



## Summary

Covered California for Small Business has launched a new program aimed at helping hundreds of small businesses continue to provide insurance to their employees during the current COVID-19 pandemic.

Recognizing the challenge to our valued businesses during the pandemic, Covered California for Small Business is giving current employers that have not paid their April and May's invoices an additional 30-day grace period.

Additionally, Covered California for Small Business is offering added flexibility to pay premiums and keep employees covered with the Premium Deferral Program. Under the Premium Deferral Program, an employer can pay at least 25% of the premiums due for April and May. Any deferred premium amounts will be spread across the remaining months of the calendar year.

## Who is eligible for the additional 30-day grace period?

All employers will receive an additional 30-day grace period at this time for their April and May invoices.

## Who is eligible for the Premium Deferral Program?

The Premium Deferral Program is currently being offered to employers that have not yet paid their April or May invoice(s).

## If I paid my April's invoice but have not yet paid for May, can I participate in the Premium Deferral Program?

Yes, employers are able to participate in the Premium Deferral Program if they have not yet paid their May's invoice by the invoice due date.

## Is supporting documentation required to participate in the Premium Deferral Program?

No. Employers that have not paid their April or May's invoices are eligible to participate in this program, and do not need to provide any financial or supporting documentation.

## Can newly enrolled employers participate in the Premium Deferral Program?

No. Newly enrolled employers with Covered California for Small Business that have not paid their binder payment are not eligible for this program. New employers must pay at least 85% of the invoiced total premium amount due before coverage will be effective.

## How will Premium Deferral Program work?

Employers that participate in the Premium Deferral Program that did not pay for their April and May's invoice can pay as little as 25% of the invoice total amount due. The remaining deferred premium amounts will be spread across the remaining months of the calendar year. The remaining premium amounts will not be subject to any interest or penalty charges.

*Example:*

### **An employer that did not pay their April and May's invoice:**

If your regular monthly premium due is \$1000- The total amount due for May (this includes unpaid premiums of \$1,000 from April) is \$2,000 and the employer pays the minimum 25% (\$500). The



remaining 75% (\$1,500) will be divided across the remaining calendar year (i.e.,  $\$1,500/7$  months = \$214). Moving forward, the employer's June and following monthly invoices for 2020 will include the additional \$214, which for this example would be \$1,214.

***An employer that did not pay their May's invoice:***

If your regular monthly premium due is \$1,000 – your invoice total amount due for May is \$1,000. You need to pay the minimum 25% (\$250). The remaining 75% (\$750) will be divided for the remaining calendar year (i.e.,  $\$750/6$  months = \$125). Your monthly invoices starting in July will include the additional \$125, which for this example would be \$1,125.

**What happens if I do not participate or cannot pay monthly premiums?**

***Employers that did not pay April's invoice:***

Employers that have not paid their April invoice may contact Covered California for Small Business to request to terminate their group's coverage for an effective date of April 30, 2020. If Covered California for Small Business does not receive a response from an employer and does not receive payment for their April invoice, coverage will be terminated for non-payment effective May 31, 2020. The employer and employees will continue to be covered during this period; however, the employer will still be responsible for premiums for the month of April and May.

***Employers that did not pay May's invoice:***

Employers that have not paid their May invoice may contact Covered California for Small Business to request to end their group's coverage for an effective date of May 31, 2020. If Covered California for Small Business does not receive a response from an employer group and does not receive payment for the May invoice, coverage will be terminated for non-payment effective June 30, 2020. The employer and employees will continue to be covered during this period; however, the employer will still be responsible for premiums for the month of May and June.

**Can I suspend my group's coverage effective immediately, and re-activate it once we are able to re-open for business?**

No. Employer groups cannot currently suspend coverage. Employers may request to terminate their group policy no sooner than the last day of the month in which Covered California for Small Business received the request. However, the employer would be required to enroll as new group to begin employee coverage when they are able to re-open for business.

**Will the remainder of the deferred payments be spread across the remaining 2020 months, or across the next 12 months?**

After submitting payment for at least 25% of current invoiced premiums due, deferred payments spread across the remaining months of the 2020 calendar year.

**When is the initial payment of at least 25% of my premiums due?**

***Employers that did not pay April's invoice:***

Employers must submit their initial payment of at least 25% before the end of the grace period. Groups that are delinquent for April and May will have until May 31, 2020 to submit their initial payment (premiums are to include April and May's invoice).



*Employers that did not pay May's invoice:*

Groups that are delinquent for May will have until June 30, 2020 to submit their initial payment.

### **Now that I am enrolled in the Premium Deferral Program, how do I submit my monthly premium payments?**

Covered California for Small Business will provide a monthly Premium Deferral Program Statement that will be emailed and included with your monthly invoice. The Premium Deferral Program Statement will include the employer's initial payment amount, monthly premiums deferred, and the total amount due for your current month's invoice. You can submit your payments online at [MyCCSB.com](https://myccsb.com) or send your payment to:

Covered California for Small Business  
PO Box 740167  
Los Angeles, CA 90074-0167

### **What if I am unable to pay my premiums after I am enrolled in the Premium Deferral Program?**

An employer that does not pay the total amount due as indicated on their monthly Premium Deferral Program Statement, will be considered delinquent and will be mailed a notice from Covered California for Small Business of their grace period.

### **Will the additional 30-day Grace Period and Premium Deferral Program be extended for future months beyond May 2020?**

Covered California understands the impact the COVID-19 pandemic is currently having on our valued small business partners and will work to support employers and employees during these difficult times. We will continue to reassess the Premium Deferral Program eligibility dates and update our employer groups on any changes as we move forward.

### **When is the deadline to sign up for the Premium Deferral Program?**

The deadline for groups that have not paid their April invoice was May 15, 2020. Groups that have not paid their May invoice must sign up to participate in the program by June 12, 2020.

### **Who do I contact to get more information or participate in the Premium Deferral Program?**

Covered California for Small Business is here to help you during these hard times, please reach out to us for any additional questions or concerns. Contact us at [CCSB@covered.ca.gov](mailto:CCSB@covered.ca.gov) or call the Covered California for Small Business Service Center: **(855) 777-6782**