California will build on, nurture and continue to expand partnerships and relationships going forward.

**FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED**

## VIII. 2015 OPEN ENROLLMENT

Covered California is gearing up for the 2015 open-enrollment period scheduled to begin on Nov. 15, 2014. This review and ongoing internal and external assessments will inform the programs, policies and strategies Covered California will employ for the next round of open enrollment. This report sets out numerous refinements, improvements and new strategies that will be ongoing, many of which are already in place or underway.

In many respects, the second open enrollment will present equally daunting challenges as Covered California renews and retains existing enrollees and seeks to effectively reach out and engage additional Californians who have either not enrolled in coverage or who might consider moving to Covered California. Most observers recognize that the remaining eligible Californians are likely to be more resistant to obtaining coverage or individuals who may face significant hurdles to enrollment. This is borne out by the Kaiser Family Foundation data reported earlier which found that among the 42 percent who remain uninsured, many have characteristics that traditionally make them hard to reach with health coverage. Among this group, for those who are eligible for subsidies in Covered California, 15 percent say they have never had health insurance, and another 56 percent say they have been uninsured for two or more years. Most have low-to-moderate incomes, meaning that while they may be eligible for some subsidies, they will still need to pay for a substantial portion of the premium.

### Enrollment Targets and Projections

To design and implement its programs, Covered California considers the number of individuals eligible to enroll in California (the target population) and uses its individual enrollment projection model to determine the number of individuals expected to enroll (enrollment projection or forecast).

CalSIM estimates that just over 2.5 million Californians will be eligible for subsidized coverage in the exchange in 2015. The demographic profile of those eligible for subsidies underscores that Covered California's target population for the next open-enrollment period is disproportionately male, Latino, and includes high numbers of individuals at the "higher" low-income levels. In addition, there will be consumers who do not qualify for subsidies because their income is above 400 percent of the federal poverty level who will seek coverage in Covered California, including enrolled individuals whose income grows above the subsidy eligibility level in future years.

Covered California's individual enrollment projection model considers experience to date and input from experts regarding expectations about future growth. The projection considers current enrollment, individuals who are eligible for subsidies but not enrolled, disenrollment, and individuals who may transition to Covered California from Medi-Cal or employer coverage. Using a medium enrollment forecast, Covered California anticipates total enrollment of 1.7 million Californians by the end of 2014-2015 open enrollment: 1.5 million in subsidized coverage and 230,000 in unsubsidized coverage. This forecast represents an increase of over 500,000 in total enrollment, or 43 percent from estimated enrollment at the beginning of open enrollment.

## Overcoming Enrollment Barriers: Key Messages

Many of those motivated to seek and obtain health coverage have already done so. For those who are still uninsured a primary concern is affordability. Individuals who have been uninsured for long periods have adapted to not having coverage and will need focused messaging articulating the benefits of coverage. To overcome these enrollment barriers, Covered California will infuse its communications and programming with the following key messages:

**Covered California is the only place that offers financial assistance and an objective, reliable way to comparison-shop for quality health care plans.**

- **Affordability** — Covered California helps make quality health care more affordable by offering financial assistance for those who qualify.
- **Accessibility** — Covered California gives Californians the power to access and choose the health care plan that fits their needs.
- **Security/Peace of Mind** — Acquiring health insurance from Covered California protects Californians from the what-ifs of life.
- **How to enroll** — Covered California offers multiple pathways to enrollment including self-enrollment and the availability of local, in-person enrollment assistance that is free and confidential.

## Retooling for 2015 and Building for the Future

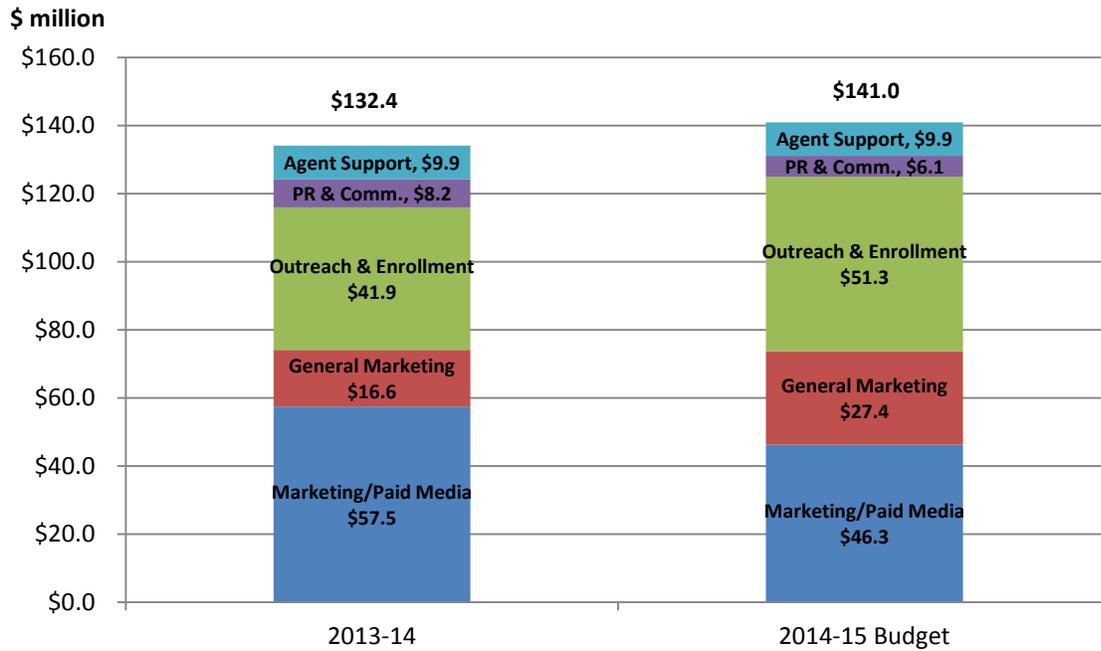
Covered California will continue to design and implement its programs and services using the three pillars of the exchange as its organizing structure: affordable products; robust marketing, outreach and education; and effective enrollment and retention support.

For 2015, Covered California will once again offer good products and good prices. Covered California selected ten health plans to offer coverage in 2015. All ten health insurance companies were in the exchange for 2014 and submitted bids to return. Covered California's portfolio continues to reflect a wide mix of large nonprofit and commercial leaders in the individual health insurance market, along with Medi-Cal and regional plans. Preliminary rates reflect an average increase of only 4.2 percent with some consumers experiencing greater rate increases and some seeing less. Consumers will be able to shop and compare among exchange plans and either stay with their existing coverage or change to another plan that best meets their coverage and pricing preferences.

Given the tasks ahead, Covered California expects to implement a robust marketing, outreach and enrollment effort in 2014-2015, with refinements and adjustments based on lessons learned from the first open enrollment and building in efforts to retain those who enrolled. Figure 33 shows the budget for enrollment activities in 2014-15 with increased funding for outreach and enrollment support compared to 2013-14. The total budget for enrollment activities increased from \$132.4 million in 2013-14 to \$141 million in 2014-15, primarily reflecting an increase in outreach and enrollment activities. Overall marketing spending will be about the same, \$73.7

million in 2014-15 compared to \$74.1 million in 2013-14, with some adjustments within categories. General Marketing Support (includes quantitative and qualitative research, collateral fulfillment, creative production, and earned social media) increased to \$27.4 million to accommodate retention efforts and member communications, additional collateral development and fulfillment, further marketing research, and sales support activities. Paid media decreased to \$46.3 million in fiscal year 2014-15 to reflect a shorter open enrollment window in 2014-15 (November-February) compared to 2013-14 (October-March).

**Figure 33 — Covered California Budget for Enrollment Activities Comparison Fiscal Year 2013-14 and Fiscal Year 2014-15**



Source: Covered California

For 2014-2015, Covered California will develop its 2014 open enrollment strategies based on what worked best. Covered California will continue to mount an aggressive, multi-cultural, multi-channel marketing outreach and education campaign for the upcoming open-enrollment period. In the next round, the campaign will be integrated with community outreach campaign (grantees, Certified Enrollment Counselors, agents, navigators) and complimented by a full spectrum of advertising, and earned media.

## FIRST OPEN ENROLLMENT 2013-2014 LESSONS LEARNED

Marketing, media and outreach efforts will focus on multicultural segments (Latino, African-American and Asian communities) while effectively reaching all potential enrollees (English and bilingual speakers, whites, millennials and LGBT communities). This will require tailoring media strategies and creative elements to reach each target population. The strategy will be to build momentum prior to open enrollment, build brand awareness and communicate the value of Covered California and health coverage. Covered California will actively promote the use of local agents and community partners for in-person assistance, while continuing to make available self-service channels.

In September, 2014, Covered California launched the community outreach campaign — a locally anchored outreach, education and enrollment support effort that includes more than 225 newly funded groups across the state, 6,400 Certified Enrollment Counselors and more than 12,000 Certified Insurance Agents to share information and encourage enrollment. Covered California will emphasize one-on-one interactions and communicate with consumers about the options available to get local, personal, in-language and confidential enrollment assistance. Strategies will include:

- Supporting in-person assistance, while making self-service available;
- Conducting outreach to individual consumers and small businesses by synchronizing sales, marketing, customer service, and technical support efforts to drive both renewal and new enrollment;
- Using analytics, local intelligence and local alliances to coordinate local activities supporting renewals and new enrollment;
- Establishing a support network for service channels, including the dissemination of culturally appropriate materials in preferred languages as well as updated information to inform the enrollment work and to increase consumer understanding of the financial and practical need for health coverage; and
- Using service channel progress reports to track enrollment goals.

Covered California will continue and increase support for its grantees, enrollment entities including outreach and education grantees, Certified Enrollment Entities and counselors, county eligibility workers and Certified Insurance Agents. For this open-enrollment period, Covered California will continue to fund and work with outreach and education grantees and Certified Enrollment Entities with an emphasis on enrollment and retention activities to drive enrollment.

Overall, since the close of the 2013-2014 open enrollment, Covered California has been focusing on revising and enhancing the consumer experience, and the customer journey, for individuals seeking and enrolling in coverage. From the communication and messaging about available coverage, to the service channels available to help consumers navigate and secure coverage, to resources and communications helping enrolled individuals understand and use their coverage, every program element has undergone review.

The second open enrollment campaign will be at least as challenging as the first and continue to push Covered California and all of its partners to test and learn in real-time as programs and strategies rollout. Covered California will build on and benefit from all of the experience and resources accrued in 2013-2014. Covered California will continue to engage partners and stakeholders to improve systems, techniques and overall effectiveness going forward. There is plenty of work to do to make the adjustments and continue the progress already achieved to date.

Looking ahead, when Covered California completes the second open-enrollment period early next year, it will mark “the end of the beginning.” Strategies and tactics tested in the first two open-enrollment periods will be refined based on the first renewal experience and a second year of open enrollment. These lessons learned will go on to inform efforts for 2016, when Covered California will spend more on retention, but significantly less on community outreach, marketing and new enrollment. Today, Covered California is helping people get the health coverage they need to get access to the care that can improve their lives. In the years ahead, Covered California will continue working not only to reduce the number of the uninsured, but to achieve the broader “triple aim” of health reform: improving the experience of care, improving the health of populations, and reducing per capita costs.