

Pre- Affordable Care Act Health Insurance Options for Californians Converting from Group to Individual Coverage

PROGRAM/ CATEGORY	Applies to:	Guaranteed Issue	Pre-existing Condition Exclusion	Guaranteed Renewability	Restrictions on Rates
COBRA	Individual losing group coverage from an employer of more than 20 people due to: termination of employment, reduced hours, or loss of dependent status following divorce or the death of an insured person.	Yes. Must be offered the same coverage as the employer group.	Yes. Up to 12 months, with credit for prior coverage.	Yes. Up to 18, 29, or 36 months depending on whether the individual is the primary insured or a former dependent of an insured person.	The same group coverage must be offered at no more than the group rate plus 2%.
Cal-COBRA	<ul style="list-style-type: none"> ▪ Individual losing group coverage from an employer of 2 to 19 people due to: termination of employment, reduced hours, or lost coverage for dependents following divorce or the death of the covered person. ▪ Individual exhausting federal COBRA prior to 36 months. 	Yes. Must be offered the same coverage as the employer group.	Yes. Up to 12 months, with credit for prior coverage.	Yes, up to 36 months.	The same group coverage must be offered at no more than the group rate plus 10%.
HIPAA in California	Individuals who have been insured under a group policy for 18 months, are not eligible for other health insurance or public programs (such as Medicare) and have exhausted COBRA coverage.	Yes. Must be offered the carrier's two most popular, or "representative," products as defined in state and federal law.	Yes. Up to 12 months, with credit for prior coverage, consistent with exclusions in the carrier's two most-popular products	Yes. Limited to annual rate increases tied to MRMIP (California's high risk pool) rates for PPOs, and general rate increases for similar policyholders on other individual products.	PPOs: Rate cannot exceed the premium for a person of similar age and geographic location in MRMIP. HMOs and non-PPOs: Rate cannot exceed 170% of that for a person of similar age and locations.
Conversion Coverage	<ul style="list-style-type: none"> • Individuals exhausting COBRA coverage. • Individuals losing group coverage because the employer terminates health coverage or goes out of business. 	Yes. Carriers must offer the same products as under HIPAA.	Yes. Up to 12 months, with credit for prior coverage, consistent with exclusions in the carrier's two most-popular products.	Yes	Yes. Same benefit requirements and rate limits as HIPAA policies.

Source: Kelch, Deborah. *Rules Governing California's Individual Insurance Market*. California HealthCare Foundation. Revised April 2005.