



April 11, 2025

The Honorable Mehmet Oz, MD  
Administrator, Centers for Medicare & Medicaid Services  
7500 Security Blvd  
Baltimore, MD 21244

*Re: CMS-9884-P: Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability*

Dear Administrator Oz:

More than 1.9 million Californians are enrolled in and depend on comprehensive health insurance coverage offered through California's state-based health insurance marketplace, Covered California. Covered California enables individuals and families to find affordable, high-quality health plans that meet their health needs and budget and, for those who qualify, to receive financial assistance on a sliding scale to reduce premium costs.

**The California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, recognizes the importance of health insurance coverage for the health and well-being of individuals and communities — including coverage offered on the Patient Protection and Affordable Care Act (ACA) marketplaces — and supports efforts to ensure access to affordable and comprehensive health insurance.**

Additionally, in response to reports of fraudulent activities by certain insurance brokers to enroll low-income people in zero-dollar premium plans without their knowledge, CHA supports recent Centers for Medicare & Medicaid Services' (CMS) rulemaking and proposals to prevent unauthorized marketplace activity among agents and brokers. This includes recently finalized policies to strengthen oversight and enforcement actions, expand CMS authority to suspend marketplace agents and brokers who violate the rules, and strengthen the model consent form used to assist consumers with enrollment activities, among other changes. However, it is important to note that reports of unauthorized coverage changes in California are low, and Covered California already has a variety of safeguards in place to ensure that agents have consumers' consent prior to making any coverage changes.

While continued scrutiny and oversight of marketplaces is important to ensure recent changes have the intended effect of eliminating unauthorized marketplace activity, **CHA is concerned that CMS' proposed policies to address improper enrollments may unduly impede coverage and access to care for eligible individuals, including our most vulnerable populations.** Specifically, policies that shorten enrollment periods, restrict eligibility for marketplace coverage, and limit reenrollment — such as denying

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low-income enrollees coverage until they pay past-due premiums — are overly punitive to consumers and will result in direct coverage loss for many individuals and families. Accordingly, CHA’s support for policies that preserve consumer coverage and access, as well as concerns regarding the potential impact of CMS’ proposals on the stability of health insurance marketplaces, are outlined below.

### Protecting Coverage and Access for Individuals and Families

**Protecting consumers’ access to health care coverage should be paramount.** There is widespread evidence that health insurance coverage improves access to care; supports positive health outcomes; advances health and well-being; incentivizes appropriate utilization of high-value health care services; and reduces financial strain on individuals, families, and communities.<sup>1</sup> Comprehensive health care coverage is associated with:

- Increased likelihood of obtaining early diagnosis and treatment for medical conditions
- Improved access to prescription drug therapies, behavioral health and substance use disorder treatments, and preventive care
- Decreased rates of all-cause mortality
- Lower rates of depression and smoking
- Decreased rates of non-emergent emergency department visits
- Better management of chronic conditions like diabetes
- Improved financial health, including reductions in unpaid medical bills and financial stress

Accordingly, **CMS should not finalize policies that unduly restrict or limit access to comprehensive and affordable health insurance coverage for eligible individuals and families who rely on marketplace coverage for health care access.**

### Ensuring the Stability of Health Insurance Marketplaces

If finalized, this rule would be implemented at a time when broad coverage loss and churn is already anticipated as a result of the ACA premium supports set to expire at the end of 2025. In the absence of congressional action to extend the premium supports, the Congressional Budget Office estimates that the uninsured population will increase by 2.2 million in 2026 and by up to 3.8 million by 2028.<sup>2</sup> The proposed rule would undoubtedly have direct impacts on eligibility, enrollment, and market dynamics, such as the price of insurance and risk mix of enrollees in the marketplaces. Together with the expiration of other marketplace premium supports, the proposed changes may negatively impact the overall stability of the marketplaces in the long term. With this in mind, **CHA urges CMS to avoid adopting further policies in tandem with the potential expiration of the ACA premium supports that could disrupt and destabilize health insurance marketplaces, which millions of people depend upon for coverage each year.**

In addition, **CMS’ proposals would significantly limit the flexibility of states like California that operate state-based marketplaces, while adding significant administrative costs and burdens to comply with new federal standards for eligibility redeterminations, income verification, and other proposed processes.** For example, CMS proposals that would require state marketplaces to remove the

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<sup>1</sup> <https://www.aha.org/guidesreports/report-importance-health-coverage#:~:text=Impact%20of%20Coverage,underscore%20the%20value%20of%20coverage.>

<sup>2</sup> <https://www.cbo.gov/system/files/2024-12/59230-ARPA.pdf>

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current income attestation processes and apply new standards would cost states approximately \$60 million per year in increased annual burden, with more than \$31 million estimated in additional one-time costs, according to CMS estimates. These figures represent the significant added costs associated with only a narrow subset of the changes proposed in this rule. **The proposed changes, paired with the increased administrative burden and costs described in the rule, have the potential to compromise state efforts to expand coverage, offer consumers stability and choice, and foster enrollment that leads to a healthier risk mix — and therefore lower premiums — than many of the federally facilitated marketplaces.**

Finally, given the significant effects the proposed rules would have on state health insurance markets, **CHA respectfully requests an extension of the comment period from 30 days to at least 60 days, as well as a delay in the implementation. This includes a phase-in approach for any finalized changes, beginning no sooner than 2027.** Additional time is necessary for stakeholders to analyze the impact of the proposed changes and prepare to implement appropriate changes in operational procedures as required. This necessary preparation includes planning for major changes to administrative operations, financial planning for implementation costs, consumer education, and other mitigation strategies that may be needed to address coverage loss resulting from the proposed policies.

Thank you for your consideration of our comments. If you have any questions, please contact me at [mmillerick@calhospital.org](mailto:mmillerick@calhospital.org) or (771) 224-7224, or Ben Johnson, group vice president, financial policy, at [bjohnson@calhospital.org](mailto:bjohnson@calhospital.org) or (916) 552-7620.

Sincerely,

/s/

Michelle K. Millerick  
Vice President, Federal Policy