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Health insurance options for the jobless include COBRA, CHIP, private insurers

Because the soaring unemployment rate has left so many people suddenly uninsured, the government is scrambling to help. The economic stimulus package that President Obama signed into law will provide some temporary relief, helping the newly unemployed to obtain health coverage under the 1986 law known by its acronym, COBRA.

And Congress passed legislation adding millions of children to those eligible for the Children's Health Insurance Program, known as CHIP, which covers children in families that earn too much to qualify for Medicaid but too little to afford private insurance.

Read on to see if COBRA and CHIP might be options for you. If not, you'll probably have to line up private insurance, a process you could start by comparison shopping at a Web site like eHealthInsurance.com.

If you have access to COBRA

Take advantage of it.

Under COBRA, most workers laid off from a company that has more than 20 employees and provides health benefits

are allowed to keep those benefits for up to 18 months. But until recently, the out-of-work employee had to pay 102 percent of the premiums — or more than \$12,900 a year on average for families, according to the Kaiser Family Foundation.

Under the stimulus package, if you lost your job after last Sept. 1 and your family income is less than \$250,000 a year (\$125,000 for individuals), you pay only 35 percent of the premium for the first nine months. The government picks up the rest. However, employers are still awaiting instructions on how to make this work, so there could be delays.

Another change: If you qualify for the subsidized Cobra benefit, you can also switch into a lower-cost health plan, like a health maintenance organization, if your former employer offers one.

If you have children:

Explore keeping yourself and your spouse on COBRA or buying private insurance, and enrolling your children in the CHIP program, suggests Ron Pollack, executive director of Families USA, a nonprofit consumer advocacy organization. Government

plans typically have higher income allowances for children, making it easier for them to qualify.

According to a Kaiser Family Foundation survey, families with children in Medicaid or CHIP find the care comparable to what they received under private insurance.

Go to the Web site of the nonprofit Foundation for Health Coverage Education for details: www.coverageforall.org.

What if COBRA is not an option?

If you're young and healthy, consider a high-deductible health plan that can be linked to a health savings account. To pay the out-of-pocket costs, you are allowed, by law, to set aside up to \$5,950 (\$3,000 if you are single) in a health savings account. This money is not taxed and, unlike a flexible spending account, can be rolled over from year to year. But make sure you can cover the deductible, Pollack cautions.

"You will have to spend every dollar of your care until you meet your deductible," he said.

If your income is low: You may qualify for government-sponsored health insurance, or services, if your total household income is coming from unemployment insurance, if you are a single parent, or if you lost your job because your company moved out of the country.

Go to www.coverageforall.org and answer the five-question quiz to find out what services you may be eligible for. Or call the toll-free help line, 1-800-234-1317, which is staffed 24 hours a day.