



Covered California for Small Business

Participant Guide

Version 4.0



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1. COURSE OBJECTIVES

- ✓ Describe the Covered California for Small Business Marketplace and its primary target audience
- ✓ Identify who is eligible to participate in the Covered California's small business market
- ✓ Identify the primary populations that will be participating in Covered California for Small Business

2. WHAT IS COVERED CALIFORNIA'S FOR SMALL BUSINESS MARKET?

WHAT IS COVERED CALIFORNIA'S SMALL BUSINESS MARKETPLACE?

Covered California is the marketplace where both small businesses and their employees can buy affordable, quality health insurance. The Covered California for Small Business Program, gives employers in California the ability to research and compare different health insurance plans from competing health insurance companies.

With coverage starting in 2014, small businesses were able to purchase competitively priced health insurance plans to offer their employees. Starting in 2016 business must meet these criteria to be eligible:

- Employ between 1-100 full-time equivalent employees (FTEs)
- At least one employee, other than the owner, who receives a W-2 tax form at the end of the year
- All full-time employees must be offered coverage in a Covered California for Small plan
- Employ the majority of their employees in California.

Employers are not mandated to offer Covered California for Small Business to employees, nor are employees required to sign up. However, please keep in mind that employers with 50 or more FTEs may be assessed a penalty for failing to provide sufficient coverage to their full-time employees. In 2016, businesses with 1 to 100 FTEs will have access to health insurance with Covered California for Small Business with coverage beginning in 2016.

WHO CAN USE THE COVERED CALIFORNIA FOR SMALL BUSINESS MARKET?

Covered California for Small Business Marketplace primarily serves small businesses that meet the following criteria:

- Have 1 to 50 eligible employees, with at least one employee, other than the owner, who receives a W-2 tax form at the end of the year. For plans starting on January 1, 2016, have 1 to 100 FTEs, with at least one employee, other than the owner, who receives a W-2 tax form at the end of the year.¹ For assistance in determining an employer's FTE number, please use the HealthCare.gov FTE calculator at

<https://www.healthcare.gov/shop-calculators-fte/>.

- Elect to offer, at a minimum, all eligible employees' coverage in a Covered California health plan through Covered California for Small Business.
- Have the majority of their employees employed in California.

Covered California for Small Business' Marketplace also serves employees that meet the following criteria:

- Employees are eligible to enroll in coverage through Covered California for Small Business if they received an offer of coverage from a qualified employer.

Seasonal workers, 1099 contract workers, part-timers working less than 20 hours per week, and temporary workers are NOT eligible under any circumstance to participate in the Covered California for Small Business marketplace.

To qualify as an eligible employee in Covered California individuals must meet the following criteria:

- Work at least an average of 30 hours per week, measured on a monthly basis*
- Be a part-time employee who works between 20 and 29 hours a week for whom the employer offers health care coverage. Part-time employees count in determining the total employee figure, which cannot exceed 50 in 2015 and 100 in 2016.

*California defines an eligible employee as one who works an average of 30 hours per week, measured on a monthly basis. Additionally, eligible employees must be permanent and actively engaged in the business of the employer or become an eligible employee once the offer of coverage is made by the employer.

WHAT PRODUCTS AND SERVICES ARE OFFERED THROUGH THE SMALL BUSINESS MARKET?

Listed below are the types of products and services that are offered through Covered California for Small Business Market:

- Access to Competing Health Insurance Plans
- Access to Multiple Coverage Options
- Access to Tax Credits
- Benefits Administration
- Enrollment Support
- Customer Service

Covered California offers small employers a number of different health insurance plans. The employer decides how much they want to contribute to their employee coverage (employer contribution of 50% is required), who they will cover, and if the employer wants to include dependents of employees (employer contribution of 0% is required). They can also find out if they can get tax credits to help pay for premiums.

WHEN CAN BUSINESSES' ENROLL THROUGH COVERED CALIFORNIA FOR CALIFORNIA FOR SMALL BUSINESS?

Covered California for Small Business opened in Fall 2013, and employers continue to shop Covered California for Small Business for plans. The effective date for businesses to have coverage began January 1st, 2014.

Qualified employers can enroll according to their policy's renewal date or at another date they choose. Once enrolled, the employer's coverage and premiums are set for 12 months.

HOW GOES COVERED CALIFORNIA FOR SMALL BUSINESS WORK?

Covered California's Small Business marketplace lets small business owners easily compare and contrast a variety of Covered California health plans, which are offered by private health insurance companies. These plans include consumer-friendly provisions that make it easier for both employers and employees to understand their health insurance options. The following steps outline the process to enroll:

- Step 1:** Small businesses apply through Covered California for Small Business.
- Step 2:** Covered California for Small Business provides defined levels of coverage called "metal tiers" (Platinum, Gold, Silver and Bronze); small business owners select the level of coverage to offer their employees. Beginning October 1st, 2014 employers can offer a base metal tier with the option to buy down or buy up to a contiguous metal tier. Employers can offer two tiers to their employees rather than just one. Tiers must be touching each other (ie. contiguous... meaning you can offer a Silver/Bronze but not a Gold/Bronze). This change increases employee choices.
- Step 3:** Employers define the contribution amount to provide towards cost of employee coverage (50% minimum contribution) and dependent coverage (optional).
- Step 4:** Employees elect the specific health plan that meets their needs and budget within the defined level of coverage. The entire family must select the same plan. Step 2 contiguous tiers still apply.
- Step 5:** If the small business seeks financial assistance, Covered California will help determine eligibility for the federal tax credit.
- Step 6:** Small businesses complete the short form employer application; employees apply using the same streamlined application used for the individual marketplace.
- Step 7:** Covered California verifies eligibility and issues one consolidated, monthly invoice to the employer for all health plan premiums.

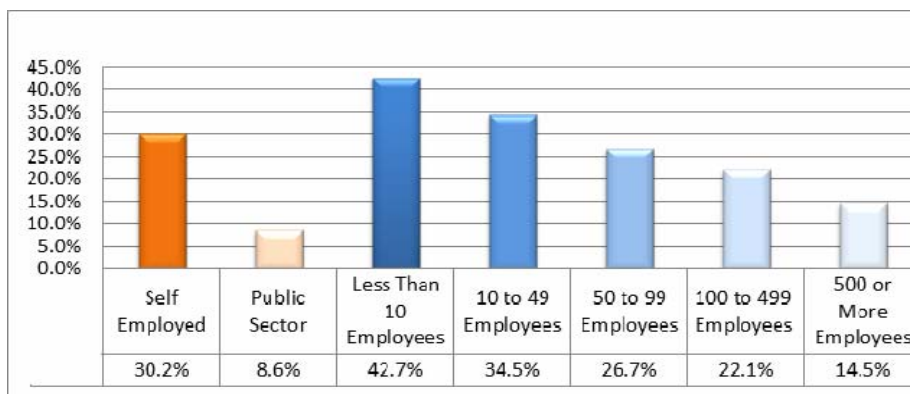
WHO ARE THE PRIMARY POPULATIONS?

Employer-Sponsored Coverage

Roughly half of all Californians get their health insurance through their job. This is called employer-sponsored coverage, and it is the main source of coverage for working adults. However, not all working adults have employer-sponsored coverage for a variety of reasons, including:

- The recent economic downturn has resulted in a decline in employers offering coverage
- Employees need to meet eligibility requirements, which are often determined by length of employment and number of hours worked
- Some employees choose not to participate because the cost is too high

The chart shows the breakdown of the uninsured working population by employer size. The highest uninsured percentages are seen in employers with less than 50 employees.



JOE'S STORY

My name is Joe. I own a computer parts and repair company in Los Angeles, California. My business has grown over the last three years and I now have seven employees. I have never offered coverage before, but I am considering it now. I'd like to keep my costs down and allow each of the employees to select the plan that best fits their budget. Is coverage through Covered California right for me?

3. OVERVIEW OF THE COVERED CALIFORNIA FOR SMALL BUSINESS MARKET ELIGIBILITY AND ENROLLMENT PROCESS

Covered California's Small Business Market gives small businesses the opportunity to offer their employees a choice of competing health plans from private health insurance companies. Covered California for Small Business certifies health plans, allows small businesses to shop and compare premiums and benefits, enrolls eligible employees in health insurance coverage, and consolidates employer billing. For small businesses and their employees that wish to participate in Covered California, there are three levels of eligibility:

- Eligibility for employers to offer Covered California's health plans to their employees

through Covered California for Small Business.

- Eligibility for employees to purchase Covered California's health plans through Covered California for Small Business.
- Eligibility for qualified employers to receive federal tax credits only available through Covered California for Small Business.

EMPLOYER ELIGIBILITY FOR THE COVERED CALIFORNIA FOR SMALL BUSINESS MARKET

The first step in the employer eligibility process begins with employers submitting the Covered California for Small Business Program Application for Employers in paper form. Employers can apply in the way that works best for them, including:

- In-person through a Certified Covered California program partner
*Special accommodation's for those with disabilities will be made as needed.
- By U.S. Postal Mail

The Covered California for Small Business Application for Employers

The first step in the employer eligibility process begins with the employer submitting the Covered California for Small Business Program Application for Employers. Employers can complete the application themselves or work with a Certified Insurance Agent or a General Agent.

Understanding the employer application and the information required is the key to submitting a complete and successful application.

- ✓ Employer name, as reported to the Employer Development Department (EDD)
- ✓ Federal Employer Identification Number (FEIN)
- ✓ State Employer Identification Number (SEIN)
- ✓ A copy of their California Business License DE-9C reconciled by the employer
- ✓ Total number of employees
- ✓ Total number of full-time employees
- ✓ Employee roster, including: address, hire date, date of birth, social security number or tax identification number
- ✓ Dependent information (if offering dependent coverage), including date of birth to determine age of the dependent.

Eligibility Requirements

The Covered California website, www.CoveredCA.com is the resource for downloading the employer and employee application forms located at:
<http://www.coveredca.com/small-business/apply/>

Enrollment is easy for employers, their employees and the Certified Insurance Agents who help them. The Covered California for Small Business Service Center will request and inspect the employer's California business license, the employer's reconciled DE-9C, and applications for

employers and employees. Other documentation may be requested depending on the type of business (sole proprietor, partnership, limited partnership, etc.).

WHEN TO APPLY FOR ELIGIBILITY

Small businesses also have the option to enroll throughout the year according to their policy's renewal date or whenever they choose. This enrollment flexibility is unique to small businesses and not available in Covered California's individual marketplace.

Upon employer enrollment, the employer coverage and premiums are guaranteed for 12 months from the employer's coverage effective date. Employees added during the plan year (after the employer's coverage effective date) are guaranteed the employer coverage and premiums until the end of the *employer's* plan year.

Application Processing Times

Covered California's goal is to connect small businesses with health insurance as quickly and easily as possible. The average processing time may vary depending on complete information and submission of all the required documents.

Timeframe (for complete applications)	Application Channel
10 calendar days	By mail or fax

4. ELIGIBILITY TO PURCHASE HEALTH INSURANCE THROUGH COVERED CALIFORNIA FOR SMALL BUSINESS

Small businesses eligible to purchase health insurance through the Covered California for Small Business Market are those that:

- Have 1 to 50 eligible employees for 2015 plans or 1 to 100 full-time equivalent employees (FTEs) for plans starting on January 1, 2016;
- Elect to offer, at a minimum, all eligible employees coverage in a Covered California health plan through Covered California for Small Business;
- Contribute a minimum of 50% of the lowest cost employee-only premium in the metal tier the employer selects; and
- Have the majority (51% or more) of their employees employed in California
- Meet the minimum participation rate of 70%

DETERMINING ELIGIBILITY TO PURCHASE COVERED CALIFORNIA HEALTH INSURANCE PLANS THROUGH THE COVERED CALIFORNIA FOR SMALL BUSINESS MARKET

Eligible Employees

As a condition for participating in Covered California for Small Business, an employer must offer coverage to all "eligible employees." California defines an "eligible employee" as one who works an average of 30 hours per week, measured on a monthly basis, and is actively engaged in the

business of the employer. Part-time employees are not automatically considered to be eligible employees. Employers may elect to offer coverage to their part-time employees who work at least 20 hours but no more than 29 hours per week.

However, there are some situations where a part-time employee is considered to be an eligible employee. The following four conditions must be satisfied for a part-time employee to be considered an eligible employee:

- The part-time employee is actively engaged in the business of the employer;
- The employer offers employees health care coverage under a health benefit plan;
- The employer offers coverage to all similarly situated part-time employees; and
- The part-time employee worked at least 20 hours per normal workweek for at least 50 percent of the weeks in the previous calendar quarter.

If the above conditions are satisfied, then an employer's part-time employees working 20 to 29 hours per week are deemed to be eligible employees. Remember, an employer must offer all eligible employees coverage as a condition to participating in Covered California for Small Business.

Sole proprietors with employees are eligible to purchase coverage through the COVERED CALIFORNIA FOR SMALL BUSINESS. However, small businesses that operate as sole proprietorships but have no employees are not eligible.¹

These sole proprietors may be eligible to buy through the individual marketplace operated by Covered California.

Beginning in 2015, Covered California for Small Business' Market became available to employers with 1 to 100 FTEs, for coverage effective January 1, 2016.

Offering Coverage

Small businesses that choose to offer coverage through Covered California for Small Business must:

- Offer coverage to all eligible employees;
- Meet a minimum employee participation rate of 70%;
- Contribute a minimum of 50% of the cost of the least expensive plan in their selected metal tier toward their employees' eligible premium;
- Have 1-50 eligible employees for 2015 plans and 1-100 FTEs for plans starting on January 1, 2015; and
- Have the majority (51% or more) of their employees employed in California

Although Federal regulation does not require employee choice prior to January 1, 2015, California elected to implement employee choice beginning January 1, 2014. Employee choice permits employers to determine a level of coverage from one of the four metal tiers (Platinum, Gold, Silver and Bronze) and the amount they want to contribute toward their employee's premium. Under this employer "defined contribution" arrangement employees will then be able to select from any health plan offered in the metal tier the employer selected.

Required Employer Reporting

Employers are required to report new hires or terminations prior to the effective date of the change. A "Covered California for Small Business Employer Change Request Form" will be used to record changes.

Employers can request the Change Request Form by visiting <http://www.coveredca.com/small-business/apply/> to download the form or by calling the Covered California for Small Business Service Center at 877-453-9198.

Employees Employed in California

Small employer's wanting to enroll in Covered California for Small Business must have the majority of their employees working in California. For the 2014 plan year, no more than 49% of their eligible employees can reside outside of California.

VERIFYING ELIGIBILITY TO PURCHASE COVERED CALIFORNIA HEALTH INSURANCE PLANS THROUGH THE SMALL BUSINESS MARKETPLACE

Covered California for Small Business' Service Center is responsible for verifying employer and employee eligibility to purchase small business health insurance.

The process includes:

- Verifying that each individual applicant identified by the employer is an employee to whom the employer has offered coverage. This verification is based on the employer's reconciled DE-9C, as required by the California Employment Development Department;
- Accepting the information attested to within the application unless the information is inconsistent with the employer-provided information; and
- Collecting only the minimum information necessary for verification of eligibility in Covered California for Small Business.

If the information submitted on the Covered California Application for Employers or the Covered California for Small Business Application for Employees does not meet the eligibility requirements, or is inconsistent with the information reported on the DE-9C, the Covered California for Small Business Service Center will³:

- Notify the employer or employee of the ineligibility or inconsistency;
- Make a reasonable effort to identify and address the causes of the inconsistency;
- Provide the employer or employee with a period of 30 days from the date of notification to present satisfactory documents to support the application or resolve the inconsistency. Documents may be submitted on-line, by fax or by US Mail.

After 30 days of the notification, if Covered California for Small Business has not received satisfactory documents, they are required to notify the employer or employee that their eligibility has been denied. Covered California for Small Business sends a notice of approval or denial of eligibility for every employer that requests eligibility to purchase coverage through the small business marketplace. Employers have the right to appeal denial decisions.

PAYMENT FUNCTIONALITY PROCESS FOR THE COVERED CALIFORNIA FOR SMALL BUSINESS MARKET?



It is important to note that in order for coverage to start, payment must be received in full by the Covered California health plan that the small business selects. Unlike the individual market, Covered California is a payment aggregator for the Covered California for Small Business market.

Covered California for Small Business will invoice and collect both initial and monthly premiums from employers and provide payment to the appropriate health plan on behalf of the small business.

Because health plans typically do not accept credit cards in the small employer market, and in an effort to minimize costs to Covered California, credit cards will not be a payment option for the small business marketplace.

5. QUALIFYING FOR SMALL BUSINESS TAX CREDITS THROUGH COVERED CALIFORNIA FOR SMALL BUSINESS

The ACA includes tax credits to qualified small businesses. These tax credits are designed to help make it more affordable for small businesses to offer health insurance to their employees. Beginning in 2014, small businesses were able to qualify for a maximum tax credit of 50% of their eligible employee premium contribution. Tax credits are also available for qualifying nonprofit or tax-exempt employers. These employers must meet the same criteria as other small businesses.

However, for these entities, the maximum tax credit will be 35% of the employer share of premiums.

QUALIFYING FOR SMALL BUSINESS TAX CREDITS

Small businesses may qualify for tax credits if they:

- Have fewer than 25 full-time equivalent employees for the tax year (example: two part-time workers count as one full-time-equivalent employee)
- Pay employees a combined average wage that does not exceed \$50,000 per year
- Contribute at least 50% toward their employees' premium costs - this contribution requirement also applies to add-on coverage such as vision, dental and other limited-scope coverage

Taxable employers with fewer than 10 full-time equivalent employees with wages averaging less than \$25,000 per year that contribute a minimum of 50% toward their employee's premium may qualify for the maximum tax credit.

A tax credit calculator will be available on CoveredCA.com. Small businesses can use the calculator to determine if they qualify for a tax credit and estimate their tax credit amount. Small businesses are encouraged to visit the IRS website or contact their tax professional for additional information on available tax credits and their specific situation.

EMPLOYER AND EMPLOYEE APPEALS PROCESS

Employers and employees who either receive a denial of eligibility or do not receive their notification of eligibility from Covered California within one to two weeks of Covered California's receipt of their complete and correct application with all requested documentation, have the

right to appeal. Appeals must occur within 90 days of the date of the notice of denial. Once a valid appeal is submitted to Covered California a decision must be provided via a written notice within 90 days. Appeals will be adjudicated independently and must consider any evidence submitted by the appellant. If the employer or employee is determined eligible through the appeals process the decision is effective retroactive to the date of the incorrect eligibility determination. Appeals must be submitted in writing and can be initiated by contacting the Covered California for Small Business Service Center.

Complaints or Concerns: Covered California is committed to supporting small businesses, and invites all employers and employees to call Covered California for Small Business Service Center with any complaints or concerns.

There are a number of other California state resources available to support consumers.

The Office of Patient Advocate: This state agency provides a great overview of the health care industry, with a glossary of terms, patient rights, and a step-by-step guide that shows consumers how to deal with a problem or file a complaint against their health insurance company. This agency does not file complaints against health insurance providers, but it can tell consumers what state agencies can help. The agency's website is: www.opa.ca.gov. The agency's phone number is 1-866-466-8900.

California Department of Managed Health Care (DMHC): This state agency oversees HMOs and some PPOs. Consumers can contact the DMHC if they've filed a complaint against their health insurance company because it denied coverage based on lack of medical necessity or a treatment being considered experimental or investigational in nature. This agency administers what is called an "Independent Medical Review" (IMR). If a consumer's situation qualifies, an independent physician will review the health insurance company's decision and has the power to overturn that decision. The IMR is a free service available to anyone in California enrolled in a managed care health plan. This agency has the power to file a "standard complaint" against a health insurance company about a coverage denial and can overturn the company's decision. The agency's web site is www.dmhc.ca.gov. The agency's phone number is 1-888-466-2219.

California Department of Insurance (CDI): This state agency handles complaints against PPOs and it functions just like the Department of Managed Health Care. Consumers can file a complaint with the CDI against their PPO if coverage was denied based on lack of medical necessity or if a treatment being considered experimental or investigational in nature. This agency administers what's called an "Independent Medical Review" (IMR). If their situation qualifies, an independent physician will review the health insurance company's decision and has the power to overturn that decision. The IMR is a free service available to anyone in California enrolled in a managed care health plan. This agency has the power to file a "standard complaint" against a health insurance company about a coverage denial and can overturn the company's decision. The agency's web site is www.insurance.ca.gov. The agency's phone number is 1-800-927-4357.

6. COVERED CALIFORNIA FOR SMALL BUSINESS FAQ'S

What is Open Enrollment?

Open Enrollment (OE) is the time of the year when the employer group is eligible to change its offer of health insurance coverage to its qualified employees. The election period is 30 days in length, beginning at least 75 days prior to the completion of the employer's plan year. At OE, qualified employees may make changes to their health insurance coverage. They may also add and terminate eligible dependents.

What waiting period can I offer?

Waiting periods for insurance coverage cannot exceed 60 calendar days with the first day of employment counting as Day 1. Since coverage begins on the first day of the month, the two options that would satisfy the 60-day time frame would be:

- First of the month following 30 days from date of hire, or
- First of the month following date of hire

Who is a qualified dependent?

This depends on the dependent coverage you are, as the employers, are offering. Your choices are:

- Spouse
- Registered Domestic Partner
- Children
- Disabled Adult Children

May I enroll employees or their dependents at a time outside of the annual Open Enrollment period?

Employees and dependent can enroll for healthcare coverage outside of OE if a Qualifying Event (QE) occurs. Qualifying events which would allow an employee and/or dependent to be eligible for health care benefits outside the Open Enrollment period are:

Enrollee	Eligibility Date	When to Report
New Employee	The first day of the month after completion of the company waiting period, not to exceed 60 calendar days	Within 30 days of the employee's eligibility date

Spouse	The date of the marriage or loss of other coverage	Must be enrolled within 30 days from the date of marriage or loss of coverage
Registered Domestic Partner	The date of the partnership registration or loss of coverage	Must be enrolled within 30 days from the date of partnership
Newborn	Date of birth	Must be enrolled within 31 days from the date of birth or loss of coverage
Adopted Child	Date of adoption or placement for adoption	A legally adopted child must be enrolled within 31 days from the date that the adoption becomes legally effective
Legal Guardianship	Effective date will be qualified on the date of legal placement	A child under Legal Guardianship must be enrolled within 31 days from the effective date of the order
Medical Support	Eligibility based on a Qualified Medical Child Support Order- QMCSO	Placed on coverage the first of the month following receipt of the legal documents

How do I pay for coverage?

Covered California for Small Business will send invoices to qualified employers on or about the 15th of the month for health insurance coverage for the following month. Healthcare premiums are due prior to the month of coverage and must be postmarked by the last day of the invoicing month. Premiums are delinquent if not paid by the first of the month of coverage. If premiums are not paid by the end of the month of coverage, health plan coverage will be terminated.

The invoice is to be paid in full each month. Any enrollment changes made and not reflected on the invoice will be reflected the following month. For new group enrollments, submit completed employer and employee paper applications to the Covered California for Small Business Service Center. You may also contact: 877-453-9198 for further questions. Applications can be found on our web site in the agent toolbox at:
<https://www.coveredca.com/hbex/agents/agent-tools.html>

Mail your completed applications and other required document to:

Covered California
P.O. Box 7010
Newport Beach, CA 92658

For overnight deliveries, send to:

Bank of America Lockbox
Services P.O. Box 740167
Ground Level
1000 W. Temple Street
Los Angeles, CA 90012

Submit Payments:

Covered California for
Small Business
PO Box 740167
Los Angeles, CA 90074-0167

What happens if my group coverage is terminated for non-payment?

If coverage is terminated for non-payment, you must submit a new application for coverage.

May I change or remove coverage for employees or their dependents outside of Open Enrollment (OE)?

Yes. Coverage for employees and dependents can be changed or removed outside of OE if there is a loss of minimum coverage due to one of the following reasons:

- Reduction in employment hours
- Termination of employment
- Legal Separation
- Divorce
- Change in dependent status
- Death of employee

What happens if an employee does not enroll in a plan during Open Enrollment?

If an employee waives coverage during OE they will either have to wait for the next OE period or experience a QE in order to be eligible for benefits.

How do I terminate coverage for the entire employer group?

To terminate coverage for the entire employer group, the employer must provide written notice to Covered California for Small Business at least ten (10) days prior to the end of the month in

which coverage should end. If notice is given less than ten (10) days prior to the end of the month, coverage will terminate the last day of the following month.

How do I terminate coverage for an employee/dependent that is no longer eligible (due to termination, reduction of hours, etc.)?

Submit a written request to Covered California for Small Business. Coverage for that employee and their dependents will terminate at the end of the month of termination of employment.

Termination Reason	Termination Effective Date
Death	The date of death
Termination of Employment	The last day of the month in which eligibility changed
Ineligible	The last day of the month in which eligibility changed
Employee Request	The last day of coverage is the date the employee requests termination or 14 days after the date of the request, whichever is later
Employee Changes Health Plans	The last day of coverage is the day before the effective date of the new coverage
Opted out of the coverage during Open Enrollment	The last day of coverage is the last day of the current plan year

What happens once I terminate an employee's health benefits coverage?

The employee/former employee may be eligible for COBRA continuation coverage. COBRA contains provisions giving certain former employees, retirees, spouses former spouses, and dependent children the right to temporary continuation of health coverage at group rates. However, this coverage is only available when coverage is lost due to certain specific events.

Cal-COBRA provides the opportunity for continuation of coverage for individuals under employer group health plans that have 2 to 19 employees. Federal COBRA provides the opportunity for continuation of coverage for individuals under employer group health plans that have 20+ employees.

COBRA Type	Who qualifies?	Who administers COBRA
Cal-COBRA	Employers with less than 20 employees	Covered California for Small Business
Federal COBRA	Employers with 20 or more employees	Employer of an employer-hired Third Party Administrator

Who Administers COBRA?

Federal COBRA is administered by the employer or an employer-hired Third Party Administrator. The Employer is responsible for sending the COBRA Election Form, collecting premiums, and remitting to Covered California for Small Business.

Cal-COBRA is typically administered by the insurance carrier. However, due to the employee choice feature of Covered California for Small Business offered in the Exchange that would be difficult, therefore, Covered California for Small Business will administer Cal-COBRA. Covered California for Small Business will also administer the Cal-COBRA extension of coverage for Federal COBRA for the same reasons.

What are Qualifying Events?*

Qualifying events are certain events that would cause an individual to lose health coverage. The type of qualifying event will determine who the qualified beneficiaries are and the amount of time that a plan must offer the health coverage to them under COBRA.

Reason	Length of Coverage
The qualifying events for employees are:	
Voluntary or involuntary termination of employment for reasons other than gross misconduct	18 months
Reduction in the number of hours of employment	18 months
The qualifying events for spouses are:	
Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct	36 months
Reduction in the hours worked by the covered employee	36 months
Covered employee becoming entitled to Medicare	36 months
Divorce or legal separation of the covered employee	36 months
Death of the covered employee	36 months
The qualifying events for dependent children are the same as for the spouse with one addition:	
Los of dependent child status under the plan rules	36 months

*See Special Enrollment Process module for a more detailed explanation of what is a "qualifying event"

What is a Reference Plan aka Benchmark Plan and how does it work?

The Reference Plan allows the employer to gain control of budgeting for premium contributions prior to employees selecting their plans. The employer then selects a Reference Plan from a metal tier where at least 50% of the premium amount for the Reference Plan is

contributed towards the employee's premium. This dollar amount stays consistent regardless of what plan the employee chooses. If the employee chooses a more expensive plan, the employer's contribution remains the same but the employee will pay the difference.

Course Summary

- We identified the Market's primary population and who will be participating in the Covered California for Small Business Market.
- We took an in-depth look at eligibility and the verification process for small businesses and their employees to purchase Covered California health plans through Covered California for Small Business. Covered California for Small Business Market is Covered California's program designed specifically for small businesses. Enrollment timelines, the availability of tax credits for qualifying employers, the appeals process and employer and employee responsibilities were also covered.

You should now be able to

- Identify who is eligible to participate in the Covered California for Small Business Market and how their eligibility is verified
- Identify the primary populations that will be participating in the Covered California for Small Business Market
- How and when small businesses and their employees can apply for coverage through the Covered California for Small Business
- Who is eligible for tax credits through Covered California and how their eligibility is verified
- The Covered California for Small Business enrollment eligibility appeals process
- Ask and answer some FAQ's

7. ACTIVITY

Test Your Knowledge. For each question, circle all that apply.

	Answer
1. _____ will be the largest segment for premium assistance? A. Caucasians B. Latinos C. Asians D. African Americans	
2. The following are all values that shape the Covered California program, EXCEPT: A. Being a catalyst for change in California's healthcare system B. Providing affordable health insurance while assuring quality and access to coverage C. Not being concerned about earning the public's trust D. Welcoming partnerships with consumers, doctors, hospitals and other stakeholders	

8. ACTIVITY ANSWERS

1. B
2. C