



Frequently Asked Questions

COBRA/Cal-COBRA Premium Assistance

Did you lose your health care coverage due to a job loss or reduction in hours? If so, you may be eligible to have your coverage continue for a limited time at no cost to you.

If you received health care coverage through your employer or through a family member's employer but lost that coverage, federal and state laws may allow you to continue to receive that coverage for a certain amount of time. This coverage is called "continuation coverage."

The federal law is called COBRA. It applies to people who had health care coverage through an employer with 20 or more employees. The state law is called Cal-COBRA (sometimes also called "supplemental COBRA"). Cal-COBRA generally applies to people who had health care coverage from an employer with fewer than 20 employees. Additionally, for someone who elected COBRA continuation coverage, Cal-COBRA can also provide additional months of coverage after the COBRA coverage period ends.

[More information about COBRA and Cal-COBRA](#)

The federal government recently enacted the American Rescue Plan Act of 2021. The law is sometimes referred to as ARPA.

ARPA provides premium assistance equal to 100% of the amount of the premium for eligible individuals to continue their employer-provided health care coverage after a job loss or reduction in hours.

These Frequently Asked Questions provide more information about whether you may be eligible for a limited time for subsidized coverage at no cost to you.

1. How do I know if I'm eligible for subsidized coverage under ARPA?

You may be eligible for subsidized coverage if all of the following happened:

- You lost health care coverage you received from your employer or the employer of a family member; and,
- You lost that coverage due to a reduction in hours or an involuntary job loss; and,
- You are currently receiving COBRA continuation coverage OR you could have elected to receive COBRA continuation coverage OR you are currently receiving Cal-COBRA continuation coverage OR you have not elected Cal-COBRA continuation coverage but are still within your election period to enroll in Cal-COBRA; and,
- You are not eligible for health care coverage from another source, such as a new job, your spouse's employer, Medi-Cal, or Medicare.

2. When is the premium subsidy available?

The premium subsidy is available for coverage provided to you between April 1, 2021, through September 30, 2021, based on eligibility. However, the amount of time you may be eligible for the premium subsidy could be shorter depending on when you qualified for COBRA or Cal-COBRA coverage. Please contact the employer through which you receive or received coverage or your health plan to get more information.

3. I was receiving COBRA continuation coverage. When that ran out, I switched to Cal-COBRA coverage. I'm still receiving Cal-COBRA coverage. Can I get the premium subsidy?

Yes, you can receive the premium subsidy if you lost your employer sponsored health care coverage due to a reduction in hours or an involuntary job loss and you are not eligible for health care coverage from another source, such as a new job, your spouse's employer, Medi-Cal, or Medicare.

4. Do I have to pay anything, like an administrative fee, while I'm receiving the subsidized coverage?

No, while you are receiving subsidized coverage you do not need to pay a premium or any administrative fees for your coverage. However, if you ordinarily pay a co-payment or have a deductible, those charges will still apply. Also, if you owe premiums for coverage you received prior to April 2021, your employer, health plan or plan administrator can still require you to pay those premiums.

5. How does the premium subsidy work? Do I get it directly?

To receive the subsidy, you must let your employer, plan administrator, or health plan know that you want to elect to receive the subsidy.

You will not receive a direct payment for the premium assistance. Instead, if you are eligible for premium assistance, the premium assistance will be provided to your employer or health plan to pay the premiums during coverage period (during the period you are eligible between April 1, 2021 and September 30, 2021).

6. Do I need to apply for the premium subsidy?

Your employer or health plan should have contacted you to let you know you are eligible for subsidies. But, if you believe you are eligible but have not heard from your employer or health plan, you should contact them right away.

7. I have COBRA or Cal-COBRA continuation coverage, but I didn't know about the subsidy. I paid my premiums for April and May. Will I get a refund?

If you were eligible for premium assistance during the subsidy period (April 1, 2021, through September 30, 2021), but paid your COBRA or Cal-COBRA premiums yourself, you should contact your employer, plan administrator, or health plan to discuss getting a credit against future payments or a refund.

8. My dependents and I are currently receiving COBRA continuation health coverage. Will my dependents get a premium subsidy, or is it just for me?

If you are eligible for a premium subsidy, generally your covered dependents are also eligible to receive the subsidy.

9. I am receiving COBRA (or Cal-COBRA) coverage for a reason *other than* a reduction in hours or a job loss. Can I still qualify for the subsidies?

No, subsidies are only available if you lost your health care coverage due to a reduction in hours or a job loss. For example, if you lost your health care coverage due to a divorce or because you aged off your parent's health care plan, you will not qualify for the subsidies.

However, you may have other options for low to no-cost health care coverage, including Medi-Cal and Covered California.

Medi-Cal offers free or low-cost health coverage for low-income California residents. Most people with Medi-Cal pay no premiums or co-payments. Apply using the [Single Streamlined Application](#), also available in [multiple languages](#) or call 1-800-300-1506.

Additionally, new state assistance for low- and middle-income Californians is available, making coverage more affordable than ever before. It also means that many people who didn't qualify for aid in the past can now receive financial help. For more information visit [Covered California's website](#) or call 1-800-300-1506.

10. What if I did not elect continuation coverage when it was offered to me? Can I still get subsidized coverage now?

If you could have elected COBRA at the time you lost your employer-provided coverage, but chose not to do so, you may still be eligible to elect coverage and get the subsidies if you are still within the timeframe in which you would have qualified for COBRA coverage. The COBRA coverage period is generally 18 months from the date you lost coverage due to a job loss or reduction in hours.

If you did not qualify for COBRA coverage because you received your coverage from an employer with fewer than 20 employees, but you could have elected Cal-COBRA and the deadline for you to elect Cal-COBRA has passed, you cannot now elect Cal-COBRA coverage.

However, you may have other options for low to no-cost health care coverage, including Medi-Cal and Covered California.

Medi-Cal offers free or low-cost health coverage for low-income California residents. Most people with Medi-Cal pay no premiums or co-payments. Apply using the [Single Streamlined Application](#), also available in [multiple languages](#) or call 1-800-300-1506.

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11. I had to reduce my hours to take care of a family member. Can I still qualify for a subsidy, even though my reduction in hours was “voluntary”?

Yes. If you experienced a loss of health care coverage because your work hours were reduced (even if you chose to reduce your hours), you may qualify for the subsidies. However, if you quit your job voluntarily, you will not qualify for the subsidies.

12. I lost my job during the pandemic and lost my health care coverage, so I purchased an individual market product to make sure I still have health care coverage. Can I elect COBRA coverage now to take advantage of the subsidies?

Yes. If you were eligible for COBRA (not Cal-COBRA) but chose not to elect COBRA at the time, you may still be eligible to elect COBRA now and take advantage of the subsidies. You should talk to your former employer before you end your individual coverage to make sure you do not experience a gap in coverage if you switch to COBRA coverage.

13. I got my health care coverage through my spouse’s job, but my spouse experienced a job loss and we lost our coverage. As a result, we decided to get health care coverage through my job, which costs more than the coverage available from my spouse’s former employer. Can we drop my employer’s coverage and elect COBRA coverage now to take advantage of the subsidies?

No. Because you have other group coverage available to you (i.e., the coverage available through your employer) you are not eligible for the subsidies.

14. I still can’t figure out if I qualify for the subsidies. What should I do?

If you want to see if you qualify for subsidized coverage under COBRA or Cal-COBRA, please contact the employer you received health benefits from. They can tell you whether you are eligible for COBRA or Cal-COBRA continuation coverage and the subsidies.

You can also contact the Department of Managed Health Care’s Help Center by calling 1-888-466-2219 or by visiting the Department’s website and completing the [Contact Form](#).