

Laid off? Tips to keep health coverage

As job cuts spread nationwide, experts say the key to maintaining health coverage is quick thinking and quick research.

By [Parija B. Kavilanz](#), CNNMoney.com senior writer
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NEW YORK (CNNMoney.com) -- With pink slips accelerating nationwide, health care experts say it's a good idea for everyone - even those who feel their job isn't at risk - to know about their health care rights and options.

"Being proactive about your [health care] coverage is vitally important, especially if you want to protect your family in these times," said Ankeny Minoux, president of the Foundation for Health Coverage Education.

Here are some tips to get you started:

Sign up for COBRA. If you are laid off, immediately ask the company exactly when your employer-paid coverage expires, according to Devon Herrick, health economist with the National Center for Policy Analysis.

By law, employers have to provide laid-off workers information about COBRA, a government mandate that gives workers who lose their health benefits the right to choose to continue coverage under their group plan for a limited period.

The typical monthly premium for COBRA is \$300 for an individual and \$1,000 for family coverage. You have to sign up for COBRA within 60 days of being laid off or you lose that option.

"People always think COBRA is too expensive," said Minou. But it's more affordable now under the stimulus bill" signed last month by President Obama. Specifically, the government will provide a [65% subsidy](#) to businesses who continue COBRA premiums for laid-off employees for a period of 9 months. The subsidy will continue until Dec. 31, 2009.

COBRA coverage typically extends for 18 to 36 months. Once the COBRA coverage is exhausted, Minoux suggests people convert to an individual plan under HIPPA (Health Insurance Portability and Accountability Act) to avoid any gaps in their coverage.

Put the children in a CHIP plan. If you or your spouse can't afford the COBRA family premium, the parents can stay on COBRA but move the kids to the State Children's Health Insurance Program, which provides coverage for children living in families with income that is modest but too high for them to be eligible for Medicaid.

"Mix and match coverage options to keep the costs down," Minoux said.

This is also a good option to for low to mid-income families in which one or both parents are working but need to save money, Minoux said. In California, for example, families with a household income of \$66,150, or 300% above the federal poverty level, can still enroll their children in a SCHIP plan.

In February, President Obama signed legislation extending the SCHIP program, expanding health coverage by an additional 3 million children, to 11 million children.

Put yourself on SCHIP. Some states offer programs that allow adults to enroll in SCHIP programs.

In Connecticut, the Health Care for Uninsured Kids and Youth program includes parents, relatives, caregivers and pregnant women in families that have household incomes between 185% to 235% above the federal poverty limit, or between \$38,000 to \$55,000.

Your job shipped overseas? Look into the Health Care Tax Credit (HCTC).

"If your company has moved overseas, or is outsourcing its operations, the government will pick up part of the [insurance] premium," said Minoux.

She said the "displaced" worker would pay 20% and the government would pay as much as 80% of the premium as long as the unemployed worker receives benefits under the Trade Adjustment Assistance (TAA) program.

About to retire? You have to be 65 years old before you are eligible for Medicare.

So what happens if you are 55 years old, are laid off and have a pre-existing medical condition? If you were on your employer's health plan, you will qualify for COBRA and subsequently for an individual plan.

However, if you weren't on your employer's health plan, then you won't qualify for COBRA. In that case, Minoux said people should look for "high risk pool" insurance options in their state, such as the MRMIP (Major Risk Medical Insurance Program) offered in California.

This is a 36-month program that provides coverage to people with pre-existing medical conditions.

Prescription assistance. Organizations such as non-profit Partnership for Prescription Assistance offer free programs to provide discounts of as much as 20% on prescription drugs, which can help save on drug costs, especially when there's no income coming in.

Lastly, Minoux said several of these state-funded programs have waiting lists, so it might be worth while to sign up for more than one.

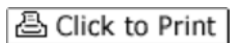
"Don't be deterred," she said.

Talkback: Do you have health insurance? Are you satisfied with your coverage? If you do not have health insurance, how do you pay for health care? E-mail your story to realstories@cnmmoney.com and you could be part of an upcoming article. For the CNMMoney.com Comment Policy, [click here](#). ■

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