



Have You Lost Health Insurance? Consider These 5 Options

By: Ellen D. Hosafros

Are you one of the millions of U.S. workers who's been laid off or experienced a reduction in hours that led to lost health insurance, too?

Let's explore some options for getting health insurance coverage outside of a job:

1. COBRA

The [Consolidated Omnibus Budget Reconciliation Act](#), better known as COBRA, is a health insurance program that enables eligible employees and their dependents (such as spouses, ex-spouses and kids) to continue their current group health insurance plan after a job loss, a reduction of work hours or other qualifying event.¹ To be eligible for COBRA, you must be enrolled in a company-sponsored group health insurance plan on the day before a qualifying event occurs.² Here are examples of qualifying events:

- Death of the covered employee
- A covered employee's termination of employment or reduction of the hours of employment
- A covered employee becoming entitled to Medicare
- A divorce or legal separation from the covered employee
- A dependent child who ceases to be a dependent under the generally applicable requirements of the plan.

Be aware that COBRA's monthly cost is usually more expensive than the insurance premiums you paid through your job. That's because employers usually cover a large portion of healthcare for current employees, but people who use COBRA usually pay the entire cost of the insurance. For this reason, it's a good idea to explore available options on a spouse's

plan, or a public insurance exchange or marketplace before committing to COBRA.

COBRA typically covers costs toward prescription drugs, dental and vision care, but it does not include life insurance and disability insurance from your employer. COBRA is provided for a limited period, from 18 to 36 months.³

If you or a family member who's covered under your employer's plan have lost health insurance, contact your HR department as soon as possible to ask about COBRA. Also, check out the Department of Labor's (DOL) [Employee's Guide to Health Benefits Under COBRA](#).

2. A Family Member's Health Plan

You might be able to enroll in your spouse's or partner's employee-sponsored coverage. Or if you're age 26 or younger, you may be able to join your parents' employer-based plan. You have 30 days from the time your previous employer stops paying for your insurance to enroll in a family member's coverage. This is called a special enrollment. Remember, you must request special enrollment within 30 days from the loss of your job-based coverage.⁴

3. Federal & State Marketplace/Exchange Plans

If you lost health insurance due to a job loss during the 2020 coronavirus health emergency, you qualify for a special enrollment period on a federal Exchange or Marketplace plan available on the [Healthcare.gov](#) website (also known as an "Affordable Care Act (ACA)" plan). Generally, you have 60 days after the loss of your previous health insurance to sign up for such a plan, but if you miss that 60-day deadline due to the impact of the coronavirus, you may still be eligible.⁵

¹[U.S. Department of Labor](#), "Continuation of Health Coverage (COBRA)"

²[Centers for Medicare & Medicaid Services](#), "COBRA Continuation Coverage Questions and Answers"

³[U.S. Department of Labor](#), "Continuation of Health Coverage (COBRA)"

⁴[U.S. Department of Labor](#), "Job Loss - Important Information Workers Need to Know to Protect their Health Coverage and Retirement Benefits"

⁵[Healthcare.gov](#): "Marketplace Coverage and Coronavirus"

This could be an opportunity to find a more affordable health insurance option than COBRA. Plus, depending on your situation, you could be eligible for a tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copays). After you enter your information on the Healthcare.gov website, you can see what your monthly premium, deductibles and out-of-pocket costs will be before you actually enroll.

Also, if your state does not offer an exchange/marketplace plan through Healthcare.gov, it will still offer exchange plans on a separate state exchange or marketplace website.

4. Medicaid

Do you qualify for Medicaid or other state or local programs? Medicaid is a joint federal and state program that, together with the Children's Health Insurance Program (CHIP), provides health coverage to over 72.5 million Americans, including children, pregnant women, parents, seniors and individuals with disabilities.⁶ These plans are limited to low-income people.

5. Healthcare Discount Plans/Short-Term Health Plans

Healthy individuals can explore the option of a low-cost healthcare discount plan or short-term limited duration insurance (STLDI). This is a type of health insurance that provides coverage to policyholders for an initial maximum period of less than 12 months and for a maximum total duration (including renewals and extensions) of 36 months. Unfortunately, the problem with STLDI plans is their many restrictions and exclusions:

- They may not cover essential health benefits.
- They have very restrictive minimum and maximum limits.
- They have very high co-pays or deductibles.
- They offer no coverage for pre-existing conditions.

With so many restrictions and differences among these types of plans, it's important to be cautious

when you buy an STLDI policy. Be sure you understand what's covered, what is not, and for how long you'll be covered.⁷

What are the pros and cons to short term health insurance? Health insurance carrier [Cigna](#) provides a list of considerations⁸ to determine if a short-term health insurance plan is right for you

Pros:

- Designed to fill short-term gaps in coverage
- Can cancel coverage without penalties
- Can choose a plan that covers you up to a year
- A variety of plan designs are available, depending on the insurance carrier

Cons:

- Significantly higher deductibles than traditional health plans with other possible unforeseen costs
- No coverage for pre-existing conditions and limited coverage for most services
- A medical questionnaire may be required to be approved for coverage
- Plans vary greatly in covered services and costs with very little government oversight

As you've already figured out, health insurance coverage from any source has eligibility requirements, enrollment deadlines and a lot of other details that require your attention and action. You can access in-depth information on each of the options described in this article by clicking on the hyperlinks in the footnotes.

MORE RESOURCES

[U.S. Department of Labor](#): "An Employee's Guide to Health Benefits Under COBRA"

[Healthcare.gov](#): "If You Lose Job-Based Health Insurance"

⁶[Medicaid.gov](#), "Eligibility"

⁷[Federalregister.gov](#), "Short-Term Limited Duration Insurance"

⁸[Cigna](#), "What is Short-Term Health Insurance?"