Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

2026-05-01

2. Department

Covered California

3. Organizational Placement (Division/Branch/Office Name)

Financial Management Division

4. CEA Position Title

Assistant Chief Financial Officer

5. Summary of proposed position description and how it relates to the program's mission or purpose. (*2-3 sentences)*

The Assistant Chief Financial Officer for Financial Planning and Analysis (ACFO) provides administrative direction and oversight for the Budgeting, Systems, and Financial Planning and Analysis Units. The ACFO is responsible for the policy development that guides Covered California's financial planning and analysis functions, with responsibility for leading key fiscal operations, as well as developing and implementing financial policies related to long-term revenue and expenditure forecasting, participation fee rate setting, and budgeting framework to ensure Covered California's financial stability, integrity, and sustainability. In alignment with the strategic direction established by the Chief Financial Officer (CFO), Executive Director (ED), and the Board of Directors (Board), this position exercises a high degree of independent decision-making authority in shaping Covered California's financial policies and ensuring its long-term fiscal sustainability, which is vital for fulfilling its mission.

6. Reports to: (*Class Title/Level*)

Chief Financial Officer/Exempt

7. Relationship with Department Director (*Select one)*

☑ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.

☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*):

8. Organizational Level *(Select one)*

☐ 1st ☐ 2nd ☐ 3rd ☑ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Leads Covered California's financial planning function by developing planning standards, decision-making frameworks, and performance expectations that guide Covered California's multi-year fiscal strategy, in alignment with the financial strategy and governance direction of the CFO. Develops and leads enterprise financial planning policies related to long-range forecasting, fiscal scenario planning, planning assumptions, resource prioritization, and sustainable funding strategies. Establishes annual and multi-year planning cycles, decision processes, and reporting frameworks to ensure timely, consistent, and transparent financial planning across the organization. Establishes the methodology and decision criteria used to set and adjust participation fee rates in accordance with California Government Code, Title 22, Section 100503(n). Provides executive leadership in aligning financial planning activities with strategic priorities, operational demands, financial solvency, affordability goals, and long-term organizational commitments.

Directs the development and continuous refinement of enterprise forecasting policies, including methodologies for enrollment, long-term revenues, expenditures, and financial outlooks used in executive and Board-level decision-making. Establishes forecasting standards, model controls, data validation requirements, and analytical practices to ensure projections are credible, repeatable, and responsive to changing economic conditions. Directs complex scenario modeling involving market shifts, policy changes, economic conditions, consumer behavior, and operational impacts to inform policy options and recommendations to the CFO and Executive Director. Recommends enterprise planning assumptions and analytical approaches to the CFO and Executive Director and advises on their implications for future fiscal conditions and organizational options.

Develops and implements the budgeting framework that governs the formulation, allocations, and monitoring of the annual budget, approved by the Board. Independently develops the policies governing Covered California's budget to ensure proper baseline budget development and management, budget change proposal (BCP) prioritization, fund allocation, and support of long-term fiscal sustainability. Leads the shift to a strategic, priority-based budgeting framework, consistent with GFOA and ICMA best practices, by developing and refining enterprise financial policies that tie BCPs to enterprise strategic goals.

Develops and leads financial risk management frameworks that identify, assess, monitor, and respond to risks affecting Covered California's fiscal health and long-term sustainability. Recommends and implements fiscal thresholds, reserve planning strategies, monitoring indicators, and escalation protocols for emerging revenue or expenditure risks. Develops corrective planning and response options when financial conditions significantly shift. Provides executive guidance to leadership regarding tradeoffs, mitigation strategies, and financial resilience under varying fiscal scenarios.

Leads the financial evaluation frameworks used to assess strategic investments, operational initiatives, new workload demands, and competing enterprise priorities. Provides strategic policy advice and decision support to the CFO, Executive Director, Executive Staff, and Board by translating financial analyses into clear options, impacts, and recommendations. Guides organization-wide resource planning decisions through structured fiscal analysis, affordability assessments, and long-term sustainability considerations. Ensures executive leaders have reliable financial intelligence to support informed, timely, and accountable decisions.

Provides executive leadership to financial planning staff and managers through strategic direction, performance accountability, workforce development, and succession planning. Builds a high-performing planning function grounded in analytical excellence, continuous improvement, collaboration, and service.
Represents the financial planning function in executive forums, cross-divisional initiatives, audits, and high-level stakeholder engagements. Promotes a culture of fiscal stewardship, innovation, and enterprise thinking throughout the organization. Acts in place of the CFO, as needed, to participate in high-level policy deliberations and represent Covered California's financial position to external partners, consistent with the overarching financial strategy, governance, and statutory compliance responsibilities retained by the CFO.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☑ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Covered California mission is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them best value. As an independent public entity, Covered California operates separately from state agencies or departments. Importantly, it does not receive any support from the state General Fund and finances its operations by charging health plan carriers an assessment fee. This fee supports both operating and capital expenditures, ensuring the organization’s financial stability.

The ACFO plays a critical role in supporting Covered California’s financial health. Working alongside the CFO, ED, and Board, the ACFO ensures both short-term solvency—ensuring that obligations are met as they arise—and long-term fiscal sustainability. Financial stability is essential to maintaining Covered California’s mission and the health insurance marketplace for Californians. Failure to maintain solvency could jeopardize California’s health insurance marketplace services, triggering intervention from the California Executive Branch and the Legislature. Such a situation could attract significant media attention and ultimately damage Covered California's reputation. Additionally, as the Affordable Care Act (ACA) marketplaces are under national scrutiny, financial instability could lead to federal oversight and Congressional hearings.

This leadership role is integral to safeguarding the organization’s financial foundation and, ultimately, ensuring Covered California fulfills its mission to serve Californians effectively.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In 2019, Covered California internally elevated the Deputy Director, Financial Planning & Forecasting Operations (now known as the ACFO) from a CEA Level A to a CEA Level B under delegated authority. This decision reflected the exceptional complexity and high-consequence nature of the role and the need for a uniquely specialized healthcare finance leader. Over the past six years, Covered California has evolved from a startup entity into a mature, large-scale organization responsible for facilitating healthcare coverage for nearly two million Californians annually. A transformation that has dramatically expanded the scope, scale, and importance of financial leadership.

Covered California now operates with an annual budget of nearly $500 million and processes over $1 billion in financial transactions annually, financially operating unlike any other state agency. As a financially self-sustaining enterprise fund, Covered California receives no general fund appropriations to support its operations. This unique designation creates unprecedented challenges and responsibilities: Covered California must report on its financial activities as a separate government fund in the state's budget, while adhering to the guidelines established by the control agencies, including the State Controller’s Office (SCO) and the State Treasurer’s Offices (STO). In parallel, Covered California must function similarly to a local government, non-profit, or commercial business by generating its own revenue, managing its cash reserves and financial position, producing its own budget, preparing annual budgetary financial statements, and audited, GAAP-compliant, annual comprehensive financial reports. These hybrid responsibilities go beyond traditional government accounting functions and require a heightened level of financial expertise and leadership to navigate the complexity and ensure the long-term fiscal health for the organization.

In addition to these hybrid responsibilities, Covered California transitioned from a purely incremental budget process to a strategic, priority-based budgeting framework consistent with guidance from the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA). This shift has significantly expanded the complexity and risk profile of the financial planning and forecasting work led by the ACFO. Strategic budgeting now requires advanced forecasting, scenario modeling, and policy analysis to link budget decisions to enterprise strategic goals, manage fund balance, and ensure long-term fiscal sustainability under multiple federal policy paths and economic conditions. This transition further underscores the critical leadership role of the ACFO in safeguarding Covered California’s fiscal health.

A key responsibility of the ACFO is maintaining interperiod equity, balancing current revenues and expenditures to avoid either insufficient or excessive reserves. Faulty budgeting or unanticipated enrollment or premium changes could result in either insufficient or excessive revenue. Excessive revenue could cause Covered California’s cash reserves to exceed the statutorily mandated level and might lead to pressure from marketplace carriers to reduce participation fees, while insufficient reserves could force Covered California to draw down its cash reserves to unsustainable levels, jeopardizing its ability to fund operations or provide a financial buffer during economic uncertainty. These risks make long-term financial strategy and rigorous forecasting critical to Covered California’s ability to sustain its operations and fulfill its mission to provide affordable healthcare coverage.

Since 2020, the business environment in which Covered California operates has become increasingly volatile and unpredictable. Political uncertainty, shifting federal and state policy directives, macroeconomic fluctuations, and labor market disruptions have all created external pressures that directly impact enrollment, revenue, and overall financial stability. This heightened uncertainty has amplified the need for rigorous financial planning, continuous forecasting, and proactive budget management critical elements of Covered California’s strategy to ensure its long-term sustainability.

The level of complexity and the expanded range of activities that the ACFO is now required to plan, direct, and manage in order to maintain the financial integrity and fiscal sustainability of Covered California’s operations extends far beyond routine financial management. This position is pivotal to ensuring Covered California continues to meet the needs of millions of Californians by maintaining affordable coverage options, responding to changing conditions, and supporting innovative solutions for improving access to quality care.

In summary, the exponential growth of Covered California’s operational scale, the increasing complexity of its financial responsibilities, and the heightened volatility of the external environment necessitate maintaining the ACFO position at the CEA Level B. This role is vital to providing strategic financial leadership, safeguarding fiscal health, and sustaining Covered California’s operations to fulfill its mission of delivering affordable healthcare coverage to millions of Californians effectively.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

Covered California is an independent State agency governed by a Board of Directors, and as such, the ACFO has a critical role in developing financial policies, processes, and procedures independent of the Department of Finance (DOF), SCO, or STO oversight. The ACFO is the principal policy maker for:

1. Long-Term Revenue and Expenditure Forecasting: The ACFO establishes long-term revenue and expenditure forecasting policies to ensure fiscal sustainability and the long-term financial health of Covered California. This includes developing and maintaining comprehensive financial models, forecasting methodologies, and predictive systems that incorporate enrollment trends, premium levels, participation fee rates, non-operating income from Small/Mid-Cap Investment Fund (SMIF) investments, and economic conditions.

The identifiable statewide impact of this policy is that the policy informs long-range financial decisions necessary to preserve marketplace stability, anticipate fiscal risks, and sustain access to affordable health coverage for Californians.

2. Participation Fee Rates: The ACFO is the policy maker for Covered California's participation rate fee policy by establishing the methodology and decision criteria used to set and adjust participation fees in accordance with California Government Code, Title 22, Section 100503(n). This includes balancing revenue sufficiency, market competitiveness, affordability considerations, reserve targets, and long-term funding needs.

The identifiable statewide impact of this policy is that it determines the primary funding mechanism supporting Covered California's operations, consumer premium affordability, and a stable health insurance marketplace.

3. Covered California Budget: The ACFO independently develops policies governing the formulation, allocation, and monitoring to ensure Covered California's annual budget, which is set by the Board of Directors rather than the Legislature and is not subject to DOF budget approval. These policies establish how the baseline budget is developed, how BCPs are prioritized, and how funds are reallocated throughout the year in response to changes in enrollment, healthcare costs, or federal policy shifts. They ensure that expenditures remain within available self-generated revenues and support long-term fiscal sustainability. This approach preserves the stability of California's health insurance marketplace and ensures Covered California maintains financial stability while continuing to provide uninterrupted and affordable healthcare coverage for millions of Californians.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

Covered California operates as an independent public entity governed by a five-member Board of Directors, statutorily exempt from oversight by agencies such as DOF, SCO, or STO. As a result, the ACFO exercises a high-level of independent judgment and decision-making authority, making the role critical to managing Covered California's complex and politically sensitive financial matters. The ACFO's decisions directly impacts the organization's ability to maintain financial solvency while ensuring access to affordable healthcare for nearly two million Californians.

The ACFO is responsible for developing, interpreting, and implementing financial policies essential to Covered California's long-term fiscal sustainability. This includes creating new fiscal policy frameworks in areas such as reserve management, cash flow governance, participation fee evaluations, rate setting, contingency planning, and forecasting revenues. Unlike other state organizations, Covered California does not receive funding from the general state fund; instead, it must generate its own revenue to cover both operating and capital expenses. This requires the ACFO to carefully balance expenditure management with revenue generation, ensuring that services provided align with reasonable charges to health plans. Decisions made in these areas often set precedent within the organization, requiring the ACFO to exercise broad discretion and possess deep technical expertise.

Additionally, the ACFO works closely with the Covered California Board of Directors, earning their trust while navigating the public's expectations. The ACFO's policy and operational decisions hold significant weight, as they are often final within the organization and carry far-reaching consequences, including financial risks and operational impacts. Poorly made decisions could expose the organization to media scrutiny, litigation, or audits, highlighting the need for an executive with strong political acumen and leadership skills to safeguard Covered California's mission and fiscal sustainability.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The ACFO will be responsible for developing and implementing new financial policies, as well as interpretating and implementing existing ones, to ensure Covered California's fiscal sustainability and operational success. As an independent, self-funded governmental entity, Covered California operates much like a private business, requiring the ACFO to develop innovative policies that address long-term strategic planning, reserve management, participation fee evaluations, rate setting, and contingency planning.

This means that the ACFO must forecast revenues, evaluate whether the participation fee rate charged to health plans is reasonable and sustainable, balance financial solvency with affordability for both health plans and consumers, and consider a host of business strategies to ensure marketplace services remain accessible to nearly two million Californians. Strategic planning and developing a plan for long-term fiscal sustainability requires the development and refinement of financial policies to govern the organization. The ACFO will lead efforts to institutionalize best practices in financial management, clarify strategic financial goals, define operational boundaries, and mitigate risks to Covered California's financial condition. These efforts are essential to maintaining the organization's viability as an enterprise fund, which must operate independently from state general fund appropriations.

In addition, the ACFO leads Covered California's transition from a traditional incremental, line item budget approach to a strategic, priority based budgeting framework consistent with best practices endorsed by the GFOA and ICMA. This requires the development and continuous refinement of enterprise financial policies that tie BCPs to strategic goals, integrate multi year enrollment and revenue forecasts into budget decisions, and ensure that the annual financial plan advances long term fiscal sustainability rather than simply adjusting prior year spending levels.

The ACFO will work with the CFO to ensure that appropriate financial policies are designed, implemented, and continuously reviewed to ensure their relevance and address necessary changes. These efforts will focus on proactively adapting to shifts in regulatory requirements, market dynamics, and organizational needs, while addressing emerging financial challenges and ensuring compliance with public management best practices, such as those endorsed by the GFOA.

In short, the ACFO's role is critical to shaping Covered California's financial framework, balancing innovation with compliance, and ensuring sustainable operations that impact health plans, consumers, and the broader healthcare marketplace.