



# News Release

Media line: (916) 206-7777

@CoveredCANews

media@covered.ca.gov

FOR IMMEDIATE RELEASE

Oct. 12, 2021

## **Covered California for Small Business Announces a Weighted Average Rate Change of 4 Percent for 2022**

- *The 4 percent weighted average rate change for Covered California for Small Business is the second lowest since 2014.*
- *Covered California's small-business marketplace continues to expand, with more than 70,250 members to date and double-digit percentage membership growth for the seventh consecutive year.*
- *Covered California for Small Business also announces an expansion of its four-tier offering as employers can now choose to offer employees the option of selecting from all metal tiers effective Oct. 1.*

SACRAMENTO, Calif. — Covered California for Small Business unveiled the health plan choices and rates for small-business employers and their employees for the upcoming 2022 plan year. The statewide weighted average rate change is 4 percent, which represents the second-lowest annual increase in the program's seven-year history. The rate change is lower than national projected increases for larger employers.

“Covered California for Small Business continues to grow, demonstrating how employers want to provide those who work for them a good choice of coverage options,” said Executive Director Peter V. Lee. “While we continue to keep the premiums as low as possible, we will also expand the choice available to employees. We’re working to make it easier than ever for both insurance agents and employers to manage the insurance they offer.”

Approximately 70,250 individuals have insurance through Covered California for Small Business, representing a growth of approximately 8,250 individuals, or a 13.3 percent gain in membership over this time last year.

(more)

Covered California for Small Business has now experienced double-digit percentage growth in membership for seven consecutive years, making it one of the largest small-business health options programs in the nation.

This year’s rate increase of 4 percent is lower than the recent projection of 5.8 percent in the large employer market in 2022 (see Table 1: Covered California for Small Business Average Rate Change, by Year).

“The continued growth of Covered California for Small Business highlights again how the Affordable Care Act works in California,” Lee said. “With an all-time high of 1.6 million enrolled on the individual exchange and record enrollment for Covered California for Small Business, we’re proud to keep meeting the coverage needs of Californians.”

<b>Table 1: Covered California for Small Business Average Rate Change, by Year</b>	
<b>Year</b>	<b>Rate Increase</b>
<b>2022</b>	<b>4.0%</b>
2021	1.5%
2020	4.1%
2019	4.6%
2018	5.6%
2017	5.9%
2016	7.9%
2015	5.2%
<b>Projected Large-Business Rate Change in 2022<sup>1</sup></b>	<b>5.8%</b>

“Premium trends for the small group market often closely resemble the national large employer group market, but our weighted average for 2022 is almost two points lower than what large employers are likely to see in 2022,” said Terri Convey, director of Covered California’s Outreach and Sales division. “Covered California for Small Business’ 1.5 percent change in 2021 and 4 percent in 2022 is a reflection of how hard we are working to keep health care costs as low as possible for Californians.”

Covered California for Small Business will offer four statewide plans in 2022, including two preferred provider organization (PPO) plans from Blue Shield of California and

(more)

---

<sup>1</sup> National Business Group on Health, [“2022 Large Employers’ Health Care Strategy and Plan Design Survey.”](#)

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.

The 2022 portfolio of health plans also includes Sharp Health Plan in San Diego County and Blue Shield, which is providing HMO plans to residents of Fresno, Kings and Madera counties.

Covered California for Small Business expanded its offerings on Oct. 1, allowing employers to offer their employees the option of selecting from all four metal tiers – Bronze, Silver, Gold or Platinum – rather than the current system where plan selections are limited to two contiguous tiers.

Just as 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 lower 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/](http://www.CoveredCA.com/forsmallbusiness/) for information on how to apply.

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

### **About Covered California**

Covered California is the state’s health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. In addition to Small group coverage offerings, 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](http://www.CoveredCA.com).

###