



COBRA Subsidy Program Ending in 60 Days For Possibly Millions of Laid-Off Workers

Non-profit FHCE Offers Alternative Publicly Sponsored Insurance Options

San Jose, Calif. September 30, 2009 – To assist the estimated 14 million laid-off workers who were eligible for, and may have taken, a COBRA health insurance subsidy provided by the American Recovery and Reinvestment Act (ARRA) of 2009, the Foundation for Health Coverage Education (FHCE) www.coverageforall.org is providing some answers to what workers should do when the 9-month program runs out on December 1.

Beginning in March of '09, ARRA provided that workers who were involuntarily terminated from September 1, 2008 through the end of 2009 and were previously insured, became eligible for a subsidy or government assistance in paying premiums that covered 65% of the cost of continuing that worker's health insurance. This left only 35% of the original premium to be paid by the worker themselves, a substantial savings.

According to the non-profit, most participants of the stimulus package began receiving the COBRA subsidy in March of this year, meaning that their subsidy's expiration date of December 1, 2009 is rapidly approaching. That date spells the end of the program and many participants will have to begin paying 100% of the monthly premium.

Many of the participants find themselves questioning how they will afford to continue coverage. In response, the FHCE has been doing their research, "For the average laid-off worker, this means a monthly payment jump from \$374 to \$1,068 for health insurance. With an average national unemployment benefit set at \$1,278 per month these participants need to look at other options available to them," said Phil Lebherz, FHCE Executive Director/Founder. "The good news is that by researching other government options, checking on eligibility for public programs for children under the age of 19, and visiting websites for organizations that help lower drug costs, we've discovered that there are stop-gap measures in place to help families keep their coverage." These other coverage-saving measures are:

- 1. HIPAA.** Once a person has exhausted COBRA benefits or the company plan expires, i.e. the company goes out-of-business or discontinues the health plan, the person is eligible for an individual plan under the HIPAA(Health Insurance Portability and Accountability Act), even with pre-existing health conditions. For more information, contact the state Department of Insurance.
- 2. High Deductible Plans.** For healthy individuals, another cost effective option while unemployed may be to purchase lower-cost, high deductible individual coverage until new employment is found. With the exception of New York, Massachusetts, Maine, New Jersey, and Vermont, a person can obtain basic catastrophic coverage with a high deductible from \$50 to

\$150 per month until he or she becomes eligible for the new employer's plan. Visit www.nahu.org for a national listing of insurance brokers near you.

- 3. Comprehensive government programs for Children.** For the family in a two-income home where one parent has been laid-off, checking into programs like government programs (like Healthy Families in California) is an important step. In many states, a family of four can make up to \$66,150 annually (California, Hawaii, Iowa, Maryland, Massachusetts, Missouri, Vermont, Washington, D.C., Washington, West Virginia, Wisconsin) and in other states up to \$88,200 per year (New Hampshire, New York,) and still qualify the children for comprehensive coverage.
- 4. Coverage for Pre-existing Conditions.** For people who have been laid-off and have a pre-existing health condition, many states have government-sponsored medical risk insurance pools (such as California's Major Risk Medical Insurance Program). State residents who qualify for these programs participate in the cost of their continued coverage by paying premiums that are supplemented by the state. Go to your state's government website to find out what type of medical pool coverage may be offered.

FHCE has made signing up for publicly sponsored health insurance user-friendly. Any person interested can visit www.coverageforall.org and take the 5-Question Eligibility Quiz to begin the process of understanding their health coverage options. For those who prefer to speak to somebody directly, the live, one-on-one, U.S. Uninsured Help Line (800-234-1317) provides 24/7 multilingual service with trained friendly specialists. Receiving over 75,000 queries per month via the web and call center, the FHCE links uninsured Americans to hundreds of state and federal assistance programs, provides a systematic process to understand what programs best meet their needs and makes the 175 public healthcare program applications easily accessible.

About FHCE

The Foundation for Health Coverage Education (FHCE) is a non-profit 501 (c) 3 organization with a mission to help simplify public and private health insurance eligibility information. In addition to its U.S. Uninsured Help Line (800) 234-1317 and website www.coverageforall.org, FHCE offers free consumer guides such as the Health Care Options Matrix™ available for all 50 states.

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