July 15, 2026

Dr. Mehmet Oz, Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS–9874–NC
P.O. Box 8016
Baltimore, MD 21244-8016

Subject: Request for Information; Comprehensive Review of the Essential Health Benefits Framework and Typical Employer Plan Standard (CMS-9874-NC; RIN 0938-AW02)

Dear Administrator Oz,

Covered California appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) Request for Information (RFI) regarding the Essential Health Benefits (EHB) framework and the typical employer plan standard.

Covered California is the nation's largest state-based marketplace, connecting more than 1.7 million Californians to high-quality, affordable, and comprehensive coverage. As an active purchaser, Covered California promotes affordability, choice, and market stability by negotiating directly with issuers and holding plans accountable for delivering value to consumers. Covered California works closely with the California Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI), the state's health plan regulators, which regulate coverage requirements that shape the individual market, while Covered California separately certifies qualified health plans and standardizes the products consumers shop for through the exchange. Because federal changes to the EHB framework affect the plans Covered California offers and the way coverage is structured for consumers in the individual and small group markets -- including affordability, comparability, and consumer experience -- Covered California focuses its comments on the issues most important to state-based marketplaces and consumers rather than addressing each question individually.

Preserving State Flexibility in the EHB-Benchmark Framework

States are best positioned to understand their markets, their plans, and the needs of their consumers. One option for maintaining meaningful state flexibility is to retain the current EHB-benchmark update process, which already allows states to tailor their benchmark plans within federal guardrails. The existing framework has supported practical variation across the 51 benchmark plans, and 12 states have used this pathway to update their benchmarks in ways that reflect local market conditions, consumer needs, and state law.

Under this option, CMS could continue to permit states to modify their EHB-benchmark plans by selecting a set of benefits, which provides a targeted and practical mechanism for addressing coverage gaps without requiring states to adopt broader benefit designs that

could increase premiums. CMS's review for compliance with federal requirements aligns with states' practical experience administering benefit designs in their own markets.

CMS could also maintain its high-level guidance on the scope of EHB while preserving state flexibility to identify the specific benefits that best fit their populations. This approach supports responsive coverage design and recognizes the central role states play in shaping benefits that reflect their own market conditions and consumer needs.

Maintaining the Current Two-Year Implementation Timeline

If CMS ultimately makes changes to the EHB framework, Covered California urges CMS to retain the existing implementation cadence and align any changes with the current rate filing, product development, qualified health plan certification, and consumer communication cycles. States, regulators, issuers, and Marketplaces need sufficient time to understand new requirements, coordinate operational and product changes, update benefit designs, and prepare accurate consumer-facing materials for the next plan year.

For example, California's regulators and issuers already work within an annual filing cycle in which benefit design filings are due in early April and rate filings are due in mid-July for coverage effective the following January. Maintaining the existing timing approach is the best way to avoid unnecessary disruption, preserve stability in the individual market, and protect consumers if CMS later refines the EHB framework.

As the only state-based marketplace with an all-payer claims database, Covered California is uniquely positioned to monitor consumer utilization, disease prevalence, and costs, and use that data to inform more tailored, evidence-based EHB recommendations. Covered California appreciates CMS's consideration of these comments and the opportunity to inform future policy development in this area. We look forward to continued collaboration to support affordable, high-quality coverage and a stable individual market.

Sincerely,

Jessica Altman
Executive Director