

## Keeping Your Health Insurance

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Once diagnosed with HCV, it is virtually impossible to purchase individual health insurance since carriers typically review the applicant's current health and medical history. HCV almost always will trigger a refusal to offer insurance. For that reason, it becomes especially important for people with HCV to hold on to the coverage they have and not lose it.

For a person with individual coverage, the answer seems simple, just keep paying the premiums. That's not always easy given the rate with which health insurance premiums are rising. If rates to your individual policy should be rising to the level that you can no longer afford, consider the following options:

- Remove healthy people from your plan – If your spouse and/or children are in good health, consider dropping them from your plan and purchasing a separate plan for them. Because they are healthy, they would have the advantage of starting at a much lower rate than what you are paying.
- Consider raising the deductible. While insurance companies would require proof of good health to make many changes, most are willing to increase the deductibles without having to show good health, which would reduce the premiums.

Most people, however, obtain their health insurance through their employer so their health insurance is dependent upon their continued employment, or it used to be. Thanks to a couple of federal laws, people who lose their health insurance through their employer will almost always have some rights to continue coverage in one form or another as long as they make the necessary premium payments and move promptly.

First, there is **COBRA**, a federal law that allows people to stay on the employer's plan after they terminate employment or have a reduction in hours that causes them to lose eligibility for health insurance.

COBRA covers employees of almost all employers who provide health insurance to their employees except:

1. The federal government and its employees;
2. Churches and most religion-affiliated employers such as church-owned hospitals;
3. Domestic partners who, although not covered under the law, are often offered "COBRA-equivalent" coverage; and,
4. Employers with less than 20 employees.

**NOTE:** Several states have passed laws that provide COBRA-like continuation coverage to employer groups of less than 20 employees. They include:



Arkansas, California Colorado, Connecticut, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, West Virginia, Wisconsin, and Wyoming. However, they don't all match the federal law completely, so check your own state's law if you work for a small employer.

COBRA allows the employee and/or the dependents to remain on the employer's plan provided they pay the entire cost of the insurance plus a 2% administrative fee.

The length of time you can stay on COBRA coverage varies:

- 18 months if due to termination of employment or reduction in hours;
- 36 months if a dependent loses coverage due to divorce of the spouse, being too old to be covered as a dependent child, or death of the employee; and,
- 29 months if, during the first 18 months, you apply for and are awarded Social Security Disability benefits and provide proof of that to the COBRA administrator within 60 days of receiving the award letter. This opportunity allows you to stay on COBRA until you become eligible for Medicare under SSDI.

Those are the maximum lengths that you can stay on COBRA, not counting any state laws which might extend that. Some events, however, will cause you to lose COBRA coverage before that maximum time is reached:

- Premium payment is not received within the 31 day grace period;
- The employer stops all health insurance for all employees;
- You become covered under another group health plan which includes coverage for any pre-existing conditions; or.
- You become eligible for Medicare.

COBRA is a federal law and it has very specific requirements about how employers administer the plan from how to tell employees about the options and how to accept the premiums. However, because many employers, especially smaller ones do not always understand the requirements, there are some things you should watch for if your employer based-coverage is coming to an end and COBRA is available:

- Don't wait for the mailing from your employer. Ask for it when your coverage is about to stop. Some employers may insist on mailing it to you, but you will know when to expect it and can follow up if it doesn't arrive.

- Don't refuse the COBRA coverage even if you know you won't take it. Let the 60 day period expire. That way, if there's a medical emergency during the 60 days, you can accept the COBRA, pay for the coverage, and have the coverage.
- Pay your premiums on time! If you are ever late, they can cancel you and they do not have to reinstate your coverage. When possible stay one month ahead so you have time to correct any mix-ups or lost payments.
- Make sure you keep a record of everything you send and everyone you talk to about your COBRA continuation. When possible, send materials Return Receipt Requested or deliver the documents and payments in person and get a written receipt.
- Be very careful if your employer hires a COBRA administrator to handle the COBRA Continuation. These companies operate with the goal of getting everyone off COBRA that they can legally get off.
- If you're disabled when your coverage stops, learn the rules for extending the COBRA to Medicare. They are complicated and most employers don't understand them.

In 1996, another federal law was passed that created more opportunities to stay insured, The Health Insurance Portability and Accountability Act, usually called **HIPAA**.

HIPAA covers a multitude of health insurance issues, from confidentiality of medical records to guaranteeing continuity of coverage when changing jobs or leaving an employer.

HIPAA also provides access to health insurance when COBRA expires or when group coverage is lost, if not eligible for COBRA. HIPAA provides guaranteed access to an individual health insurance policy with relatively broad benefits to persons who:

- Have had continuous coverage in one form or another for at least 18 months; AND,
- Were last covered under an employer-provided group plan; AND,
- Take their COBRA coverage, if eligible, as long as they are able under the law; AND,
- Purchase the individual health plan within 63 days of losing the group coverage/COBRA.

The federal law allows each state to determine how they will offer these "**HIPAA Plans**." Some states use existing, or have created special high risk health plans that people qualifying for HIPAA coverage may join. Other states require all insurers offering individual health insurance coverage in that state to offer two plans to anyone during the 63 day eligibility period. Your state department of insurance can tell you how it operates in your state.

The law specifies that the plan match the carriers' most popular plans based on premium volume, so the coverage you are eligible to purchase is fairly broad. While the law does not put a cap on rates, the rates charged by the carriers and high risk plans tend to be higher than you would pay if you were in good health, but they are not the extreme levels that some of the old health conversion plans charged.

Once your group coverage ends whether it is the end of COBRA or coverage simply ending without eligibility for COBRA, the insurance company or administrator is required to send you what is called a "Certificate of Creditable Coverage" which is usually simply a letter. This letter will confirm the starting and stopping dates of your coverage with them. Note that if you were with that carrier for less than 18 months, you may need to get a similar letter from the carrier that covered you prior.

Upon presenting that letter to the HIPAA plan or carrier, the plan is required to let you purchase the coverage as long as it is done within 63 days of your coverage ending.

Thanks to COBRA and HIPAA, now, if you ever become insured under an employer health plan, you will be permitted to maintain health insurance indefinitely, even after your employment terminates. So whether your coverage comes from an individual policy or through an employer, once you are insured, you have a right to keep that coverage until other coverage, such as Medicare comes along.