

A BACKGROUNDER ON HEALTH COVERAGE

Options for individuals who have lost employer-sponsored coverage due to the coronavirus



With millions of businesses forced to close or make staffing changes amid the coronavirus pandemic, many individuals have lost or are at risk of losing access to employer-sponsored health coverage.

What other health coverage options are available for workers who lose coverage because of job loss, hour reductions, or lay-offs? There are several health coverage alternatives that furloughed or former employees and their families may consider. Options may include:

- A spouse's employee health plan
- COBRA continuation coverage through the previous employer
- Individual market coverage through an Exchange
- Public programs such as Medicaid and CHIP

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Enroll in coverage through a **SPOUSE'S EMPLOYER'S PLAN**

- An employee may be eligible to enroll in a spouse's employer-sponsored health plan without waiting for an open enrollment period. If you are considering special enrollment, the employee who recently lost his/her employer-sponsored coverage must request enrollment in the spouse's employer's plan within 30 days of losing coverage.
- HIPAA allows you and your family members to special enroll in your or your spouse's employer-sponsored health plan when you lose coverage or experience certain life events such as marriage, birth, adoption, or placement for adoption.

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Enroll in coverage under **COBRA**

Employees, their spouse, and their dependent children may be eligible to purchase extended health coverage for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Employees may have to pay the entire premium plus a 2 percent administrative fee.

- If an employee is covered under his/her employer's health plan and then loses his/her job, has hours reduced, or is laid off and the employer's health plan continues to exist, the employee and his/her dependents may qualify to purchase temporary health coverage at group rates under COBRA.
- The group health plan must provide the employee with a written notice of eligibility for COBRA coverage. The employee has 60 days from the date the notice is sent or from the date his/her coverage ends—whichever is later—to elect COBRA.
- Generally, COBRA covers group health plans maintained by employers with 20 or more employees. If the employer has fewer than 20 employees, state law may require the plan's insurer to provide some continuation coverage.



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Enroll in coverage through the INDIVIDUAL MARKET

- Under the Affordable Care Act (ACA), employees and their dependents can buy individual insurance coverage through the Marketplace. To do so, the employee must select a plan within 60 days before or after losing his/her employer-sponsored health coverage.
- If the employee enrolls in Marketplace coverage, he/she may be eligible for a tax credit that will lower his/her monthly premiums and cost-sharing reductions that will lower out-of-pocket costs for deductibles, coinsurance and copayments. Employees and their dependents are also automatically considered for Medicaid and CHIP eligibility when they apply for financial assistance through the Marketplace.

Considerations when choosing an option

How close are you to satisfying the deductible under your current plan?

- If you have met your deductible or are close to it and you expect significant additional medical expenses, staying on your current plan through COBRA may make sense

Does your spouse work for an employer that offers dependent coverage?

- If so, enrolling in your spouse's employer's plan may be an affordable option

What is your current family income?

- If your current family income is less than four times the federal poverty limit, you may qualify for subsidized Exchange coverage (typically \$50,400 for a single person and \$104,800 for a family of four)
- If your current family income is close to or below the federal poverty limit, you may qualify for Medicaid coverage

How do your options compare? Key factors to consider include:

- Premiums
- Deductibles, co-payments and annual out-of-pocket limits
- Whether your medications are on the plan's formulary and how much they will cost
- Whether your doctors are the plan's provider network

For additional information and resources, visit the [HHS health coverage guide](#).

Key dates: Special enrollment periods due to coverage loss

| Status of coverage loss | Pick a plan within ... | Documents must be submitted within ... | Coverage starts, if premium paid |
|----------------------------------|---------------------------------------|--|---|
| Already lost coverage | 60 days after date coverage ended | 30 days of picking a plan | First day of month after you pick a plan |
| Will lose coverage in the future | 60 days before date coverage will end | 30 days of picking a plan | First day of month after your coverage ends and you pick a plan |

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Enroll in coverage through public programs like MEDICAID or CHIP

- State Departments of Health and Humans Services can advise employees on possible eligibility for public health insurance programs, like Medicaid or the state Children's Health Insurance Program (CHIP). Note that CHIP has higher income limits than Medicaid so may be an option for covering children even if the adults are not eligible for Medicaid and enroll in other coverage options.

Click [here](#) to find your state's health department.

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