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## **Jobless Face Huge Hike in Health Premiums; Seven Steps to Dodge the Threat**

By Kathy Kristof

Health reform won't save millions of jobless Americans from a steep hike in health insurance premiums. If Congressional leaders fail to quickly reinstate a COBRA subsidy that expires this month, premiums could literally triple for millions of people as they roll off the subsidy that began to expire Tuesday.

That's got some experts contending that it's time for a contingency plan for jettisoned workers who need to keep their health coverage.

COBRA, named after a 1985 tax law, allows workers who are laid off to remain on their former employer's health insurance plan for up to 18 months. (In some cases, you can stay on the former employers plan for as long as 36 months.) The catch is that COBRA coverage is wildly expensive. An analysis by Families USA found that the average family would pay 1,111 per month—or roughly 83% of the average unemployment check—if their premiums were not subsidized.

COBRA premiums have been subsidized by the federal government since last March, thanks to the American Recovery and Reinvestment Act. But that subsidy, which pays two-thirds of the COBRA premium, was designed to last just nine months for each person. That means that hundreds of thousands of individuals who got it when it first became available in March lost it on December 1. Workers who first got the subsidy in April will lose it in January and so on. No new workers will be able to sign up for subsidized COBRA coverage after Dec. 31, unless Congress extends it.

There are bills pending to do just that. However, political experts say they are a tough sell because the government is already grappling with record-breaking deficits that have even the most liberal members of Congress wondering whether it's prudent to pass new spending bills without any provisions to pay the tab. Even if the bills do pass, the extension would be temporary, lasting a maximum of six months.

That means that people receiving this subsidy need to start making some contingency plans, said Martin B. Rosen, co-founder of the Health Advocate and co-author of *The Healthcare Survival Guide*.

What do you do? Follow these seven steps.

### **Step One: Assess your health**

If you are young, healthy and have no pre-existing medical conditions of your own (or in your family history), you may be able to secure an affordable policy in the individual market. The Kaiser Family Foundation estimates that the average cost of a subsidized COBRA policy would be \$398 per month for a family and \$144 for an individual. Online insurance broker eHealthInsurance says half of its customers pay less.

But if you have existing ailments, you'd pay more, if you could get coverage at all. By and large, individual coverage is out-of-bounds for those with pre-existing conditions.

### Step Two: Hit up the spouse

If you have a working spouse who has access to group coverage, losing your health insurance is a "qualifying event" that can allow you to join the group plan even when it's not an open enrollment period. The catch is that some company plans don't allow spouses or dependents and they can't make an exception for you if that's how the plan is set up. If the plan does allow spouses or dependents, however, they also can't exclude you just because you're sick.

### Step Three: Separate

If you have been buying health insurance as a family, but one family member has a medical condition and the others are healthy, it may be time to split up the family, at least as far as medical insurance goes.

The ailing member of the family can stay on COBRA with a less expensive individual policy, while the rest of the family finds coverage in the individual market, suggested Sam Gibbs, senior vice president of eHealthInsurance.com.

### Step Four: Use your student

If you have a child in college, that child probably has access to a health insurance plan offered by the school. A little-known feature of many of these plans is that they sometimes allow parents to piggyback on the coverage, said Rosen. In some cases, the coverage is limited, but it could be better than nothing.

### Step Five: Get a job

I know, you've been trying. But you've probably been trying to get a job in your chosen profession, when you might be better off just taking a part-time position at Starbucks, Costco, Trader Joe's or any one of dozens of companies that offer health benefits to part-time workers. Even if the job pays minimum wage, getting insurance could save you tens of thousands of dollars in COBRA premiums, Rosen said.

### Step Six: Check out the high-risk pool

Thirty-four states offer high-risk insurance pools that are set up to provide an insurance option to people who have pre-existing medical conditions and can't get coverage elsewhere. The is coverage of last-resort. It's costly and there are sometimes waiting periods to get subsidized premiums. The National Association of Health Underwriters provides more information on these pools on their web site, linked here.

### Step Seven: Punt

If you absolutely cannot find (or afford) health coverage, don't ignore your health. Rosen suggests that you enlist the help of your doctors to get the care you need at discounted prices. In many cases, doctors will cut their rates, at least to the reimbursement rate that they would receive from an insurer, he said. But they don't do it automatically. You have to ask.