



# Looking for health care benefits and options?

# Out of a job?

It's an increasingly common story these days — you lose your job, and your health insurance goes with it. Now what?

1

## Spousal coverage

If your spouse is eligible for health benefits at his or her job, that might be first place to look. Under federal law, loss of your group health insurance benefits entitles you to a special enrollment opportunity in your spouse's employer group health plan. In other words, if you lose your health insurance, you have 30 days during which you and your children can join your spouse's plan if you're otherwise eligible.

2

## COBRA

*(applies to both insured and self-insured coverage)*

COBRA coverage is a requirement under federal law that allows workers in firms with 20 or more employees to continue their health coverage for up to 18 months after they lose their jobs, if they pay the full premiums themselves. If the employer goes out of business, the consumer may be entitled to Pennsylvania conversion rights or HIPAA conversion rights. (See next page for more details.)

This group health insurance plan may be the best health protection you can get and under federal law you have 60 days to decide whether to continue your coverage under your old health plan, and then another 45 days to pay that first premium.

It's not cheap — the average cost for COBRA coverage is about \$400 a month for an individual and \$1,000 for family coverage. However, the federal government may subsidize a portion of that cost. One money-saving tip about COBRA — each member of your family is individually eligible to continue coverage, so if only one person really needs that coverage, you can sign just him or her up and try to find cheaper coverage for everyone else.

3

### **Pennsylvania Conversion Rights**

*(applies to health insurance coverage only)*

If you've lost your employer group health insurance plan from an employer of any size, you may be eligible to convert that coverage to an individual health insurance policy. Not all employer group health insurance plans are required to offer you this individual conversion policy, so check with your employer's insurance company. This is a valuable option, especially if you or an eligible dependent have health issues.



Keep in mind you only have 31 days for the insurance company to receive your application for an individual conversion policy from the date the insurance company notifies you of this option or you will lose your right to this coverage.

4

### **HIPAA conversion coverage**

*(applies to both insured and self-insured plans)*

If you've lost your employer's group coverage, you may be eligible for a HIPAA conversion policy. This is a valuable option, especially if you or an eligible dependent have health issues. You will need evidence of "creditable coverage" from your last employer's insurer when you apply. In Pennsylvania, only Blue Cross Blue Shield companies sell HIPAA conversion policies. Keep in mind you only have 63 days from the end of your employer group health plan or COBRA coverage for the Blue Cross Blue Shield health plan to receive your HIPAA conversion application or you will lose this conversion right.

5

### **State-run health insurance programs**

The Pennsylvania Insurance Department administers two health insurance programs. The adultBasic insurance program offers basic health coverage to individuals aged 19 to 64 who have limited incomes (e.g., make less than \$42,400 for a family of four). There is a monthly premium of about \$35. Currently, due to funding limitations, there is a significant waiting list. Should you qualify for coverage you can purchase coverage at full cost while on the waiting list. This is about \$330 a month.



The Children's Health Insurance Program, or CHIP, covers all uninsured kids and teens with comprehensive benefits that include doctor and hospital visits, prescriptions, eye and dental care – and much more. Many can get CHIP for free, others at low cost. Go to [www.CHIPCoversPakids.com](http://www.CHIPCoversPakids.com) for more information. (And if your child is without coverage because you've lost your job, the six-month go-bare requirement is waived.)



## 6

**Individual coverage**

Check out what's available in the individual health insurance market. Most of the individual market is medically underwritten, which means that you have to apply and disclose information about your health status and your health history. If you do get coverage, it's likely to be less comprehensive than the group coverage you're used to – so decide what you need: is it catastrophic coverage? Routine medical visits? Prescriptions or dental? What is your pressing need in health care and what can you afford to pay for out-of-pocket?



Pennsylvania does recognize that some citizens will not meet the medical eligibility requirements of health insurance companies, placing those individuals in a very difficult position. For those individuals, Pennsylvania's Blue Cross Blue Shield companies do make available a guaranteed issue health plan to those who live in their service area. Contact your local Blue Cross Blue Shield company for more information.

## 7

**Association health plans**

An association health plan is insurance coverage that is offered to members of an association. These plans can be an option for consumers if they do not have access to job-based group coverage or as an alternative to individual policies. As a member of the association, you are part of a group that can negotiate lower premiums than are available in the individual insurance market. But these are not really group insurance plans - and therefore do not have to respect the consumer rights and protections that apply to group plans. Also, consumers do need to check the fine print because the Insurance Department has limited authority to regulate these products.



## 8

**One final point:** If you are laid off or otherwise lose your group coverage, make sure that your employer or its insurer gives you a piece of paper known as a "certificate of creditable coverage." It helps guarantee that when you do get new health insurance — assuming you don't have a lapse of more than 63 days — you won't have to wait for coverage of a pre-existing condition. You also need to show evidence of creditable coverage for the HIPAA coverage mentioned above

**Questions? Contact us.**

- Automated Consumer Hotline: (877) 881-6388
- Consumer Services:
  - Harrisburg: (717) 787-2317 TTY/TDD: (717) 783-3898
  - Philadelphia: (215) 560-2630 TTY/TDD: (215) 560-2471

**[www.insurance.pa.gov](http://www.insurance.pa.gov)**  
**[www.heretohelp.pa.gov](http://www.heretohelp.pa.gov)**