

Managing Health Insurance Needs During Tough Times

AMES, Iowa -- Most people rely on employer group health insurance to ease the burden of medical costs. With growing unemployment numbers, people are looking for options to maintain health insurance coverage. The Stimulus Bill offers some additional help to people who involuntarily lost or will lose their job between Sept. 1, 2008, and Dec. 31, 2009.

"According to the Department of Labor, workers that become involuntarily unemployed during this 16-month period are eligible to have 65 percent of their COBRA premiums paid by the federal government, for up to nine months," said Erin Ludwig, Iowa State University Extension family resource management specialist.

The COBRA subsidy benefit is part of the recently enacted American Recovery and Reinvestment Act of 2009. COBRA allows workers to continue the health care coverage they had through an employer. COBRA applies to group plans at companies that employ at least 20 people. The subsidy ends if the employee becomes eligible for Medicare or obtains coverage through a new employer.

Even if employees did not sign up for COBRA when they lost their job, they have 60 days to get the subsidy after being notified by their previous employer of their eligibility. Additional information on the new COBRA subsidy can be found at the link below to the Federal Department of Labor. <http://www.dol.gov/ebsa/COBRA.html>

"One of the first concerns when income decreases because of a layoff, illness, disability, divorce or death of a breadwinner can be how to pay for health insurance," said Ludwig. "There are a variety of alternatives, depending upon the situation."

Those not eligible for COBRA may be able to convert a group policy to individual coverage. Employers and the insurance companies can explain options.

"An advantage of converting policies is that you may not have to pass a medical exam.,," said Ludwig. "A disadvantage is that benefits may be reduced and premiums will probably be higher."

A short term or interim policy offers people between jobs another health insurance option. These are typically written for six months or less. Ludwig advises shopping around to compare prices.

A spouse's group health insurance also may be a coverage option, if and when a spouse or family coverage can be added. Many employers or other groups have limited "open enrollment" periods, but may add coverage throughout the year upon proof of a change in the family situation.

Investigate buying insurance through another group such as a fraternal or civic organization, professional association or health maintenance organization. Group coverage is almost always cheaper than coverage by individual policies.

If individual coverage is the only alternative, compare several policies for the best coverage. Individual health insurance is very expensive. Generally, it is wiser to choose a large deductible in order to lower premium costs. It is better to self insure against routine medical expenses and buy major medical insurance to cover unexpected, costly illnesses or emergencies. Avoid purchasing single disease policies or overlapping coverage.

For people without health insurance or those who can no longer pay the premiums for health insurance, there are limited health services available for the elderly, disabled, children and pregnant women. Check with the county health department to learn about health care programs provided at little or no cost. These may include immunization programs, well baby clinics, blood pressure checks and other screening programs.

Medicaid is generally available to families who receive government income assistance or to people over age 65 or people who are blind or disabled. Check with the local Health and Human Services Office for current medical assistance programs and income and resource guidelines.

HAWK-I, also known as Healthy and Well Kids in Iowa, is an option for children in families with incomes too high to qualify for Medicaid, but too low to afford private family coverage. For more information on the HAWK-I, call 1-800-257-8563 or visit www.hawk-i.org.

The Iowa State University Extension Managing Tough Times website at www.extension.iastate.edu/answers has additional information on dealing with tough economic times. It features helps such as Iowa Concern Hotline, a 24-hour confidential assistance for those dealing with stress, financial concerns and legal questions. Iowa Concern can be reached by calling 1-800-447-1985.

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Sources for Help with Prescription Drug Costs

TAG LINE: Help is available for individuals who are struggling with their prescription costs. If you lack coverage or find yourself in the donut hole of your current plan there are some possible solutions.

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Patients who lack prescription coverage or have exhausted their current Medicare D coverage should contact the Partnership for Prescription Assistance (PPA) for help getting medicines. The PPA is a single point of access to more than 425 public and private assistance programs, including over 180 programs offered by pharmaceutical companies. You can call 1-888-4PPA-NOW or visit www.PPARx.org for more information.

SHIIP is the state funded organization of volunteers who can help elderly individuals with medical insurance questions and provide other links for health related issues. Find a list of volunteers and their locations at: <http://www.shiip.state.ia.us/> or call 1-800-351-4664.

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