

New subsidies help the unemployed keep insurance

Economy » COBRA provides those who leave jobs or are laid off an option to keep coverage.

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If there's any good news in the bad news of being laid off, it's probably this: It may be the best time in recent years for keeping affordable health insurance.

State and federal programs offer a subsidy for insurance purchased under COBRA, the federal law that allows laid-off employees to continue with their group insurance for 18 months.

Before recent federal legislation, the laid off or former employee had to pay the full cost of the coverage. Now, however, with millions of Americans and thousands of Utahns unemployed, the government has created subsidies for COBRA as part of legislation to counter the effects of the recession.

Instead of paying the full cost -- Utah's average COBRA premium for a family is \$1,030 a month, according to Families USA -- a family would pay about \$360 a month because of the 65 percent federal subsidy.

Because COBRA generally applies only to companies with 20 or more employees, many states, including Utah, have passed legislation making companies with two to 19 workers eligible for the same extended coverage under "mini-COBRA."

Because of these subsidies, COBRA is probably the best option for many people laid off from jobs with employer-sponsored health insurance plans.

"It depends on the individual. Do they want more robust coverage at a little bit higher expense [with COBRA], which to me is the better value," said Tauni Everett of Regence BlueCross and BlueShield of Utah. "Or do they [want] more limited coverage at less of an expense" by shopping around for coverage on their own.

Everett recommended that those eligible for coverage contact their company's insurance provider to discuss options. COBRA subsidies go to the business, and those eligible must elect that coverage through their former employer.

Those already laid off who want to use COBRA must chose coverage within 60 days.

"Families who lost their jobs need to elect to take up their COBRA coverage fast," said Judi Hilman, executive director of the nonprofit Utah Health Policy Project.

For those laid off from jobs where there was no employer-sponsored health care plan or those who might want coverage at less than the subsidized COBRA rates, there are options under private insurance plans or through a state program .

For example, SelectHealth, part of Intermountain Healthcare, offers a plan that covers only children.

"We have a plan that's just tailored for kids 0-18," said Jason Burgess, spokesman for SelectHealth. "Some families have been putting their kids on that."

