



News Release

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FOR IMMEDIATE RELEASE

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Covered California for Small Business Announces Expanded Choices and an Average Rate Change of 4.1 Percent for 2020

- *The 4.1 percent weighted average rate change for Covered California for Small Business plans is the lowest in the six years since the exchange launched in 2014 – at same time individual market premiums increased by only 0.8 percent.*
- *Covered California for Small Business continues to grow, with double-digit growth in membership for five consecutive years, and more than 55,000 members to date.*
- *A new carrier is joining Covered California for Small Business in 2020, offering more coverage options for employees in Southern California, and an existing carrier is expanding in the Central Valley.*

SACRAMENTO, Calif. — Covered California for Small Business unveiled the health plan choices and rates for small-business employers and their employees for the upcoming 2020 plan year. The statewide weighted average rate change will be 4.1 percent, which represents the lowest annual increase in the program's six-year history and is significantly lower than national projected increases for larger employers.

"Once again, Covered California for Small Business is meeting the needs of employers and their employees across the state," said Covered California Executive Director Peter V. Lee. "We are continuing to drive premiums down and expand our coverage options as we work to provide small-business consumers with value and choice."

This year's rate change of 4.1 percent is lower than the recent projection of 6 percent that larger employers expect to see in 2020 (see Table 1: Covered California for Small Business Average Rate Change, by Year). The program's five-year average increase is 5.6 percent.

(more)

“The continued success of Covered California for Small Business is another example of how the Affordable Care Act and this new era of health care are working for Californians,” Lee said. “As we continue to grow and provide relatively low increases, it helps all small employers and their employees by putting competitive pressure on plans across the state.”

Table 1: Covered California for Small Business Average Rate Change, by Year	
Year	Rate Increase (Percentage)
2020	4.1
2019	4.6
2018	5.6
2017	5.9
2016	7.9
2015	5.2
Projected Large-Business Rate Change in 2020¹	6.0

Covered California for Small Business will be offering five plans in 2020, including two preferred provider organization (PPO) plans from Blue Shield of California and Health Net, both offering their broadest provider networks, and two health maintenance organization (HMO) plans — which are provider- and hospital-based — from Kaiser Permanente and Blue Shield.

Rounding out the 2020 portfolio of health plans are Sharp Health Plan in San Diego and newcomer Oscar Health Plan of California, which will be offering coverage in Los Angeles and Orange counties. In addition, Blue Shield will expand its HMO plans to Fresno, Kings and Madera counties.

Covered California for Small Business has experienced double-digit percentage growth in membership for five consecutive years. Currently, more than 55,000 individuals have insurance through Covered California for Small Business, representing a growth of approximately 7,000 individuals, or a 15 percent gain in membership over this time last year.

“As we enter into open enrollment for the individual market, with new state subsidies and the new state requirement to have coverage, we want to be sure small-business owners know their options and opportunities in Covered California,” said Lee.

(more)

¹ National Business Group on Health, [“2020 Large Employers’ Health Care Strategy and Plan Design Survey.”](#)

The new state requirement to have coverage in California applies only to individuals, and it does not impose new obligations on small businesses or change federal law related to which employers might be subject to a penalty for not offering coverage.

The steady growth makes Covered California for Small Business one of the largest small-business health options programs in the nation.

“Our weighted average rate change this year is the lowest rate increase since the program’s inception,” said Terri Convey, director of Covered California’s Outreach and Sales division. “We’ve been on this winning track of low increases for the last five years, proving that our employee choice platform is working well for small businesses.”

Just like in Covered California’s individual market, consumers may be able to limit increases in their rates, or perhaps even save money on their premiums, by shopping and switching to the lowest-cost plan in the same metal tier.

Businesses with up to 100 full-time equivalent employees can apply for health insurance coverage for their workers through Covered California for Small Business. Federal tax credits may be available to employers with 25 or fewer employees. Visit www.CoveredCA.com/forsmallbusiness/ for information on how to apply.

Family dental plans are optional and are provided by Delta Dental of California, Liberty Dental Plan of California, Dental Health Services, and California Dental Network.

About Covered California

Covered California is the state’s health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California’s consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

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