



What is California's Cal-COBRA program, and how does it differ from federal COBRA?

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The California Continuation Benefits Replacement Act (Cal-COBRA) is a California program that is similar to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Both provide certain former employees, retirees, spouses, former spouses and dependent children the right to temporary continuation of employer-provided group health coverage when they would otherwise lose coverage because of certain qualifying events, such as the loss of a job or divorce.

The primary differences between federal COBRA and Cal-COBRA are discussed below.

Covered Employers

Under federal COBRA, employers with 20 or more employees are usually required to offer COBRA coverage. COBRA applies to plans maintained by private-sector employers (including self-insured plans) and those sponsored by most state and local governments. The law does not apply to plans sponsored by the federal government or by certain church-related organizations. Group health plans for employers with 20 or more employees on more than 50 percent of their typical business days in the previous calendar year are subject to COBRA. Both full-time and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours the part-time employee worked divided by the hours an employee must work to be considered full-time.

Cal-COBRA applies to employers and group health plans that cover from two to 19 employees. (Note that Cal-COBRA also applies to employers with more than 20 employees when an employee has exhausted his or her 18 months of federal COBRA benefits.) An employer's group policy must be in force with two to 19 employees covered on at least 50 percent of its working days during either the preceding calendar year, or the preceding calendar quarter if the employer was not in business during any part of the preceding calendar year. Cal-COBRA covers indemnity policies, PPOs and HMOs, but not self-insured plans. Unlike federal COBRA, church plans are covered under Cal-COBRA.

Duration of Coverage Continuation

Federal COBRA generally extends health coverage for 18 months. Individuals with certain qualifying events may be eligible for a longer extension (e.g., 29 or 36 months).

Cal-COBRA allows individuals to continue their group health coverage for up to 36 months. For individuals covered under federal COBRA, Cal-COBRA may also be used to extend health coverage for a combined period of up to 36 months. For example, if an individual has used up 18 months of federal COBRA, Cal-COBRA then allows the individual to maintain coverage for up to 18 more months for a combined period of 36 months.

Domestic Partners and Same-sex Marriages

Same-sex spouses are treated the same as opposite-sex spouses under federal COBRA and may be considered qualified beneficiaries. However, federal COBRA does not apply to unmarried domestic partners. Cal-COBRA extends coverage to both an employee's registered domestic partner or same-sex spouse and their dependent children.