



News Release

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FOR IMMEDIATE RELEASE

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Covered California Opens Special Enrollment for Thousands of Californians Whose Federal COBRA Subsidies Expire at the End of September

- *An estimated 138,000 Californians face significantly higher health insurance premiums when their federal COBRA subsidies come to an end on Sept. 30.*
- *Covered California opened a special-enrollment period to give eligible COBRA recipients an opportunity to switch their coverage and potentially save hundreds of dollars a month on their health insurance.*
- *Many of those consumers will be able to stay with their same brand-name insurance company when they switch to Covered California.*
- *People who sign up by Sept. 30 will have their coverage start on Oct. 1.*

SACRAMENTO, Calif. — Covered California announced a special-enrollment period for Californians who will soon be losing the federal financial help that is allowing them to continue receiving health insurance through the Consolidated Omnibus Budget Reconciliation Act, better known as COBRA. Under one provision of the American Rescue Plan, Californians have been eligible for financial help that pays 100 percent of their COBRA premiums from April 1 through Sept. 30.

“The American Rescue Plan provided financial relief to millions of Americans by increasing the amount of money available to help pay for health insurance,” said Peter V. Lee, executive director of Covered California. “However, one of those provisions is set to expire, and COBRA recipients can potentially save hundreds of dollars a month on their premiums if they act now and switch their coverage to Covered California.”

COBRA allows workers and their families, who lose their health benefits, the right to continue receiving the coverage provided by their employer for a limited time. However, they must pay the entire monthly premium, including the amount that was previously

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paid by their employer. According to the Kaiser Family Foundation’s [2020 Employer Health Benefits Survey](#), the average monthly premium cost for an employer-sponsored health plan was \$623 for an individual and \$1,778 for a family.

When the American Rescue Plan’s COBRA subsidies cease at the end of September, consumers who are still eligible to continue their COBRA coverage can choose to pay the full premium or switch to Covered California, either immediately or during the upcoming open-enrollment period, to have new coverage for all of 2022.

Covered California estimates that 138,000 people, who will be losing their COBRA subsidies, will be eligible to enroll in a high-quality health plan offered by one of 11 brand-name carriers.

“As California continues to grapple with the pandemic and its financial fallout, many COBRA recipients will find that financial help is critical to keeping their coverage, and that’s what Covered California offers,” Lee said. “There is more financial help available to Californians than ever before to help them get covered and stay covered.”

More Financial Help Available Than Ever Before

Covered California recently released new data that showed how [the American Rescue Plan is driving down costs for Californians](#). The new law is lowering premiums and providing bigger savings for California households across more income brackets than ever, making coverage more affordable and more accessible, with 90 percent of those enrolling through Covered California eligible for financial help.

For lower-income households, which includes individuals making less than \$25,520 a year and a family of four earning less than \$52,400, the average monthly premium is now \$35, which represents a roughly 95 percent savings off the average gross premium of \$741 (see Table 1: Covered California Household Average Premium and Savings for Those Receiving Subsidies).

Table 1: Covered California Household Average Premium and Savings for Those Receiving Subsidies

Income Bracket*	Average Gross Premium	Average Net Premium (What Consumers Pay After Federal Subsidy)	Average Savings
138%-200% FPL	\$741	\$35	\$706
200%-400% FPL	\$904	\$139	\$765
400%-600% FPL	\$1,105	\$307	\$798
600% and higher	\$1,244	\$712	\$532

* Visit <https://www.coveredca.com/pdfs/FPL-chart.pdf> for a breakdown of income brackets by dollar figures.

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Many Californians are enjoying even lower premiums, with 738,000 people currently enrolled in quality coverage through Covered California for just \$1 per month.

Eligible middle-income households (those earning between \$51,040 to \$76,560 for an individual and \$104,800 to \$157,200 for a family of four) are saving an average of nearly \$800 per month as their premiums have been reduced by more than 70 percent.

Californians Can Sign Up Now

Covered California's special-enrollment period for COBRA recipients runs through Nov. 29, 2021. Consumers who sign up before the end of September will have their new Covered California coverage begin on Oct. 1. For COBRA recipients who want to keep their existing coverage for the balance of 2021, they can switch during open enrollment and potentially get highly subsidized coverage starting in January 2022.

In addition, Covered California is currently in a special-enrollment period until the end of the year for uninsured consumers who would like to sign up and begin benefiting from the lower premiums available through the American Rescue Plan.

Consumers can easily find out if they are eligible for Medi-Cal or other forms of financial help and see which plans are available in their area by using the CoveredCA.com [Shop and Compare Tool](#) and entering their ZIP code, household income and the ages of those who need coverage.

Those interested in learning more about their coverage options can also:

- Visit www.CoveredCA.com.
- Get free and confidential assistance over the phone, in a variety of languages, from a certified enroller.
- Have a certified enroller [call them](#) and help them for free.
- Call Covered California at (800) 300-1506.

About Covered California

Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

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