

Your Health Insurance Options

The most common way that people get health insurance coverage in the US is through their own employment or a family member’s employment. However, if you are not eligible for insurance at work, are leaving your job, or are looking to get coverage under a new health plan for any other reason, there are other health insurance options available to you. There are laws that provide the option to keep your insurance if you lose or leave your job (see COBRA, below), but there are also new options available through health insurance marketplaces, which can be more affordable alternatives to COBRA. Additionally, due to expansion under the Affordable Care Act, Medicaid has become an option for millions in many states.

Navigating health insurance options can be a daunting task. This handout is intended to give you an overview of some of the health insurance options available if you have recently lost or are facing a loss of your insurance coverage, or if you are not eligible for employer-sponsored health insurance.

COBRA

When you lose job-based insurance, you may be offered COBRA continuation coverage by your former employer. The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law that allows you to continue the same health insurance coverage that you had through your or your family member’s employer, even if you or your spouse is no longer working. If you choose COBRA coverage, your health insurance plan and coverage do not change, so you do not have to worry about changing doctors or rescheduling treatment.

COBRA is available to an employee or family member after an employee has ended his employment or has reduced his work hours to a point that he is no longer eligible to receive coverage from his employer. This termination or reduction in hours is referred to as a “qualifying event.” Other qualifying events may also make COBRA available to you. The amount of time you can stay on COBRA depends on what your qualifying event was.

Qualifying Event	Who is eligible for COBRA	Maximum Coverage
Termination of employment (for any reason other than gross misconduct) or reduction in the number of hours of employment	Employee, Spouse, Dependant Child	18 months



Employee enrollment in Medicare	Spouse, Dependant Child	36 months
Divorce or legal separation	Spouse, Dependant Child	36 months
Death of employee	Spouse, Dependant Child	36 months
Loss of dependant child status	Dependant Child	36 months

Whether or not you are eligible for COBRA coverage is based on Federal Law.

The law states:

- COBRA applies to group plans maintained by employers with 20 or more employees.
- COBRA coverage generally lasts up to 18 months if you have left your job/lost your job/reduced your work hours.¹
- The insured person becomes responsible for paying the full amount of the monthly insurance premium.
- The cost of the monthly premium paid by the employee can be up to 102% of what the employer was paying for the same benefits.
- The person responsible for telling the health plan that a qualifying event took place depends on which qualifying event has occurred.
- A health plan has 14 days after the plan administrator is told of the qualifying event to tell the employee that he or she has the right to elect COBRA.
- An employee must decide whether or not to go on COBRA within 60 days after being told of her COBRA rights. The employee then has 45 days after choosing coverage to pay the first premium.

If you choose COBRA coverage, you will have to pay the premiums for each month that you were eligible. So, even if you wait until the last day of your eligibility to choose COBRA coverage, you will still have to pay the premiums from the date your eligibility began.

Be aware that once your COBRA coverage ends, you will need to obtain alternative health care coverage.

State or mini-COBRA

Many states have their own COBRA-type laws that allow people who do not qualify for COBRA to continue coverage on their employer-sponsored health plans when a qualifying event happens. For example, many of these mini-COBRA laws apply to employers with fewer than 20 employees, and they often provide coverage for 12 or 18 months. Also, in some states, like California, the state COBRA law allows people who are eligible for federal COBRA to extend their COBRA coverage beyond the initial 18 months. However, the monthly premium that the employee pays for this coverage can often be up to 110% of what the employer was paying for the same benefits. Contact your state's department of insurance to find out whether your state has a mini-COBRA law.

Health Insurance Premium Payment Program

Some states also have a program called the Health Insurance Premium Payment Program (HIPP). If you qualify for Medicaid and currently have COBRA coverage, you may be able to get your COBRA premiums paid for through the HIPP program *rather than* receive

¹ COBRA coverage can last up to 29 months if the person insured becomes disabled and qualifies for Social Security Disability benefits within the first 60 days of COBRA coverage, or up to 36 months if the person became eligible for COBRA coverage because of certain qualifying events or a combination of qualifying events.

Medicaid. You generally must have a health condition that is expensive to treat or manage in order to be eligible. Be aware that enrollment in the HIPP program is not automatic: you must apply for the program, and then your state Medicaid agency decides whether or not it would save them money to enroll you. Contact your state's department of insurance or Medicaid agency to find out whether your state offers a HIPP program.

Health Insurance Marketplaces

As of January 1, 2014, most people in the US are required to have health insurance. If an individual chooses not to maintain a minimum level of insurance coverage, that individual may be required to pay a penalty. For those who are not offered, or no longer qualify for health insurance through their employers, or are unable to afford COBRA premiums, health insurance marketplaces (also known as "exchanges") offer an alternative and potentially less expensive way to buy health insurance.

These online marketplaces were set up under the Affordable Care Act (ACA), and are either run by individual states or by the federal government. Only 12 states² have created and continue to run their own state-based Health Insurance Marketplace. These marketplaces are like online shopping malls for health insurance. These states include California, Colorado, Connecticut, Idaho, Maryland, Massachusetts, Minnesota, New York, Rhode Island, Vermont, Washington, and the District of Columbia. Other states have set up federal-state partnerships, and still others have decided to let the federal government run their health insurance exchanges.

Participating insurers offer 5 distinct insurance options: Bronze, Silver, Gold, Platinum, and a Catastrophic plan. The Bronze plan has the lowest premiums, but only covers 60% of health care costs, while Silver covers 70%, Gold covers 80%, and Platinum covers 90% of health care costs. The Catastrophic plan is available only for those individuals under 30 years old or those who are experiencing a financial hardship.

Tax Credits Make Insurance More Affordable:

One way the federal government is helping individuals afford health plans is by offering premium tax credits, also referred to as "premium subsidies," to certain individuals and families that need help paying their health insurance premiums. The Premium Tax Credit helps eligible individuals and families pay the premiums for their health insurance purchased through the Health Insurance Marketplace.

To qualify for this premium tax credit:

- Your household income must be between 100-400% of the Federal Poverty Line (FPL).
- You must be enrolled in a qualified health plan through your state's healthcare marketplace or through healthcare.gov.
- You must *not* be eligible for other minimum essential coverage plans – such as Medicare, Medicaid, or an affordable employer sponsored plan
- You must be lawfully present in the United States, and you must not be in jail or prison.
- No one is able to claim you as a dependent for income tax purposes.
- If you are married, you must also file a joint tax return with your spouse to qualify for this credit.

² As of January 2017

If you do not know whether you are eligible to receive Medicaid, the health insurance marketplace will generally inform you, based on your income, whether you are eligible to receive tax credits or if you are eligible for Medicaid. For more information, visit HealthCare.gov

Enrollment Periods: Open Enrollment v. Special Enrollment

Open enrollment is the period of time where everyone can apply for a health insurance plan through the insurance marketplace or change to a different plan if they are already enrolled. However, once the open enrollment period closes, you generally may not apply for health insurance through the marketplace *unless* you qualify for a special enrollment period³.

Individuals may qualify for special enrollment only if they have a *qualifying life event* or under certain *exceptional circumstances*.

1. Some examples of a *qualifying life event* include:
 - i) Marriage or Divorce
 - ii) Having a baby, adopting a child, or placing a child for adoption or foster care
 - iii) Moving your residence, gaining citizenship, leaving incarceration
 - iv) Losing other health coverage – due to losing job-based coverage, COBRA exhaustion, aging out of a parent’s plan, losing eligibility for Medicaid or CHIP, and similar circumstances
Note: voluntarily ending coverage (for example, because you can no longer afford COBRA premiums) does not qualify you for a special enrollment period, and neither does losing coverage that does not qualify as minimum essential coverage.

2. Some examples of *exceptional circumstance* include:
 - i) an unexpected hospitalization or temporary cognitive disability,
 - ii) a natural disaster, such as an earthquake, massive flooding, or hurricane.

For more information regarding the health insurance marketplace in your state, including information on various insurers and the specifics of each of plans offered, please visit HealthCare.gov.

Medicaid

Depending on your household size and income, another health coverage option that may be available to you if you are not working or are no longer eligible for employer-sponsored insurance is Medicaid. Medicaid is a state-run federal health care program which provides health care coverage for certain people who have low incomes, have limited resources, and meet other eligibility requirement determined by the state. Medicaid may be called by other names in different states. For example, in California, Medicaid is referred to as Medi-cal, and in Tennessee, Medicaid is referred to as TennCare.

Under the ACA, many states have chosen to expand their Medicaid programs. Medicaid expansion makes Medicaid available to people who earn below 138% of the federal poverty level (\$16,243 individual; \$33,465 for a family of four in 2016) and eliminates additional eligibility requirements, making Medicaid programs more accessible to uninsured

³ Open enrollment periods typically start in November and lasts through January of the following year.

Americans. As of January 2017, 32 states, including the District of Columbia, have expanded their Medicaid programs.

For more information on your state's Medicaid program, please visit: Medicaid.gov

Major Risk Insurance Plans

Before the ACA was passed, many states operated state-run insurance plans, called major risk insurance plans, to provide health coverage to people with pre-existing conditions who could not get other coverage. Although the ACA now prohibits insurance companies from refusing to provide health insurance coverage to individuals because of a pre-existing condition, some states have continued to run these major risk insurance plans.⁴ If you are not able to get insurance through COBRA, Medicaid, Medicare, or the health insurance marketplaces, then you may be eligible for one of these major-risk plans.

As of mid-2016, the following states may currently offer state-run high risk insurance plans: Alaska, California, Connecticut, Idaho, Illinois, Iowa, Mississippi, New Mexico, North Dakota, South Carolina, Tennessee, Washington, and Wyoming.

Be aware that because of the ACA, many of the Major Risk Insurance Plans still available already have closed or will close enrollment, or will be cancelled in the near future. Contact your state's department of insurance to find out whether your state offers a Major Risk Insurance Plan/Pool.

Resources

<i>For questions about COBRA:</i> U.S. Department of Labor Employee Benefits Security Administration 200 Constitution Ave, NW, Suite S-2524 Washington, DC 20210 (202) 693-8300 or (866) 444-3272 www.dol.gov/ebsa	<i>For information about all of your available health insurance options:</i> Department of Health & Human Services (800) 318-2596 (855) 889-4325 (TTY) www.healthcare.gov
<i>For questions about Medicaid:</i> Centers for Medicare & Medicaid Services 7500 Security Boulevard Baltimore, MD 21244 www.Medicaid.gov	

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⁴ For example, California has a program called the Major Risk Medical Insurance Program (MRMIP) that provides health insurance for Californians unable to obtain coverage in the individual health insurance market because of their pre-existing conditions or immigration status.