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## Laid-Off? Now What? Tips on Keeping Your Health Insurance

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Trying to maintain your health insurance coverage when you lose your job can be particularly challenging and stressful.

Jane Stimmler posted an article here on April 27th entitled "[The Catch 22 of Communications](#)," in which she compares the communication styles of men and women. In the article she wrote, "Women frequently go into more detail about people, setting, context, drama and inner meaning (than men)." Being detail oriented is a valuable characteristic to have when it comes to evaluating your health insurance needs and selecting a policy that is good for you and your family.

If we lose our job, most of us who received health insurance from our former employer know we have the option to go on COBRA for up to 18 months. However, most of us also know that COBRA is extremely expensive — especially at a time when we need to try to save every penny.

So, if you or your significant other becomes unemployed, keep in mind that you have three options to obtain or maintain health insurance for you and your family: subsidized COBRA for 9 months, private health insurance, or government/public programs.

All three options have upsides and downsides, but you can't make the best decision for you and your family if you don't pay attention to detail and read the fine print. Hopefully, these tips will help you make the decision that's best for you.

### COBRA - Here's what you need to know:

1. **Know what COBRA is** - COBRA enables you to continue the coverage you had from your former employer for up to 18 months, but you may pay full-price for the coverage unless you qualify for the subsidy under the American Recovery and Reinvestment Act of 2009 (see number two). If

you have a moderate to severe health condition, COBRA is extremely important because it may be your only non-government option for care, until you find another job that provides access to group coverage. For people in good-to-moderate health, COBRA may provide more coverage than you really need.

2. **Know your options** – The government's stimulus package includes a nine-month subsidy for COBRA – if you lose your job and qualify, your former employer pays up to 65 percent of the cost of COBRA and you pay the rest. Before you pay 35 percent of the cost of COBRA, remember that the subsidy only lasts for nine months; then you may have to pay full-price again. If you develop a health problem while you're on COBRA, you may not qualify for individual coverage once COBRA runs out. Explore all of your options before you make a decision.
3. **Don't assume COBRA is better** – J.D. Power and Associates 2009 National Health Insurance Plan Study, showed that people who purchased private health insurance gave it a higher satisfaction rating than those who received healthcare through a small employer (50 employees or fewer). If you weren't happy with your former employer's plan, don't tie yourself to it now.

### Private Health Insurance - Here's what you need to know:

1. **Shop around to get the best deals** - If a plan doesn't provide the benefits you need, keep looking. A 2008 study from eHealthInsurance.com showed that 50 percent of all individual policy holders cost less than \$130 per month and revealed some key insights into what's covered by most plans. Private health insurance plans provided coverage for laboratory x-ray coverage (99.8%); emergency room coverage (99.5%); prescription drug coverage

- (85.7%); maternity coverage (24.2% - women made up 49% of primary policy holders); OB/GYN coverage (93.3%), periodic exam coverage (85.7%). Quality, affordable plans do exist, so put your attention to detail to work and find the best deal you can.
2. **Practice safe (policy) selection** - It's important for women to know that private health insurance plans don't automatically cover maternity benefits. If you're planning to get pregnant, or you think there's a chance you could get pregnant, be sure to buy a plan that covers maternity care. If you can't find a plan with maternity coverage, you may need to explore purchasing something called a maternity rider, which is a supplement to an existing health insurance policy that covers maternity benefits.
  3. **Know your plan's out-of-pocket limit** – The out-of-pocket limit is the maximum amount you'll pay out of pocket in any single year. Be sure that, in the event of an emergency, you can handle your plan's annual out-of-pocket limit. Typical out-of-pocket limits range from \$2,500-\$10,000.
  4. **Look at a plan's provider network** - Most health insurance plans offer a network of providers through which services are provided at a lower, discounted rate. Services by non-network providers are rendered at a higher rate and sometimes may not be covered at all.
  5. **Mix & match** – If you have pre-existing health conditions that preclude you from qualifying for private insurance, you can mix and match your family's coverage. For example, you can stay on COBRA for up to 18 months, but put your dependant's on a private insurance plan in order to save money on monthly premiums.
3. **Understand CHIP** –CHIP (formerly known as SCHIP) is the Children's Health Insurance Program, which provides free health insurance for children in families who earn too much to qualify for Medicaid. In most cases, families that don't have health insurance are likely to be eligible for CHIP, even if the parents are working. States have different eligibility rules, but in most states, uninsured children under the age of 19, whose families earn up to \$44,100 a year (for a family of four) are eligible. For little or no cost, CHIP pays for doctor visits; immunizations; hospitalizations and emergency room visits. Be aware that CHIP reimburses physicians at a lower rate than insurance companies do. So, your personal physicians may not accept insurance payments from CHIP. For more information or to sign up, go online to [www.insurekidsnow.gov](http://www.insurekidsnow.gov)
  4. **Get help from a professional** – Chances are you know little or nothing about health insurance, which is why you should work with a professional. Licensed agents know how the world of health insurance works and can typically direct you to discount programs, plans that are more likely to insure certain health problems or other resources that can really save you money.

#### **Other alternatives – Here's what you need to know:**

1. **Check your spouse's plan** – First, evaluate if you can be added to your spouse's employer provided health insurance plan. Learn how much, if any, the employee share of the premium would increase if you join the plan.
2. **Take advantage of free programs** - There is a very good chance that community clinics and non-profits in your area provide free or low-cost medical care. You may have to plan well in advance to get an appointment, but if you have the flexibility and patience, you can get very competent preventive care. A great place to start when looking for free and low-cost options is the Foundation for Health Coverage Education, which is online at [www.Coverageforall.org](http://www.Coverageforall.org). If you need help getting prescription drugs, you can contact The Partnership for Prescription Assistance, their web site is [www.ppsrx.org](http://www.ppsrx.org)