



# Strike Lockout Benefit Program

Beginning July 1, 2023, Covered California administers a financial assistance program referred to as the “Strike Lockout Benefit.” This benefit program includes premium assistance and cost-sharing reduction subsidies for Californians who lose minimum essential coverage (MEC) as a result of a strike, lockout, or other labor dispute. Covered California has been authorized up to \$2 million dollars to subsidize health insurance coverage for eligible individuals for the 2023-2024 and 2024-2025 fiscal years, with an option to increase funding by up to \$3 million in FY 2024-25 if needed. This policy explainer provides insights to how Covered California implements the Strike Lockout Benefit Program.

## Background

Government Code section 100523, created by Assembly Bill (AB) 2530 (Wood, Chapter 695, Statutes of 2022) and amended by AB 2749 (Wood, Chapter 841, Statutes of 2024) permits individuals who have lost MEC from an employer or joint labor management trust fund because of a strike, lockout, or other labor dispute and are eligible for advanced premium tax credit (APTC), other than the income requirements, to receive the same premium assistance and cost-sharing reductions (CSRs) as an individual with a household income of 138.1% of the federal poverty level (FPL) if their projected annual household income is more than 138.1% FPL.<sup>1,2</sup> Under existing regulations, a qualified individual can enroll in a plan with Covered California through a special enrollment period if they experience a qualifying life event, including loss of MEC due to termination of employment or reduction in the hours of employment.<sup>3</sup>

## Policy

Individuals losing minimum essential coverage (MEC) as a result of a strike, lockout, or other labor dispute are eligible to receive financial assistance, including the Strike Lockout Benefit and federal premium assistance and cost-sharing reduction subsidies, provided that they meet all federal APTC eligibility requirements except for income. These benefits are not available for individuals who choose to enroll in a catastrophic health plan. These benefits only apply to qualified health plans and are not applicable to stand-alone dental plans.

Individuals must self-attest to their loss of MEC as a result of a labor dispute involving their employer and if further documentation is required, Covered California must contact the affected collective bargaining agent or may contact the employer.

## Implementation

As a part of the implementation process, Covered California will:

- First determine the applicant’s eligibility for federal affordability assistance using their attested income and then use state affordability assistance funds for financial assistance not otherwise available under federal law.
- Provide eligible individuals the same premium subsidy and Silver 94 cost-sharing reduction plan as that provided to other individuals with incomes of 138.1 % FPL who qualify for financial assistance through CCA if their projected annual household income is more than 138.1% FPL.
- On a monthly basis, notify an enrollee receiving the Strike Lockout Benefit that they are required to notify Covered California if their household income changes or if MEC provided by the enrollee’s employer or joint labor management trust fund is reinstated. The notice will include information on the potential state and federal income tax consequences of any amount received as a subsidy.

## Strike Lockout Benefit Premiums

The consumer’s plan choice is a factor in whether they will have a \$0 net premium. While eligible consumers will have access to the two lowest cost silver plans with a \$0 net premium, if the consumer picks a more expensive plan, they will be responsible for that difference in price.

## Consumer Qualifying Life Event (QLE) Selection

In the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), individuals can create an account and select they are applying due to “Lost or will lose health coverage” and losing coverage due to a strike.

### Endnotes

1 California Legislative Information. Government Code, § 100503.5 et seq. Title 22. California Health Benefit Exchange [100500-100523].

[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=GOV&sectionNum=100503.5](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=100503.5).

2 California Legislative Information. Assembly Bill No.2530, Wood, Chapter 695, Statutes of 2022.

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB2530](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2530)

3 California Legislative Information Assembly Bill No. 2479, Wood, Chapter 841, Statutes of 2024.

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB2749](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2749)

4 Thomson Reuters Westlaw. California Code of Regulations. 10 CCR § 6504. Special Enrollment Periods. Special Enrollment Periods.

[https://govt.westlaw.com/calregs/Document/I97668090C1C511EF9280AE2BB50E110D?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Document/I97668090C1C511EF9280AE2BB50E110D?viewType=FullText&originationContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default))