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Health Care: What to do if you lose your health insurance?

By Mary Schwager

As the future of health care in America is debated in Congress millions of people are struggling with unemployment and the loss of their health insurance. What should you do if it happens to you? Download the free book, The Healthcare Survival Guide.

It's 72-pages that provides little-known secrets about affordable and free healthcare insurance, medical services and other cost-saving tips. These insider tips come straight from Martin Rosen and Abbie Leibowitz, M.D., cofounders of Health Advocate™, Inc., the nation's leading independent healthcare advocacy and assistance company.

Martin Rosen fielded a few of my questions recently on what you should do if you find yourself hunting for health insurance:

Mary Q: Besides not panicking, which would cause high blood pressure, what are the most important things someone should do if they lose their job and their health insurance?

Martin Rosen: The first thing to do if you lose your job (or your hours are reduced to part-time) is consider signing up for COBRA which stands for "Consolidated Omnibus Budget Reconciliation Act." It offers terminated employees and their eligible family members the opportunity to continue the coverage they receive from their employers for a period of 18 months (and in some cases longer). But there are eligibility requirements such as the size of the company and the circumstances surrounding the termination so check with your employer or the Department of Labor website: www.dol.gov for more information.

COBRA is typically very expensive so to help offset the costs, the Federal Government is offering, for a limited time, something called "Enhanced COBRA" where if you meet the criteria the Federal Government will subsidize 65% of the cost of your premiums. You are eligible for 15 months of the subsidy if you lost your job before March 31st 2010. However, there is legislation pending that could extend the subsidy through the end of the year. There are income eligibility requirements and certain deadlines to apply so talk to your employer.

COBRA is a great option for several reasons. First it allows you to continue coverage without lapse. It also gives you time to shop around for other options and there are no preexisting condition limitations.

If you are not eligible for COBRA or your benefit has expired, try not to wait to get coverage. Purchasing coverage quickly will help you to avoid a break in coverage continuity. There are many affordable plans available to hold you over until you find your next job. But you need to know the ins and outs of each plan before you buy. Talk with a local insurance broker who can walk you through your options. For example, buy only what you need. If a job is on the horizon, you may want to consider short-term coverage.

If you are healthy, one option is a mini-medical plan that only covers minimum health services such as

doctor visits, X-rays, or drugs. If you select a high-deductible health plan, be prepared to pay more out-of-pocket. If you can't afford comprehensive coverage, choose a "catastrophic" health plan. You will still have to pay out-of-pocket for preventative care but will be covered in case of accident or unexpected surgery.

Do you have a student in college? Some college student health plans allow unemployed parents to elect coverage during open enrollment period or, in some cases, if the student is already enrolled, the parents can be added to the plan.

Mary Q: Is there a cheaper alternative to COBRA-ing your health insurance?

Martin Rosen: If you can sign up for COBRA I would suggest taking advantage of it. Because the government is currently subsidizing 65% of the cost of premiums for those who qualify, it is a great value for the level of coverage you receive – especially if you or someone in your family has a preexisting condition. If your benefit expires and you don't have a new job or coverage lined up, try some of the tips mentioned above.

Mary Q: How can people find low-cost and free health insurance?

Martin Rosen: COBRA and Enhanced COBRA are your best bets if you qualify and expect to get a new job quickly. If you can't afford COBRA or your benefits expire, look into short term coverage or a mini-medical plan.

If you really can't afford any type of coverage, don't forgo care. Instead look into local free clinics in your area. Many offer free or low-cost check-ups, immunizations, pregnancy care, dental care and more. Go to: findahealthcenter.hrsa.gov or The National Association of Free Clinics www.freeclinics.us to find one near you.

Another emerging trend is low-cost retail clinics in stores such as WalMart, Walgreens or CVS. These clinics offer basic care services such as treatments for sinus infections, skin conditions, or immunizations. For more information check with your local drug store chain or visit www.takecarehealth.com or www.ccaclinics.org.

You may also qualify for a government healthcare program. Depending on your income level you could qualify for Medicaid. Rules for eligibility vary by state so check with your local Medicaid office for more information. If you have children, look into The Children's Health Insurance Program (CHIP). CHIP is intended for families whose income is too much to qualify for Medicaid yet too little to afford private health insurance. For more information on CHIP visit www.insurekidsnow.gov.

Both Medicare and Medicaid also offer benefits to the disabled. So if you think you may qualify, contact your local Medicare or Medicaid office.

Mary Q: One point you make in your book is to ask your doctor for a discount, really? You can do that?

Martin Rosen: Absolutely! In our research we found that of those that asked their provider for a discount, 61% received one. It helps to be armed with some information before you ask however. For example, insurance companies negotiate discounts with providers in their contracts. Thus, insurance companies never pay full price. Find out what an insurance company would have paid your provider for the service and ask to be billed that amount. Or simply explain your economic situation to your provider and respectfully ask for a discount or a payment plan. Providers are aware of the current economic situation and will likely work with you in order to keep you as a patient. It also helps if you pay in cash. Many doctors will accept a discount if you have cash on hand.

Mary Q: Not having prescription drug coverage can be a really killer on your bank account, are there ways

people can save buying medicine out of pocket?

Martin Rosen: There are several ways to save money on prescription drug costs. For example you can start by asking your provider for free samples. Pharmaceutical companies generally provide doctors with free samples for distribution. Also, switching to generics can save you hundreds on the exact same medication. Generics tend to cost between 20 and 80 percent less than brand name medications. For more savings consider using a mail-order pharmacy service. Many insurance plans offer a three month supply at a discount or with lower co-pays.

In addition, some large retail and pharmacy chains are competing for your prescription business and are offering very low prices on drugs. Check out their websites for special offers. For example, Walmart is offering \$4 prescriptions on hundreds of drugs. You can see what drugs are covered using the search function on their website: <http://medicationfinder.walmart.com/mapd/MedicationFinder.jsp>

You can also visit pharmaceutical company websites. They often offer discounts or free samples for individuals and families in need.

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