



HEALTH COVERAGE

OPTIONS FOR THE UNEMPLOYED AND UNINSURED



According to data from the Kaiser Family Foundation, approximately 49 percent of the U.S. population receives employer-sponsored health insurance – with California topping the list of states that have the greatest total number of people covered by group health insurance plans.

The dramatic spike in unemployment caused by the coronavirus pandemic could leave millions of people uninsured in the midst of a global health crisis and make them vulnerable to catastrophic health care costs.

According to health policy experts, workers facing a coronavirus-related loss of employer-sponsored health insurance should act quickly to evaluate their options and prioritize finding the right plan.

First, if you have lost your job, it is important to find out if your exit package offers any additional employer-paid health insurance coverage. You may also have access to enroll in employer-based coverage through your spouse or partner. If you're younger than age 26, you may be able to join your parent's group health insurance plan as allowed by the Affordable Care Act (ACA). You only have 30 days from the time your previous employer stops paying for your insurance to enroll in your family member's plan.

MediCal is the name of the Medicaid plan in California. Medicaid, which has been expanded in most states, may also present a feasible option to receive free or low-cost care and comprehensive benefits. This program primarily provides coverage for low-income families and children, pregnant women, the elderly and people with disabilities. Since eligibility is mainly based on current household monthly income, a job loss may serve as a qualifying event for enrollment in Medicaid. **CONTINUED ►**



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However, most Americans have two main paths to obtain health insurance after losing their job. The first option is through the Consolidated Omnibus Budget Reconciliation Act (COBRA), a program that extends your current health insurance plan for up to 18 months after your employment is terminated. The second option is through your state's health insurance marketplace, which qualifies you for a special enrollment period if you lose job-based health insurance coverage. Here is important information about these two options.

COBRA Coverage

COBRA allows you to continue the same health plan and benefits as before you lost your job. Typically, employers with at least 20 full-time employees are required to offer COBRA coverage. It is generally available to former employees and retirees, as well as to their spouses, former spouses and dependent children if they were originally covered.

However, this option can be cost-prohibitive because you are responsible for paying both your portion and your employer's portion of the premium plus a 2 percent administrative fee – causing your premium to dramatically increase. According to the Kaiser Family Foundation, the average annual premium cost for employer-sponsored health insurance is \$6,896 for an individual and \$19,616 for a family.

Typically, you have 60 days to enroll once you receive the COBRA notice. Even if you initially waive coverage, you remain eligible to enroll within the 60-day window. It is important to consider that once you opt into



COBRA, you cannot switch to a plan through a health insurance marketplace until open enrollment begins in November or until COBRA ends in 18 months.

ACA Marketplace Coverage

If COBRA proves too expensive, you can explore health insurance marketplace options to obtain coverage while getting financial help to lower your health care costs.

If you live in California, you must enroll for coverage through the state's own marketplace called **Covered California** (www.coveredca.com), and not through the federal health insurance exchange.

Approximately ninety percent of people who have signed up with Covered California qualify for state subsidies – now extending to an individual making up to \$74,940 and a family of four with a household income of up to \$154,500. The average state subsidy to eligible

middle-income consumers is \$504 per month, lowering their monthly premium by half. Financial assistance for lower-income consumers, who earn between 200 and 400 percent of the federal poverty level, lowers the average monthly premium from \$881 to \$272 per month - a decrease of 70 percent.

Overall, you have 60 days after you lose coverage to enroll in a marketplace plan. Keep in mind that coverage goes into effect the first day of the month after your job ends, so if you were laid off in March, your coverage would have started on April 1.

Looking forward, the unprecedented economic disruption caused by the coronavirus pandemic reveals the importance of providing viable alternatives to employer-sponsored health insurance. Anyone facing a potential coronavirus-related termination of employment should assess available health coverage options now.