

## Objective

Cal-COBRA extension requires Health Plans and Insurers to offer COBRA continuation coverage for up to 36 months from the original event date to all COBRA beneficiaries insured under a contract written in California, whether covered under [Federal COBRA](#) or Cal-COBRA. After an individual exhausts their coverage under Federal COBRA, typically 18 months or, in the case of an individual certified by the Social Security Administration as disabled, 29 months, they will be eligible for continued coverage under Cal-COBRA, for up to a total of 36 months.

## WHY OFFER IT?

The extension of health coverage is mandated by California Assembly Bill 1401.

## WHO OFFERS IT?

All employers with a fully insured health care contract issued in the state of California must offer this coverage.

## WHO IS EXCLUDED?

The additional coverage under Cal-COBRA does not apply to a specialized health care plan providing non-core coverage (i.e. standalone vision and dental care plans) or plans that are self-insured. Only fully insured plans that offer medical and hospital benefits are subject to the extension of 36 months. In addition, the law does not apply to anyone who is insured by a plan issued outside of California. However, Non-California residents can be covered under this law if the contract is issued within California.

## WHAT ARE THE EMPLOYER RESPONSIBILITIES?

Employers are required to notify qualified beneficiaries of their extension rights at least 60 days prior to exhaustion of COBRA. See the sample [COBRA Notice of Conversion](#). The insurer, not the employer, is responsible for administering the extended COBRA coverage. Members who elect the extension are eligible for the same medical plans as active employees and must be allowed to change their coverage during the company's Open Enrollment period.

If the employer changes insurers, it is the employer's or COBRA Administrator's responsibility to find out who is on Cal-COBRA and communicate the change to the participant(s), as well as notify the new insurer of who is on Cal-COBRA so they may proceed in administering the extended COBRA coverage.

## WHAT ARE THE PARTICIPANT'S RESPONSIBILITIES?

In order to elect the extension, the member is responsible for notifying the administrator in writing no later than 30 days prior to the end of the 18 or 29-month COBRA continuation period.

## WHAT IS THE COST OF CONTINUATION COVERAGE?

Costs for such extension may not exceed 110% of the applicable group rate.

## WHAT IS THE MAXIMUM PERIOD OF COVERAGE?

Cal-COBRA extends the continuation coverage to a total of 36 months from the date the original COBRA coverage commences. For individuals who qualify for extended COBRA (to 29 months) due to Social Security Administration disability determination, the maximum period of coverage will also be 36 months from the date the original COBRA commences.

## INFORMATIONAL LINK(S)

- [COBRA Guidelines](#) (United States Department of Labor)
- [Cal-COBRA Legislation](#) (CA.gov)
- [Cal-COBRA FAQs](#) (Disability Benefits 101)

## QUICK FACTS

- COBRA participants must exhaust their federal COBRA coverage (18, 29, or 36 months) period before becoming eligible for the additional COBRA coverage.
- Extension of coverage only needs to be offered if original COBRA coverage was less than 36 months. Spouses and dependent children who originally are offered 36 months of COBRA coverage are not eligible for the extension under Cal-COBRA.



*This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization.*