



Consumer Alert

Stay Protected During Layoffs and Budget Cuts

With the national unemployment rate at 8.5 percent, families are living on tighter budgets, and many are struggling to maintain their health insurance coverage. Despite these challenges, there are still ways for consumers to remain protected and save on insurance costs, according to the Massachusetts Division of Insurance.

These uncertain times require us all to be vigilant about our insurance to make sure we are protected. Consumers can safeguard themselves and their families regardless of their employment situation by making sure they understand their coverage needs and researching less expensive alternatives.”

Options for the Newly Unemployed

It is important for the newly unemployed to examine their options immediately, because some choices expire within weeks of job termination. The Massachusetts Division of Insurance offers the following tips about health insurance for those who have recently lost their jobs or believe they might need to plan for the possibility:

If Married, Consider Joining Your Spouse’s Plan

Transitioning to a spouse’s plan is typically the most affordable option, but you have to act quickly. There is a 30-day special enrollment period during which an employee can add a dependent who has lost coverage. If that 30-day window expires, your spouse would need to wait to add you until the open enrollment period occurs.

Consider COBRA or Mini-COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) allows individuals who leave their jobs at companies with 20 or more employees to continue their health insurance coverage for 18 months. Massachusetts extends similar access for those who worked for small companies through its “Mini-COBRA” law. In most cases, you have 60 days to elect coverage.

COBRA and Mini-COBRA coverage can be expensive. You likely will be required to pay the full premium, plus an administrative fee and your former employer likely will no longer contribute to your premium payment. However, the coverage is retroactive, so use those two months to evaluate other options. Those who lose their jobs because a company goes out of business might not be eligible for COBRA if the company stops its group insurance plan.

As part of the newly enacted economic stimulus package, the federal government will pay 65 percent of COBRA or Mini-COBRA extended coverage premiums for up to nine months for workers laid off between Sept. 1, 2008, and Dec. 31, 2009. There are income limits for this subsidy: \$125,000 for single adults or \$250,000 for couples who file tax returns jointly.

Research Government-Sponsored Plans

Check to see if you are eligible for insurance through a government program, such as Medicaid or Medicare. For more information, visit www.cms.hhs.gov/home/medicaid.asp or www.medicare.gov.

Consider the Medical Security Program

The Massachusetts Division of Unemployment Assistance provides health insurance assistance through the Medical Security Program for those receiving unemployment insurance benefits, and whose family income is less than 400% of the federal poverty level. Massachusetts is the only state in the nation to offer a health care plan for unemployment insurance claimants. For more information, visit www.mass.gov/dua.

Take a Look at the Health Connector

The Massachusetts Commonwealth Health Connector (Health Connector) offers several good value plans called Commonwealth Choice plans. You may get one of these if you can’t get a health plan from an employer that pays at least 33% of the plan premium. The Health Connector also offers several Commonwealth Care plans available to you if your family income is less than 300% of the federal poverty level. Massachusetts helps pay for the Commonwealth Care premiums, so you pay a smaller premium or none at all, depending on your income. If you are between the ages of 19 and 26, and you are not eligible for subsidized coverage from your job, the Health Connector offers a Young Adult Benefit Plan for Massachusetts residents. For more information, visit www.mahealthconnector.org or call 1-877-623-6765.

Purchase a Private Plan

You can purchase health coverage directly from one of the carriers that offer plans in Massachusetts. All health plans offered to individuals in Massachusetts are “guaranteed issue” plans. This means that the carrier cannot deny you a plan because you have a medical condition or will use a lot of medical services. Keep in mind that these plans may have a limit of coverage for any preexisting conditions for up to six months from your enrollment date. For information on the carriers offering plans to individual in Massachusetts, visit www.mass.gov/doi.

Maximize Existing Health Insurance Coverage

Those who have health coverage should also explore ways to take full advantage of existing benefits.

Switch to Generic Prescriptions

If you are insured through your employer, your health plan likely provides a discount for generic medication. This discount can help you save on monthly out-of-pocket health costs. If generic options are not available for your medications, work with your doctor to help ensure your medications are listed among your health plan's list of preferred prescriptions. If a drug is not on the formulary, then there is higher cost-sharing (co-insurance or co-pay).

Schedule an Annual Check-Up

Annual physicals can catch health problems before they become serious, saving you money in the long run. Many insurance plans cover 100 percent of wellness care for routine exams, immunizations and diagnostic tests.

Stay In-Network

Before booking an appointment, verify that your doctor is included in your plan at preferred rates. Sticking to network providers helps ensure lower co-payments and deductibles and prevents out-of-network costs. If you need to have a procedure done at an out-of-network provider, research the costs and be prepared to negotiate the price.

Use Preventive Benefits

Some employers offer a subsidized gym membership or nutrition program. Staying healthy and active will reduce your chances of needing costly high-risk medical procedures throughout your lifetime.

More Information

If you have questions or are confused about your insurance coverage, contact the Massachusetts Division of Insurance at 617-521-7794 or visit www.mass.gov/doi.

Get smart about your insurance needs. For more information about auto, home, life and health insurance options — as well as tips for choosing the coverage that is right for you and your family — visit www.mass.gov/doi or www.InsureUonline.org.