

1. What is Cal-COBRA?

Cal-COBRA is a California health coverage protection. It is not health coverage. Cal-COBRA requires employers with 2 to 19 employees to provide their employees (and their dependents) the right to continue health insurance coverage after a qualifying event occurs. Health coverage protection for larger group sizes of 20 or more fall under Federal COBRA laws.

(2) Who is eligible for Cal-COBRA?

You, along with your spouse and dependants, become eligible for Cal COBRA through qualifying events.

The following are qualifying events that terminate employer-sponsored group health coverage, making you eligible for Cal-COBRA

Employees

Voluntary or involuntary termination of employment for any reason other than gross misconduct. For example, arson or embezzlement; or

Voluntary or involuntary reduction in work hours below the minimum number of hours required to qualify for group health coverage

Spouses

- ◆ Voluntary or involuntary termination of the covered employee's job for any reason other than gross misconduct..
- ◆ Covered employee is subject to a reduction in work hours below the minimum number of hours required to qualify for group health coverage.
- ◆ Covered employee becomes eligible for Medicare and no longer qualifies for the group health plan.
- ◆ Covered employee and spouse divorce or become legally separated, or death of the covered employee.

Dependent Children

Coverage is subject to the same rules for spouses until the child reaches the age at which the child no longer qualifies for coverage under the parent's group health plan.

3. Who is not eligible for Cal-COBRA?

An individual who is terminated from employment due to gross misconduct is not eligible for Cal-COBRA, for example, committing arson or embezzlement.

4. What does Cal-COBRA law provide and how long does it last?

- ◆ Cal-COBRA requires that eligible employees, and their dependents, receive the same health insurance benefits that the employer provides to the current work force.
- ◆ You can use Cal-COBRA to continue your employer-sponsored health coverage initially for 18 months as an employee. Other periods of time apply for your spouse and children. For the first 18 months you are responsible for paying 110% of the total health insurance premium your employer may have been paying.
- ◆ If you meet Social Securities rules for disability, Cal-COBRA can be extended to 29 months. However, you are responsible for paying a maximum premium of 150% for the additional 11-month extension.

The above amounts include the portion of premiums your previous employer may have paid.

Note: Previously, an individual would utilize OBRA after COBRA coverage ends. However, for qualifying events occurring on or after January 1, 2003, Assembly Bill No.1401 extends Cal-COBRA coverage by an additional 18 months giving individuals 36 months of coverage or until Medicare eligible. With AB 1401 you pay 102% of the premium payment, rather than 150% with OBRA.

Other components of AB 1401 include:

- ◆ Requires former employers and health insurance carriers to continue providing coverage to previous employees.
- ◆ Additional 18 months of coverage applies to Health Maintenance Organizations (HMOs) and health insurance (PPO, POS, indemnity plans, etc.)
- ◆ Allows former employees an additional 18 month of coverage regardless of disability status.
- ◆ Allows individuals to retain coverage who become disabled after a qualifying event occurs. An individual no longer needs to provide a Social Security Award Letter for extended coverage, if covered by an HMO or health insurance.
- ◆ Law does not apply to self-insured trusts/self-funded plans.

5. Who pays for Cal-COBRA?

You are responsible for paying 110% of the total health insurance premium for the first 18 months of Cal-COBRA. If you are eligible for an 11 month extension, you will be expected to pay 150% of the premium. This includes the portion of the premium that your previous employer may have paid.

6. Are there medical eligibility requirements for Cal-COBRA?

No, you, along with your spouse and dependents, become eligible for Cal-COBRA through qualifying events.

However, the Cal-COBRA extension is for people who left the workforce due to a Social Security level of disability.

You are eligible for Cal-COBRA extension if

- a. The reason you elected Cal-COBRA was due to disability that Social Security determines to have started within 60 days of filing for Cal-COBRA; and
- b. You provide proof to the employer or Cal-COBRA administrator of this within 60 days of receiving your Social Security disability award letter.

7. Who do I submit the Cal-COBRA application to? Your application should be submitted to your previous employer or the Cal-COBRA administrator.

8. What is a Cal-COBRA Administrator?

A Cal-Cobra administrator is either your previous employer or a company that the employer has chosen to process Cal-COBRA extension premiums.

9. Does what I have in the bank or what I own, such as a home or car, effect my eligibility for Cal-COBRA?

No. There are no limitations on what you own or have in the bank to be eligible for Cal-COBRA. This law provides continuation of employer-sponsored health coverage based on qualifying events.

10. How do I prepare to use Cal-COBRA?

Your employer is responsible for providing you with the Cal-COBRA notice (application) with 30 days of the qualifying event.

11. How do I apply for Cal-Cobra?

First, the employer must provide you with a Cal-COBRA notice within 30 days of qualifying event. And, second you must submit a complete Cal-COBRA application within 60 days from the qualifying event.

If you decide to elect Cal-COBRA you will be given an additional 45 days to pay any premiums that are due or became due before you elected Cal-COBRA.

Your employer may choose a company to process Cal-COBRA premiums, called a Cal-COBRA Administrator.

12. How soon after applying will I be eligible for benefits from Cal-COBRA?

You can use your health coverage without interruption if you submit the Cal-COBRA application on time. You can continue using health coverage though Cal-COBRA before you begin paying premiums. Be aware if you use health coverage during Cal-COBRA and *do not pay premiums* you will become responsible for the total amount of your health care costs.

13. What happens if I am not approved for a Social Security disability program and am ineligible for a Cal-Cobra extension?

If you are ineligible for a Cal-COBRA extension and any other type of health coverage, you may be able to access an individual plan through private health coverage, without medical underwriting, and with HIPPA provisions if:

- ◆ You have had at least 18 months of previous group coverage;
- ◆ You are no longer eligible for COBRA and not eligible for any other health coverage, including Med-Cal or Medicare; and
- ◆ You have had coverage within the past 63 days.

14. Can I qualify for Cal-COBRA while I am eligible for Medi-Cal?

Yes, your eligibility for Medi-Cal will not effect your ability to access Cal-COBRA. In some cases, you may be able to have Medi-Cal's Health Insurance Premium Payment Program (Medi-Cal HIPP) pay your Cal-COBRA premiums.

15. Can I qualify for Cal-COBRA while I am eligible for Medicare?

This depends on when you became eligible for Medicare.

- ◆ If you become eligible for Medicare while you are eligible for Cal-COBRA your Cal-COBRA eligibility ends.
- ◆ If you are already eligible for Medicare at the time of the qualifying event, you may qualify for Cal-COBRA.

16. How do I stay enrolled in and eligible for Cal-COBRA?

To remain enrolled in Cal-COBRA, pay your premiums. If you fail to pay premiums, your coverage may be cancelled. This law mandates a 30 day grace period after cancellation of a policy for non-payment of premiums. This grace period is allowed once in a 12 month period. If payments are made within 30 days, your coverage will be reinstated.

17. Are there rules for immigrants to qualify for Cal-COBRA?

No. Immigration rules related only to your legal residency status and whether you are legally allowed to work in California should be considered.

18. What is the difference between Cal-COBRA, COBRA and OBRA?

COBRA is federal health coverage protection that requires employers of 20 or more employees to provide their employees, and their dependents, the right to continue health insurance benefits when a qualifying event occurs.

OBRA is a federal law that allows an employee to continue health insurance benefits after COBRA ends, if the employee has elected COBRA coverage due to a Social Security approved disability.

Cal-COBRA is California health coverage protection that requires employers of 2 to 19 employees to provide their employees (and their dependents) the right to continue health insurance benefits when a qualifying event occurs.

19. What happens when I work while receiving benefits from Cal-COBRA?

Working does not affect your eligibility for Cal-COBRA. You may consider health coverage offered by your new employer since Cal-COBRA will last for 18 months, unless you are disabled due to a Social Security approved disability. Also, during the Cal-COBRA extension, you will need to consider the Social Security Disability Insurance (SSDI) and/or Supplemental Security Income (SSI) work rules.

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