

Healthcare Navigation, LLC



Understanding Options when Group Healthcare Coverage Ends

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Introduction



The involuntary loss of GROUP healthcare coverage (coverage through employer or union) is a protected event which allows those affected to obtain other coverage within SIXTY days (Medicare and Medicaid have different enrollment rules).

Often there are many options for coverage to be evaluated by those affected. Understanding one's options and the pros and cons of each is critically important to making a sound decision.

We will briefly review the options and then walk through them with our fictional Martin family created for purposes of this presentation.

Options to Consider

- “Package” from former Employer
- Spouse or parent’s group plan
- COBRA
- Individual plan – Off Exchange
- Individual plan – On Exchange
- Medicare
- Medicaid



Options to Avoid

- Short-term Medical Plans (not available in NY, NJ or CT)
- Christian Healthcare Plans (they are not insurance)
- Other “creative” plans suggesting you can join a union and be part of a group
- A relative, former spouse, friend who is a business owner who says you can “be added to their plan” as an employee when you are not an employee



Compare Options



- Premiums
- Plan design – product, deductible, coinsurance
- Other projected out-of-pocket costs
- Network of hospitals
- Network of doctors and other providers
- Prescription drug formulary

Our Fictional Family and Their Options

Mom



- Jessica Martin
- Subscriber
- 52-year-old Hotel Executive at large chain
- Laid off

Dad



- Mark Martin
- Dependent on wife's plan
- 65 years old
- Retired investment banker

Elder Son



- Joseph Martin
- Subscriber on separate restaurant plan
- 32 years old
- Just closed both restaurants

Daughter



- Annie Martin
- Dependent on mother's plan
- 25-year-old self-employed writer
- Engaged to be married

Younger Son



- Jeremy Martin
- Dependent on mother's plan
- 23-year-old graduate student who opted out of school's plan

Jessica, 52

Laid Off Hotel Executive

Options

- Company's "package"
- COBRA (federal since employer 20 or more and plan is self-insured) for up to 18 months. (A NY group plan would provide up to 36 months of COBRA). Check state laws especially when employer is smaller than 20 employees.

- Individual Plan – Off Exchange
- Individual Plan – On Exchange
- Sole Proprietor?
- Establish Small Business?

MOM

Mark, 65

Retired Investment Banker

Options

- Might consider wife's "package" but beware of Medicare enrollment rules
- Medicare
- One 65 and over should not consider COBRA unless already on Medicare A and B as rules of insurance are COBRA should be secondary to Medicare
- He can opt out of Medicare B and other products should Jessica return to work with active large group coverage

DAD

Medicare IEP Enrollment Chart

3 months before	2 months before	1 month before	Month turn age 65	1 month after	2 months after	3 months after	4 months after	5 months after	6 months after
Enroll in any of these months →			Coverage starts						
			Enroll →	Coverage starts					
				Enroll →	Coverage starts				
					Enroll →	Coverage starts			
						Enroll →	Coverage starts		
							Enroll →	Coverage starts	
							Enroll (SEP) →	Coverage can start*	
								Enroll (SEP) →	Coverage can start*

* The SEP can only be used once the individual's IEP is over.

Joseph, 32

Former Restaurant Operator

Options

- No COBRA option. The business closed so there is no active group.
- Individual Plan – Off Exchange

- Individual Plan – On Exchange
- Medicaid?

ELDER
SON

Annie, 25

Self-employed writer

Options

- Consider mother's "package" if applicable
- COBRA – for up to 36 months (federal law) in any state

- Individual Plan – Off Exchange
- Individual Plan – On Exchange
- Medicaid?
- Pursue domestic partner coverage/marriage to join fiancée's plan

Daughter

Jeremy, 23

Graduate Student

Options

- Consider mother's "package" if applicable
- COBRA - for up to 36 months (federal law) in any state
- Individual Plan – Off Exchange

- Individual Plan – On Exchange
- Enroll in college plan due to "involuntary loss of coverage"
- Not eligible for Medicaid (affluent parents claim as dependent)

Younger
Son

Implementing Your Plan

- ✓ Have written proof of loss of active group coverage
- ✓ Read all material thoroughly and comprehend completely
- ✓ Act timely
- ✓ Document everything
- ✓ Follow-up
- ✓ It's not over until all affected have an i.d. card in their possession that is associated with an active plan or a soon to be active plan



Summary



- Coverage transition issues can be complex. Plan accordingly.
- HR/Benefits professionals are experts in group coverage matters but rarely Medicare, individual coverage, or Medicaid.
- U.S. system places great responsibility on those outside of employer/corporate coverage “cocoon.”
- If not facing a transition, become familiar with features of your current coverage and think about a Coverage Plan.

THANK YOU

