

I M P O R T A N T

Guidelines for Cal-COBRA and Federal COBRA

Current Federal (COBRA) and recently passed state (Cal-COBRA) laws allow for continuation of group health benefits to individuals who lose coverage as a result of certain "qualifying events" (e.g. termination of employment, reduction of work hours, divorce, Medicare entitlement, and loss of dependent child status).

Because the responsibility for the administration of these laws lie in different areas, it is essential to your compliance of the law that CaliforniaChoice be notified of your COBRA/Cal-COBRA status.

Please review the guidelines below to determine your employer status and check appropriate box on the Employer Application (section D, number 4).

Cal - C O B R A (S t a t e)

Generally, a company is subject to the provisions of Cal-COBRA if it had 2 to 19 eligible employees on at least 50 percent of its working days during the preceding calendar year (or a new company established with 2 to 19 employees*) and has contracted for health care coverage through a group benefit plan offered by a health care service plan.

C O B R A (F e d e r a l)

Generally, a company is subject to the provisions of COBRA if it offers a group health plan and had 20 or more employees* on at least 50 percent of the typical working days during the preceding year (or a new company established with 20 or more employees).

* All full-time employees, part-time employees and self-employed persons (e.g. partners in a law firm) are considered "employees" for the purposes of this rule regardless of whether or not they are eligible for coverage by the employer's group health plan. Leased employees also count as "employees". In addition, all agents or independent contractors (and their employees, agents and independent contractors), as well as corporate directors are treated as employees only if they are eligible for coverage under the group health plan. Furthermore, employers must aggregate employees from all divisions, subsidiaries and any other entities that make up a controlled group. In general, a controlled group of corporations may consist of a parent-subsidiary controlled group, brother-sister controlled group, a common ownership controlled group, or a combined group as defined under the Internal Revenue Code Section 414b.

A company's obligation to comply with these laws is based on the preceding calendar year regardless of the number of employees it has during the current year.

If you would like a representative from COBRAPRO to contact you with more information about their full Federal COBRA services, please complete the form below and return it with your Employer Application.

Contact Information (please print):

Name: _____ Phone: _____ Company: _____