

Health Insurance Options for Dependents Dropped from Coverage

Facing the loss of health insurance is unsettling and the transition phase into new coverage can be stressful. The Ohio Department of Insurance has prepared this document to help you understand the different health insurance coverage options available to you in Ohio. Call the Ohio Department of Insurance at **1-800-686-1526** to talk with a Consumer Services representative about your health insurance options. You can also visit **www.insurance.ohio.gov** — the Department’s web site — for more information.

COBRA coverage

Ask if you are eligible for the employer’s Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage. You may have the right to continuation of coverage as a dropped dependent.

- COBRA is a federal law providing for continuation of coverage for former employees and their dependents of companies with 20 or more employees. COBRA lets you continue the same policy, in some cases up to 36 months.
- The employer that has you classified as a dependent should send you a COBRA notice. You then have 60 days to elect the coverage.
- If you have pre-existing health conditions and are eligible, you cannot be turned down or charged more due to your health conditions.

HIPAA coverage

If you have high risk pre-existing conditions, and if you are not eligible for COBRA or when COBRA expires, but you have had 18 months of continuous group health coverage where the most recent coverage was under an employer group health plan, you are considered “Federally Eligible” for a Health Insurance Portability and Accountability Act (HIPAA) plan. The 18 months could be a combination of any creditable health coverage, including Medicare. You need to apply for either the “Ohio basic” or “Ohio standard” health plan within 63 days of losing your previous coverage.

Individual coverage

Individual means the insurance is not connected to an employer plan. Individual plans are medically underwritten. Companies can decline you based on your health or attach exclusions to your policy. Individual plans take into account your past and present health and then factor it into your premium. Costs vary so shop around and also consider working with an insurance agent.

Open enrollment

If you are not a “Federally Eligible Individual” you may be able to get coverage through open enrollment, which is conducted on a first-come, first-served basis. Applicants are accepted until each Health Maintenance Organization (HMO) and traditional insurer reaches a statutory quota. Coverage secured during open enrollment can be expensive and it must take effect within 90 days after the company accepts your application. However, the policy may require you to wait one year before preexisting conditions are covered.



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Starting with policies issued or renewed on or after January 1, 2010, insurers will be limited in how much they can charge people with diabetes, cancer and other pre-existing or chronic conditions. Following a phased-in approach, the cap will eventually be 1½ times the lowest rate charged to a person of similar age and gender. The cap applies only to the open enrollment coverage purchased in the individual health-insurance market, including non-employer groups, but does not apply to employer group plans.

High-deductible major medical policy

When it comes to insurance, no matter the type, higher deductibles usually mean lower premiums. That is because you are taking more responsibility for your own care. You may be able to combine a Major Medical plan with a Health Savings Account, which basically allows you to spend pre-tax money on your smaller health bills and use the Major Medical plan for the catastrophic expenses.

Short-term insurance

While this won't cover pre-existing conditions, it is better than no coverage at all. You can generally take these out either on a month-to-month basis or on a term of six to 12 months. Even though this doesn't cover pre-existing conditions, it may cover unexpected or acute conditions, for example, a broken leg.

Discount health plans

These plans are not insurance products; instead, they discount services provided by certain physicians, hospitals and pharmacies. If insurance is unaffordable to you, a discount health plan may serve as an option to lower your costs in certain situations. Be certain to read the membership agreement. The Department has limited authority over these plans.

Free clinics

Free clinics assist in providing health services for the underserved and underinsured. Please visit www.ohiofreeclinics.org or call (614) 221-6494 to find one in your area.

Continuation of coverage for unmarried children age change

For policies issued or renewed on or after July 1, 2010, insurers, health insuring corporations and public employee benefit plans must offer parents with employer-sponsored health insurance the opportunity to purchase coverage for their children up to age 28.

Tips:

- Talk with an insurance agent.
- Comparison shop, call around and ask questions. Premiums for similar products can vary.
- If you are healthy, don't assume you can go without insurance.
- If you're without coverage: ask your doctor about a payment plan, don't visit the doctor for essential reasons, switch from brand name to generic prescription drugs and check for free medication samples.
- Contact your physician, drug manufacturers and the State of Ohio to learn of prescription drug patient assistance programs. Call **1-877-794-6446** for more information.
- Contact the Ohio Department of Insurance at **1-800-686-1526** with any insurance questions and to request informational materials.
- Contact the Ohio Department of Job and Family Services at **1-877-852-0010** if you are unemployed and without coverage.