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Losing your 65% COBRA subsidy

The government discount only lasts 9 months and it may not be extended. Here's some health insurance options.

By [Gerri Willis](#), CNN personal finance editor

New York (CNN) ----Thousands of people will begin to lose a major discount on their COBRA health care premiums in as little as 10 days. Here's what you can do:

1. What's happening

First, let's briefly go over what COBRA is. It's a health care plan that allows you to continue group health care coverage after you've been laid off.

Back in February, the government provided a 65% subsidy for COBRA premiums for those who were unemployed. That meant you only had to come up with 35% of the premium. But for those people who signed up in March, that subsidy is going to expire at the end of the month. And on December 1st, instead of paying that 35% of premiums, you'll be on the hook for 102% of COBRA premiums. And that's not a small matter.

You may have to pay nearly three times more out of your own pocket to continue their health insurance under COBRA, according to [eHealthinsurance.com](#). Under the subsidy, the average cost is \$398 per month per family. But after the subsidy expires, the monthly payments would jump to \$1,137, according to the Kaiser Family Foundation. Keep in mind that if you just started receiving the COBRA subsidy benefit, you still have nine months until it expires.

2. Your options

If your subsidy is going to expire and you still don't have employer-sponsored coverage, make sure you try to get on your spouses' health care plan if they have employer-based coverage.

If that is not possible, start comparing prices on private market plans. Applying for private health care insurance should not affect your COBRA plan. And make sure you don't drop your COBRA coverage until you have another plan in place. If you drop COBRA, you run the risk of having no health insurance at all. Keep in mind that it could take you up to a month to start a new plan, says Sam Gibbs of [eHealthinsurance.com](#).

If you're just waiting to start a new job or you're going back to school, consider a short-term health care policy. These plans are generally less costly than a traditional plan.

3. What's available

If you have kids, they may qualify for the Children's Health Insurance Program. This program is set up to provide insurance to families who don't qualify for Medicaid, but can't afford private insurance. Requirements for S-chip, as it's known, is at [insurekidsnow.gov](#).

If you absolutely can't afford non-subsidized COBRA, check out the Foundation for Health Coverage Education at [coverageforall.org](#). It's help line can connect you to programs in your state. The toll-free number is 800-234-1317.

For the record, Congress is considering extending COBRA, but so far that hasn't happened.

4. Keep tabs

The truth is don't yet know details about the legislation. Private coverage is paid every month, so you should be able to cancel it with no penalties. It may be that you are able to get back on the subsidized COBRA plan, but no one knows for sure. We'll of course bring you the latest.