



# CIS Update

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Excerpted from Summer 2004

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## First Wave of COBRA Recipients Moving to Cal-COBRA Strikes July 1, 2004! *Extension of COBRA benefits begins July 1*

The first wave of Californians to receive extended COBRA benefits mandated by California Assembly Bill AB 1401 begin their Cal-COBRA benefits period on July 1, 2004.

AB 1401 went into effect September 1, 2003, providing Cal-COBRA benefits for up to 36 months (previously 18 months), and offering *eligible* federal COBRA participants, whose benefits are exhausted, a transfer to Cal-COBRA for up to a total of 36 months (COBRA time + Cal-COBRA time = 36 months).

The law applies to both federal COBRA and Cal-COBRA recipients whose COBRA coverage began on or after January 1, 2003.

Because federal COBRA is administered by the employer (who may contract these duties out to a third party), and Cal-COBRA is administered by the insurance carrier, you may be wondering how the changeover will take effect.

### **For employers on federal COBRA:**

make sure your initial, election and pending termination of coverage notices discuss the newly extended coverage to 36 months. Once federal COBRA coverage is exhausted, participants should be instructed to contact the insurance carrier for eligibility and further extended coverage under Cal-COBRA. The carrier then becomes responsible for administering Cal-COBRA benefits (including notices, collection of premiums, etc.).

### **For employers on Cal-COBRA:**

make sure your carrier's evidence of coverage and/or any additional notices you may wish to send discuss the newly extended coverage to 36 months.

For further information regarding Cal-COBRA, contact your CIS representative or the Department of Managed Health Care at (800) 466-2219. ■