



## STATEMENT

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Covered California expresses deep concern regarding the proposed health provisions in the reconciliation bill moving through the House of Representatives.

If enacted, the legislation would have devastating consequences to the health, well-being and financial security of hundreds of thousands of Californians who would lose access to affordable health insurance. It would also lead to greater strain on the health care system and increased costs for individuals and businesses throughout the state.

According to [projections](#) from the non-partisan Congressional Budget Office (CBO), in addition to the 7.6 million Americans who would lose Medicaid coverage, another estimated 3.1 million Americans would forgo coverage through health insurance marketplaces.

The CBO further projects 4.2 million more Americans would lose marketplace coverage if Congress fails to extend the enhanced premium tax credits that are due to expire at the end of this year. We estimate that nearly 600,000 of the 7.3 million Americans forecasted to drop marketplace coverage are Covered California enrollees. That would be 30 percent of the nearly 2 million enrolled in health insurance through Covered California for 2025.

In addition to significantly limiting eligibility for marketplace enrollees to receive financial help to make health insurance more affordable, the proposals would:

- **Increase red tape and bureaucracy** far beyond any other federal health care program by adding a burden to people signing up for or renewing their coverage and discouraging younger, healthier people from enrolling, which harms the risk pool and raises costs for everyone.
- **Shorten the open-enrollment period** in California, from 90 days to just 45 days, needlessly suppressing enrollment. During 2025's open-enrollment period, over 100,000 Californians signed up for health insurance after the new proposed deadline of Dec. 15.



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- **Undermine California's autonomy to operate its marketplace** by imposing federally mandated restrictions that limit the state's ability to meet community needs, maximize affordability and access and protect the stability and health of the exchange, with programs like automatic enrollment and renewal.
- **Increase the tax burden on self-employed, low-income, hourly, gig and seasonal workers** by forcing them to pay back more tax credits when their income changes.

Of particular concern, this reconciliation package would severely limit access for lawfully present immigrants, stripping premium tax credits and cost-sharing support from nearly 112,000 Californians. The language goes far beyond excluding Deferred Action for Childhood Arrivals (DACA) recipients from accessing marketplace coverage, targeting nearly 40 qualifying lawfully present groups that have traditionally been eligible, including those with work and student visas, refugees, asylees and victims of trafficking. Lawfully present immigrants losing access to this financial support essentially bars them from health insurance due to higher costs.

Since its inception, Covered California has been a lifeline for more than 6 million residents. Along with Medi-Cal, it is a cornerstone of our state's health care system. All of the proposed policies would impose significant and unnecessary burdens on consumers in accessing health coverage and would reverse the progress that Covered California has made over the last 13 years in increasing the number of insured and decreasing health disparities.

Congress still has an opportunity to prioritize policies that strengthen affordability, access and market stability. That includes the extension of the enhanced premium tax credits that help reduce health care costs for consumers and encourage healthy people to get insured, which lowers the overall cost of providing care.

Covered California looks forward to continuing to inform the federal policy dialogue during the reconciliation process and will share resources, data and lessons learned to protect equitable access to quality, affordable health insurance for all Californians.

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