

March 2021's federal American Rescue Plan (ARP) Act provides temporary, premium-free COBRA continuation options, from 4/1/2021 through 9/30/2021, to persons who have lost eligibility of their group health plans due to an employee's reduction of hours or involuntary job termination and who are still within their maximum COBRA eligibility periods. The ARP was written alongside, and based upon, standard federal COBRA law – however, the law also applies to small employers in the Cal-COBRA ("mini COBRA") category. Federal COBRA and Cal-COBRA administration vary significantly.

Federal COBRA law applies to employers with 20 or more employees that sponsor group health plans. Federal COBRA is generally administered entirely by the employer, often with the assistance of a COBRA Third Party Administrator (TPA).

Cal-COBRA applies to employers with <20 employees that are domiciled in California and sponsor group health plans. Unlike federal COBRA, Cal-COBRA is generally administered by health insurance carriers. This has caused confusion for employers and insurance carriers alike regarding ARP COBRA subsidy administration, particularly in the Cal-COBRA space. Federal regulations have given some clarity to Cal-COBRA administration under ARP, though federal regulators seldom create regulations regarding state law. Because of this, health insurance carriers' legal counsels are determining how to best administer ARP under Cal-COBRA based on the limited information available from regulators and within the law itself.

This document contains an aggregate of carrier information regarding ARP's COBRA subsidies in the Cal-COBRA space. Every effort has been made to ensure the accuracy of this information, utilizing carrier resources and information directly from carrier partners. As further regulations become available, some of this information may change. Furthermore, carriers are still working with their legal teams to understand the law and to develop practices around it, which may also change some of the information in this document. We do not offer legal, financial, medical, or tax advice. Employers should always consult legal counsel to ensure full compliance with the law, according to their own circumstances.

Employers should consult the Department of Labor's [COBRA Premium Subsidy webpage](#) for the latest administration information, and should also review [IRS Notice 2021-31](#) for regulations in FAQ format.

	Aetna	Anthem Blue Cross	Blue Shield of California
Is the carrier distributing COBRA subsidy notices to AEs, for employers in the Cal-COBRA category?	Yes.	Yes.	Yes.
Is the carrier distributing documentation to the employer in order to ensure their Cal-COBRA members are notified of the ARP subsidy?	Unclear - however, Aetna notes that it "will send premium assistance eligibility forms directly to QBs for their completion. On that form, QBs will attest to whether they are assistance eligible. The notices alert QBs that they are subject to fines if they submit false answers."	Yes; a notice of responsibility is being distributed, including required steps to ensure all AEs are offered the subsidy under Cal-COBRA.	Unclear.
Which entity forwards payment of AEs' Cal-COBRA premiums (to be later reimbursed by IRS tax credits)?	The carrier. Per Aetna, "Employers will submit premiums, minus ARP subsidies received, to Aetna, and Aetna will apply for the ARP premium tax credit (with the IRS)."	The carrier. Anthem Blue Cross will waive premiums and collect the subsidy tax credit from the IRS for eligible Cal-COBRA AEs.	The carrier. BSC is responsible for the tax credit for any Cal-COBRA premiums, including for individuals who have transitioned from federal COBRA to Cal-COBRA.
Are Cal-COBRA subsidies available for Dental and Vision products?	Yes.	Yes, because Cal-COBRA applies to Dental and Vision.	Yes, because Cal-COBRA applies to Dental and Vision.
If an eligible AEI pays a Cal-COBRA premium for a subsidy month, will that premium be refunded?	No response from Aetna is available. However, the DOL FAQ notice dated 4/7/2021 (page 7) clarifies that a person eligible for premium assistance, but paid in full for periods of COBRA continuation coverage on or after 4/1/21 through 9/30/21 should contact the plan administrator to discuss a credit against future payments or a refund in certain circumstances. The health insurance carrier is generally the plan administrator under Cal-COBRA.	Yes.	Yes, within 60 days.
What additional responsibilities do employers have for Cal-COBRA under ARP?	No response from Aetna is available.	Employer must notify the carrier of individuals currently on Cal-COBRA due to losing employer-provided group coverage because of involuntary termination or reduction in hours. Employers have been provided a spreadsheet to populate with eligible member data, throughout the subsidy period. That spreadsheet will be submitted to Anthem through regional Enrollment and Billing email addresses.	Individuals must self-certify whether they satisfy the definition of AEI, and thus, the subsidy for Cal-COBRA.
Published Carrier References	None available.	Anthem Blue Cross COBRA ARP FAQs	Blue Shield FAQ Resource Blue Shield COBRA Premium Subsidy Page

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	CaliforniaChoice®	Cigna + Oscar, Oscar	Health Net	Kaiser Permanente	UnitedHealthcare
Is the carrier distributing COBRA subsidy notices to AEIs, for employers in the Cal-COBRA category?	Yes, thorough WageWorks/HealthEquity.	Yes.	Yes.	Yes.	Yes.
Is the carrier distributing documentation to the employer in order to ensure their Cal-COBRA members are notified of the ARP subsidy?	CaliforniaChoice will identify AEIs for Cal-COBRA members based on the qualifying event reported by the group at the time of employee termination.	The carrier "will rely on the employer groups to make the determinations of eligibility." However, it is unclear how the carrier will request these determinations of eligibility. The carrier notes that the "employee has to go through the employer to submit to the carrier for COBRA coverage. Traditional employer and broker attestations apply. The group should submit the appropriate documentation through their primary Sales AM POC."	No response from Health Net is available.	Kaiser Permanente will be reaching out to the company to confirm individuals are assistance eligible.	Unclear.
Which entity forwards payment of AEIs' Cal-COBRA premiums (to be later reimbursed by IRS tax credits)?	Health plans (carriers) are responsible for 100% of the full Cal-COBRA premium. Billing is administered by WageWorks/HealthEquity. The employer is not required to do anything.	The carrier. Per the carrier, "Oscar/ Cigna + Oscar will pay premiums and collect reimbursement (from IRS) on the backend."	No response from Health Net is available. However, IRS Notice 2021-31 (page 3) clarifies that "the person to whom premiums are payable" is entitled to the IRS tax credit, which is generally "the insurer providing the coverage... generally, (for) fully insured coverage subject to state continuation (Cal-COBRA) coverage requirements."	The carrier. Kaiser Permanente will claim the payroll tax credit for Cal-COBRA AEIs.	The carrier. For Cal-COBRA, the insurer for small groups 1 to 19 would be reimbursed by the government for the premium through a refundable tax credit against the Medicare hospital insurance tax.
Are Cal-COBRA subsidies available for Dental and Vision products?	Yes, because Cal-COBRA applies to Dental and Vision.	N/A - This carrier does not offer such products.	No response from Health Net is available. However, the DOL FAQ notice dated 4/7/2021 (page 4, Q6) clarifies that ARP does not change any part of a state continuation coverage program. Cal-COBRA applies to Dental and Vision.	Yes, because Cal-COBRA applies to Dental and Vision.	Yes.
If an eligible AEI pays a Cal-COBRA premium for a subsidy month, will that premium be refunded?	Yes. WageWorks/HealthEquity will refund applicable premiums to the member.	No response from the carrier is available. However, the DOL FAQ notice dated 4/7/2021 (page 7) clarifies that a person eligible for premium assistance, but paid in full for periods of COBRA continuation coverage on or after 4/1/21 through 9/30/21 should contact the plan administrator to discuss a credit against future payments or a refund in certain circumstances. The health insurance carrier is generally the plan administrator under Cal-COBRA.	Yes. If an ARPA AEI, who is a Cal-COBRA or Direct Pay member has already paid COBRA premium Health Net will contact ARPA members who've already remitted premium for the subsidy period, and ask them if they'd prefer to receive a refund via check or to credit the payment(s) towards a future bill period (i.e. 10/1/2021 and later.)	Yes.	No response from UHC is available. However, the DOL FAQ notice dated 4/7/2021 (page 7) clarifies that a person eligible for premium assistance, but paid in full for periods of COBRA continuation coverage on or after 4/1/21 through 9/30/21 should contact the plan administrator to discuss a credit against future payments or a refund in certain circumstances. The health insurance carrier is generally the plan administrator under Cal-COBRA.
What additional responsibilities do employers have for Cal-COBRA under ARP?	CalChoice reminds employers that it is the employer's responsibility to verify compliance with ARPA, COBRA, and Cal-COBRA laws.	No response from the carrier is available.	No response from Health Net is available.	The employer is responsible for confirming that an individual is eligible for under ARP because of employment termination or a reduction of hours. The employer is also responsible for notifying Kaiser Permanente if any AEI has a change in eligibility.	No response from UnitedHealthcare is available.
Published Carrier References	CalChoice ARP Act Resource CalChoice ARP FAQ Reference	None Available.	None available.	None available.	None available.