

6 health insurance safety nets for the uninsured

By Barbara Marquand

If you lost employer-sponsored health insurance, you know how tough it is to find affordable health insurance if you're not in perfect condition.

According to the Kaiser Family Foundation, roughly 50 million Americans under age 65 are uninsured. Because most people who have insurance receive it as a job benefit, the dismal employment market has intensified the problem.

Qualifying for individual health insurance is difficult if you have a pre-existing condition – meaning a health problem diagnosed or treated before applying for insurance. In some cases, you're simply denied.

Governments and organizations have knitted together a variety of safety nets, although not all of them are equipped to catch you. Here are six nets and their potential holes.

1. COBRA

Under COBRA — the Consolidated Omnibus Budget Reconciliation Act of 1986 — you can continue your employer-sponsored health insurance coverage generally for 18 months after you leave a job, as long as your employer has 20 or more workers. (Some states have passed their own COBRA laws that apply to smaller employers, too.)

The potential holes: COBRA can be expensive. Although you qualify for your employer's group rate, you have to pay the entire premium under COBRA; your employer doesn't have to chip in. During the recession, the federal government provided premium subsidies to help people afford COBRA premiums, but those are no longer available.

2. Pre-existing condition insurance plans

Starting in 2014, health insurance companies won't be able to charge higher premiums or deny coverage for people who have pre-existing conditions. Until then, a Pre-existing Condition Insurance Plan provides some relief. Some states operate their own PCIPs; in other states, the federal government runs the plans. Eligibility rules, annual deductibles and premiums vary slightly among states.

The plan provides a full range of benefits and does not charge a higher premium if you're unhealthy. You can qualify, regardless of income.

The potential hole: You must have gone without insurance for six months to qualify. J.P. Wieske, executive director for the Council for Affordable Health Insurance, says this might be one reason why enrollment is relatively low.

"If you're sick, you can't wait six months," he says.

3. State high-risk insurance pools

Like the Pre-existing Condition Insurance Plans, these state plans are designed for people who are uninsurable because of health conditions. Minnesota and Connecticut set up the first such programs in 1976, and 34 states operated similar programs last year, according to the Kaiser Family Foundation.

The potential hole: Some programs require applicants to have gone without health insurance for a certain period of time to qualify. Check whether your state has a high-risk health insurance plan, and read the eligibility rules.

4. Medicaid

Medicaid is a federal program, administered by the states, that provides health coverage to children, families, pregnant women, the elderly and people with disabilities

In addition, 17 states have Health Insurance Premium Payment Programs, according to Ankeny Minoux, president of the Foundation for Health Coverage Education in San Jose, Calif. If you qualify for Medicaid and already have medical insurance coverage, this program pays the premiums so you can keep your coverage, versus using Medicaid.

Income eligibility guidelines vary among states.

The hole: Generally it's easier for children, pregnant women and elderly or disabled adults to qualify for Medicaid than for non-disabled parents. As of January 2011, 33 states limited eligibility for parents to less than the federal poverty level (\$18,310 for a family of three in 2010), according to the Kaiser Commission on Medicaid and the Uninsured.

5. Children's health insurance program

Available in every state, this program provides free or low-cost health coverage for children of families who meet low-income guidelines. The eligibility requirements vary by state, but are more liberal than Medicaid eligibility. Generally children in families with incomes up to \$44,100 a year for a family of four are eligible, but families can have higher incomes and still qualify in many states, according to the program's website, InsureKidsNow.gov.

Although the program won't cover a parent's health care, it's worth investigating for your kids.

The hole: You cannot enroll if you do not meet income eligibility requirements.

6. County and state insurance programs

Beyond the big-name programs, such as Medicaid and CHIP, states run a variety of supplement programs to help people pay for health care.

"California alone has 17 other programs that many people aren't aware of," Minoux says.

The Foundation for Health Coverage Education provides a list of programs on its website as well as other tools to find coverage.

Local counties and health systems also provide outreach programs. Check with major health systems, universities, nonprofits and public health departments.

Cobbling together a health insurance plan

You might have to cobble together several options, including negotiating with health care providers for discounts and comparing prices of medical services, says Martin Rosen, co-founder of Health Advocate, Inc., a company based in Plymouth Meeting, Penn., that helps clients navigate the health care system. Rosen is also coauthor with Dr. Abbie Leibowitz of "The Healthcare Survival Guide," which is available for a free look online through Health Advocate.

"Unfortunately when you look at this whole landscape, there's not a straight line to get to the end result," he says.

***The hole:* Ferreting out local and state programs to provide assistance will take time, and, as Rosen says, there may not be one simple answer.**