



# News Release

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FOR IMMEDIATE RELEASE

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## **Covered California for Small Business Works to Help Struggling Businesses Keep Employees Covered During the COVID-19 Pandemic**

- *Covered California for Small Business will allow small businesses an additional 30-day grace period to make their premium payments for the months of April and May.*
- *Employers interested in the program will be able to defer up to 75 percent of their premium payments for April and May in an effort to keep thousands of small business employees insured during the current health care crisis.*
- *A survey found that more than three out of every four Covered California for Small Business employers are either operating in a limited capacity or are temporarily closed.*

SACRAMENTO, Calif. — Covered California for Small Business announced a new program on Thursday aimed at helping hundreds of small businesses continue to provide insurance to their employees during the current COVID-19 pandemic. The program will allow employers, who provide coverage to their employees and were unable to pay their premiums for the month of April, an extra 30 days to make their payments for the months of April and May and a way to spread the costs of those premiums over the balance of the year.

“Covered California wants to do everything we can to help small businesses that are struggling keep their employees covered so they have access to the care they need,” said Covered California Executive Director Peter V. Lee. “Small businesses with coverage through Covered California will get both a longer grace period and help in spreading their premium costs through the end of the year.”

(more)

The Premium Deferral Program is currently being offered to employers who have not yet paid their premiums for April or May. The program will allow affected businesses the flexibility to pay just 25 percent of their premium payments for those two months and defer the remaining amount across the rest of the year. Covered California will continue to monitor the pandemic and determine if further actions are needed to protect small businesses seeking to keep their employees covered.

“The program puts an interest-free loan into the hands of our small businesses, so they can keep their employees covered,” said Covered California for Small Business General Manager Bob Manzer. “This is the right thing to do because we know it will provide a much-needed break for small businesses so they can continue to protect their employees.”

Covered California for Small Business covers more than 62,000 employees which represent 7,400 businesses. The early results of a recent survey found that an overwhelming majority of these employers had been negatively affected by the pandemic with 79 percent stating their businesses were operating in a limited capacity or were temporarily closed. In addition, 68 percent of employers said they had reduced staff hours, temporarily furloughed employees or laid employees off. At the same time, 70 percent of respondents say they are seeking to keep providing their employees with health insurance coverage.

Even in these difficult times, more than 90 percent of employers with coverage through Covered California for Small Business paid their premiums for the month of April, but the new program will benefit the more than 300 employers that represent 4,245 employees that had not yet made their payments. It will be available to employers struggling with the May premiums.

Covered California for Small Business will be conducting extensive outreach to alert employers to the new program. Employers who would like to participate must contact the Covered California for Small Business service center at (877) 777-6782, or [CCSB@covered.ca.gov](mailto:CCSB@covered.ca.gov), within 10 business days of being notified.

“Small businesses are the lifeblood of California, and like everyone else in our state, we hope that people will be able to safely get back to work as soon as possible,” Lee said. “Until then, Covered California will step up to do everything we can to make sure that these employees have the peace of mind and protection that comes with our health insurance coverage. At the same time, we are reaching out to let all Californians know they can turn to us for coverage if they lose employment-based insurance.”

Covered California is currently enrolling any eligible uninsured individuals who need health care coverage amid the COVID-19 emergency. Anyone who meets Covered California’s eligibility requirements, which are similar to those in place during the annual open-enrollment period, can sign up for coverage through June 30.

(more)

Consumers can easily enroll through [CoveredCA.com](https://www.CoveredCA.com) and find out whether they are eligible for financial help through Covered California or if they are eligible for no-cost or low-cost coverage through Medi-Cal. People who sign up through Covered California will have their coverage begin on the first day of the following month. Those eligible for Medi-Cal can have coverage that is effective retroactively to the first day of the month from when they submitted their application.

### **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](https://www.CoveredCA.com).

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