



April 30, 2020

Grace Period and Premium Deferral Program

Covered California for Small Business – Ready to Help Small Businesses During These Hard Times

Contact Us Today!

Dear Small Business Partner,

As of the end of the month, we have still not received your invoice payment for your April health insurance coverage that was due March 31, 2020. We understand the hardships that many small business employers and employees may be experiencing due to COVID-19. In the face of the extraordinary circumstances we are in, Covered California for Small Business is offering small businesses enrolled with us an additional thirty-day grace period and a program that will allow you to keep your employees covered while deferring a large portion of your premium payments for April and May.

How will this program work for you?

First, the coverage for your group has not been terminated and will remain in effect for the month of May. We sent you a Notice of Delinquency informing you of your 30-day grace period for failing to pay your April invoice, which was scheduled to end on April 30, 2020. Covered California for Small Business is offering you an additional 30-day grace period to pay your April's invoice and additional flexibility for the May invoice by taking advantage of our Premium Deferral Program.

Under Covered California's Premium Deferral Program, if you pay at least 25% of the premium due for April and May, we will spread the deferred premium amounts for those months over the rest of the year. Those premium amounts spread over the coming months will NOT be subject to any interest or penalty charges. This means Covered California for Small Business, with its contracted health plans, is providing you a no interest loan that can spread over the coming months.

For example, if your regular monthly premium due is \$1,000 – your invoice total amount due for May is \$2,000 (this includes unpaid premiums of \$1,000 from April). You need to pay the minimum 25% (\$500) in the month of May. The remaining owed balance of \$1,500 (75%) will be divided for the remaining calendar year (i.e., $\$1,500/7$ months = \$214). Your monthly invoices after May will include the additional \$214 in deferred premium, which for this example would be \$1,214.

Action is required, contact us today

If you would like to participate in this program, you must contact CCSB@covered.ca.gov within 10 business days of receiving this notice or call the CCSB Service Center at (855) 777-6782. Covered California for Small Business, and its contracted health plans, want to do everything we can to help you during these hard times, please reach out to us for any additional questions or concerns.

What if I want to terminate my coverage effective April 30, 2020?

If you want to end your coverage, you can request for Covered California for Small Business to terminate your coverage effective April 30, 2020. If you do nothing, we will terminate your coverage for non-payment of premiums effective May 31, 2020. You and your employees will continue to be covered during this period and you will still be responsible for premiums for the months of April and May.

Be safe and I hope you and yours are well,
Bob Manzer
General Manager, Covered California for Small Business