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AB-4 Covered California expansion. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 4

Introduced by Assembly Member Arambula

December 02, 2024

An act to repeal and add Section 100522 of the Government Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 4, as introduced, Arambula. Covered California expansion.

Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange, also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. Existing law requires the Exchange to apply for a federal waiver to allow persons otherwise not able to obtain coverage through the Exchange because of their immigration status to obtain coverage from the Exchange.

This bill would delete that requirement and would instead require the Exchange, no sooner than January 1, 2027, and upon appropriation by the Legislature for this purpose, to administer a program to allow persons otherwise not able to obtain coverage by reason of immigration status to enroll in health insurance coverage in a manner as substantially similar to other Californians as feasible, consistent with federal guidance and given existing federal law and rules. The bill would require the Exchange to undertake outreach, marketing, and other efforts to ensure enrollment, which would begin on October 1, 2028. The bill would also require the Exchange to adopt an annual program design for each coverage year to implement the program, provide appropriate opportunities for stakeholders, including the Legislature, and the public to consult on the design of the program, and report to the Department of Finance and the Legislature on progress toward implementation, as specified. The bill would establish the Covered California for All Fund in the General Fund, to be administered by the Exchange, into which user fees, appropriations, and other funds would be deposited to be used upon appropriation to pay for the administration of the program.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) One of the state's essential goals is to achieve health and mental health equity throughout California by reducing disparities in access to health care among vulnerable and underserved communities.

(b) Californians who have historically and systematically faced barriers to accessing health care include people of color and immigrants, both documented and undocumented.

(c) Despite the fact that collectively millions of undocumented Californians contribute approximately \$3,700,000,000 in state and local taxes every year, they are unable to access the same subsidized health care as other taxpayers in the state.

(d) Access to affordable health care coverage has been demonstrated to positively impact the health and well-being of people.

(e) It is the intent of the Legislature to ensure that all Californians have access to affordable health care coverage by removing immigration status as a barrier to eligibility.

SEC. 2. Section 100522 of the Government Code is repealed.

~~100522.(a)(1)The Exchange shall apply to the United States Department of Health and Human Services for a waiver authorized under Section 1332 of the federal act as defined in subdivision (e) of Section 100501 in order to allow persons otherwise not able to obtain coverage by reason of immigration status through the Exchange to obtain coverage from the Exchange by waiving the requirement that the Exchange offer only qualified health plans solely for the purpose of offering coverage to persons otherwise not able to obtain coverage by reason of immigration status.~~

~~(2)The waiver of the requirement that the Exchange offer only qualified health plans as described in paragraph (1) shall be limited to requiring the Exchange to offer California qualified health plans consistent with this section only and shall not be construed to authorize the Exchange to offer any other nonqualified health plan.~~

~~(b)The Exchange shall require an issuer that offers a qualified health plan in the individual market through the Exchange to concurrently offer a California qualified health plan that meets all of the following criteria:~~

~~(1)Is subject to the requirements of this title, including all of those requirements applicable to qualified health plans.~~

~~(2)Is subject to the requirements of subdivisions (a), (b), and (d) of Section 1366.6 of the Health and Safety Code and subdivisions (a), (b), and (d) of Section 10112.3 of the Insurance Code in the same manner as qualified health plans.~~

~~(3)Is identical to the corresponding qualified health plan, except for the eligibility requirements set forth in subdivision (c).~~

~~(c)Persons eligible to purchase California qualified health plans shall pay the cost of coverage and shall not:~~

~~(1)Be eligible to receive federal advanced premium tax credit, federal cost-sharing reduction, or any other federal assistance for the payment of premiums or cost sharing for a California qualified health plan.~~

~~(2)Otherwise be eligible for enrollment in a qualified health plan offered through the Exchange by reason of immigration status.~~

~~(d)An applicant for coverage under this section shall be required to provide only the information strictly necessary to authenticate identity and determine eligibility under this section. Any person who receives information provided by an applicant under this section, whether directly or by another person at the request of the applicant, or receives information from any agency, shall use the information only for the purposes of, and to the extent necessary for, ensuring the efficient operation of the Exchange, including verifying the eligibility of an individual to enroll through the Exchange. That information shall not be disclosed to any other person except as provided in this section.~~

~~(e)Subdivisions (b) to (d), inclusive, shall become operative on January 1, 2018, for coverage effective for California qualified health plans beginning January 1, 2019, contingent upon federal approval of the waiver pursuant to subdivision (a).~~

SEC. 3. Section 100522 is added to the Government Code, to read:

100522. (a) (1) No sooner than January 1, 2027, and upon appropriation by the Legislature for this purpose, the Exchange shall administer a program to allow persons otherwise not able to obtain coverage by reason of immigration status to enroll in health insurance coverage in a manner as substantially similar to other Californians as feasible, consistent with federal guidance and given existing federal law and rules and apply for subsidies, if available.

(2) Substantially similar coverage shall include eligibility determination, benefit design, contracting requirements, appeals, and any other provisions of state or federal law.

(3) Enrollment for persons previously enrolled under Section 14007.8 of the Welfare and Institutions Code shall be conducted in a manner substantially similar to Section 100503.4.

(b) The Exchange shall undertake outreach, marketing, and other efforts to ensure enrollment of persons subject to this section.

(c) The Exchange shall adopt, and may amend, an annual program design for each coverage year to implement this section by resolution of the board. The resolution shall be adopted at a duly noticed meeting.

(d) The Exchange shall provide appropriate opportunities for stakeholders, including the Legislature, and the public to consult on the design of the program.

(e) (1) The Exchange shall require an issuer that offers a qualified health plan in the individual market through the Exchange to concurrently offer qualified health plans to persons subject to this section.

(2) The qualified health plans offered to persons enrolled under this section shall meet the requirements of subdivisions (a), (b), (c), and (d) of Section 1366.6 of the Health and Safety Code and subdivisions (a), (b), (c), and (d) of Section 10112.3 of the Insurance Code.

(3) The qualified health plans offered to persons enrolled under this section shall be identical to the qualified health plans offered to other enrollees on or off the Exchange, except for the eligibility requirements in this section.

(f) An applicant for coverage under this section shall be required to provide only the information strictly necessary to authenticate identity and determine eligibility under this section. A person who receives information provided by an applicant under this section, whether directly or by another person at the request of the applicant, or receives information from any agency, shall use the information only for the purposes of, and to the extent necessary for, ensuring the efficient operation of the Exchange, including verifying the eligibility of an individual to enroll through the Exchange. That information shall not be disclosed to any other person except as provided in this section.

(g) The Covered California for All Fund is hereby established in the General Fund, and shall be administered by the Exchange. The fund shall accept user fees, appropriations for the purposes of this section, and other funds as available. The fund shall be used upon appropriation to pay for the administration of this section.

(h) The Exchange shall report to the Department of Finance and the Legislature on progress toward implementation no later than May 1, 2027, May 1, 2028, and May 1, 2029. The report shall be submitted in compliance with Section 9795.

(i) Subject to funding pursuant to subdivision (a), enrollment shall begin on October 1, 2028.