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Keeping health coverage after layoff a challenge

Justina Wang

Staff writer

When Jodi Casey and her husband, Kevin, were both laid off last July, they thought about the mortgage, car payments, school field trips and college tuition.

But nothing weighed more heavily on their minds than how to hold on to their medical insurance.

"It's our main concern: What are we going to do for health care?" said Jodi Casey, who had worked at Citigroup in Pittsford with her husband. "It's not something you can let go."

The Caseys, who live in Clifton Springs, Ontario County, with their two teenage children, were given a severance package that included six months of company contributions to their health plan, following Kevin's last day in October. With Citigroup paying for 50 percent of their COBRA temporary coverage plan, they've managed to come up with the \$772 each month for the family premium.

But in May, when the company stops contributing to their coverage, they'll be slapped with the full \$1,544 monthly bill — more than three times what they were paying when they earned two paychecks from Citigroup.

Though they have some savings, "we're not making any money this year," Jodi Casey said. "It's a huge, huge thing. If you're the provider of a family of four, how do you do this?"

For the many laid-off workers scrambling to find affordable health care, the maze of COBRA rules, state programs and new federal laws can make finding coverage as stressful as looking for new jobs.

The key, experts say, is to get a handle on your financial situation, figure out your options and fight for your rights.

"I would hope it's not a question of, 'Do I have to go without health care?' but 'What is it that I qualify for?'" said Kim Browning, vice president of state and government programs at Excellus BlueCross BlueShield.

How COBRA works

If you've lost your job, you've likely received information about your rights to temporarily continue employer coverage under a federal law known as COBRA. Though traditionally an expensive option, the recently enacted economic stimulus package can help drive down costs for some. Anyone laid off from a private company with 20 or more employees who has been covered under the employer's health plan can receive coverage under COBRA for up to 18 months. The plan is also available to family who were

covered under the company plan.

Under COBRA, you'll receive the same coverage offered by your former employer, but in most cases, the company will no longer share the costs. You may have to pay up to the full monthly premium, a substantial expense but generally less than what an insurer would charge you individually.

If you were laid off after Sept. 1, you're eligible for a 65 percent reduction on COBRA premium payments for up to nine months. The stimulus package will also benefit anyone who declined coverage or canceled it after they were laid off between Sept. 1, 2008, and Feb. 16, 2009, as well as anyone involuntarily terminated through the end of this year.

"If you meet the eligibility standards, it solves the biggest problem with COBRA," said Peter Newell, co-author of state advocacy group United Hospital Fund's consumer guide on how to stay covered after being laid off. "If you lose your job, and you're looking at a family premium that's \$1,000 a month or more, you're just not going to be able to afford it."

Options besides COBRA

Facing high COBRA premiums, the Caseys, who've heard talk of the federal stimulus package but don't know if they qualify, have also started exploring other options — looking into purchasing individual plans or small-business policies, and checking whether their children can be covered under public programs.

Though COBRA is probably your first thought for health coverage, many people who are laid off are surprised to find out that they can apply for public health programs that they've never been eligible for before, said Laura Mongeon, Western regional marketing director for the nonprofit Fidelis Care, which has an office in Perinton that enrolls people in state programs.

In New York, Family Health Plus, Child Health Plus, Healthy New York and Medicaid Managed Care offer low-cost or free health plans, depending on your income, assets and number of family members. The state health department Web site and many nonprofit organizations offer resources that can help you determine whether you qualify.

If you're married, remember to check health plans offered by your spouse's company. Under federal law, your family doesn't have to wait for the usual open enrollment period to switch over, if you sign up within 30 days after you lose coverage from your company.

Another possible way to drive down costs is to simply talk to your employer about your severance package, suggests Tom Ioele, chief executive of Employee Relations Associates, a Penfield human relations firm.

Direct pay policies

If you don't qualify for COBRA or public health programs, or your COBRA plan has expired, New York laws give you the right to purchase coverage directly from insurers, regardless of pre-existing medical conditions. Plans are often expensive, but some insurers offer more basic policies with reduced premiums.

Under the state's conversion law, laid-off employees who've been covered by the company for at least three months can also switch group policies into individual plans, which come with varying costs but may at least help keep you covered.

"Let's face it, unfortunately, people get sick and (experience) unexpected health issues, and coverage is important to all of us," said Peter Pecor, executive director of RochesterWorks, a nonprofit employment training program. "We never know what's going to happen."

Regardless of what health plan you choose, make sure to pay attention to deadlines.

Legally, health plans can't turn you away because of a pre-existing medical condition, but if you haven't had insurance for more than 62 days, they can make you wait up to a year before receiving coverage for drugs and doctor's appointments related to your condition.

"If you can keep your coverage continuous, you can avoid health care situations that can ruin a family's finances, and it might give you a bridge to when you find a job with good benefits," Newell said.

JUWANG@DemocratandChronicle.com

Additional Facts

Resources

- United Hospital Fund offers a free guide, *Hard Times and Health Insurance: Staying Covered When You Lose Your Job* at www.uhfny.org.
 - The state health department has information on public health programs, www.health.state.ny.us/health_care/. In Monroe or Livingston counties, Coordinated Care Services can help you sign up for the government programs, (585) 613-7662.
 - Information on the COBRA reduction offered under the stimulus package can be found at www.dol.gov/COBRA.
 - Excellus administers Healthy New York, Family Health Plus, Child Healthy Plus, Medicaid and limited benefit plans. Go to www.excellusbcb.com or call (800) 716-4885.
 - Fidelis Care enrolls people in public health plans. Call (888) 343-3547 or go to www.fideliscare.org.
 - Empire BlueCross BlueShield, www.empireblue.com, and GHI, www.ghi.com, offer "hospital only" policies.
 - Preferred Care offers direct-pay plans. Call (800) 658-0460 or go to www.preferredcare.org.
 - Freelancers Union offers association policies for independent contractors. Go to www.freelancersunion.org/insurance.
 - The Rochester Business Alliance offers group plans for members. Call (585) 256-4644 or go to www.rochesterbusinessalliance.com.
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