

INSURANCE OPTIONS

On February 12, 2003, our group had an event that was open to the community. We discussed insurance options for people on COBRA, running out of COBRA or uninsured. Our speakers were David Meir-Levi and Maya Walker. Susan Lola, one of the event planners, emailed me with a great web link regarding COBRA. Noelle Tardieu had some terrific information about COBRA and finding insurance which she emailed to me. Fran Quittel also sent some useful information.

All this information is posted below.

All the best!

Marcia Stein, PHR

www.ourhrsite.com

David Meir-Levi explained COBRA, the qualifying events and expenses. He also talked about the variety of Individual Coverage available and how to get into different group plans. David's information included HIPAA (Health Insurance Portability and Accountability Act), what it means in a practical sense.

If you'd like additional information including comparative coverage and costs, please contact:

David Meir-Levi

873 Santa Cruz Avenue (#202)

Menlo Park, CA 94025

phone 650 566 3811

fax 650 322 6638

email: david.meirlevi @nmfn.com

(Note that we have insert a space before the "@" sign so he will not be spammed.)

Maya Walker, a Consultant for Care Entrée presented information about this business. Care Entree is a non-insurance solution to the insurance/healthcare crisis. In other words, it's a supplement to insurance and does not replace it. Comprehensive health insurance with a tax-deductible medical savings account for self-employed individuals and businesses with 50 employees or less is also offered through Care Entree's subsidiary, Smartcare Insurance. (During her presentation, she "did not have time to present the insurance side with the

100% tax-deductible medical savings account AND 100% tax-deductible premiums AND 100% tax accumulation and tax-exempt interest.”} For more information, visit www.careent.com/322705 or contact her at headhnr @concentric.net.” (Note that we have insert a space before the “@” sign so she will not be spammed.)

Susan Lola wrote that she “found a great synopsis of AB1401 the new California COBRA extension at the following web site http://www.probusiness.com/fsa_cobra/tf/nov02.asp. ProBusiness administers COBRA as one of its’ services. I thought that as a follow up to the meeting earlier this month we might want to post this link as there seemed to be lots of confusion regarding this law.”

Noelle Tardieu FirstNoelle @earthlink.net (note that we have insert a space before the “@” sign so she will not be spammed.) has been researching this topic and she has a lot of great information.

Here's what she sent:

You now have COBRA choices before it starts and after it ends.

1. Individual health care plans may be cheaper than COBRA. It is worth checking.
2. There are ways to avoid having an insurance company decline you for health insurance and then having that decline follow you forever. (There ought to be a law against that practice) Often an insurance broker can predict if you will be declined. Most insurance forms ask if you have ever been declined.
3. Do not accept a health insurance conversion plan after your COBRA ends until you shop around. You may need to apply for insurance using the HIPAA law especially if you have any preexisting conditions. If you accept a conversion policy or a short-term policy after exhausting COBRA you give up your HIPAA eligibility. It is important to understand that a conversion policy is not a HIPAA policy.

---->The HIPAA law states that any company offering individual insurance health care plans in CA. must accept YOU under the HIPAA law (regardless of any preexisting medical condition). They cannot decline you.

---->Some insurance issuers use preexisting condition exclusions to limit or deny coverage because of medical conditions that existed before you signed up for coverage. Whether or not a preexisting condition exclusion can be applied to your individual coverage depends on whether or not you are HIPAA-eligible.

I asked my current health care insurance company for information on converting from COBRA to a regular insurance plan, they wanted \$2,000 a month. If I had signed up for their expensive conversion plan (which I cannot afford) this would have terminated my

HIPAA eligibility. My health insurance company never even mentioned HIPAA. I had to call multiple times before I could find anyone who even knew a little about HIPAA. Their website doesn't include anything about HIPAA. Most companies do have HIPAA info, via the website. Thanks to the HIPAA law I shopped around for less expensive insurance. I am now paying 311.00 a month which less is than what I paid for COBRA. Though the COBRA covered more as a group insurance plan.

For an example only:

Under the HIPAA umbrella, Kaiser coverage would cost me \$296.00 month.

<https://ehealthplan.kp.org/ApplyOnline/paHIPAA.jsp>

Any insurance company in California that offers an individual insurance coverage must offer two plans under HIPAA.

4. Once COBRA has been exhausted, you have 63 days to file an application to purchase a guaranteed issue HIPAA policy with an insurance company or health plan.

5. When applying for a HIPAA policy you must present a Certificate of Creditable Coverage from your insurance company or health plan as part of the application process. The Certificate of Creditable Coverage is a written statement from your insurance company or health plan showing the length of time you have been covered. The Certificate can be used as proof of your 18 months continuous creditable coverage when applying for a HIPAA policy.

6. Be leery of any insurance plan that doesn't have a 5 or 6 million dollar lifetime maximum. This sounds like a lot of money, but an insurance plan must be enough for any catastrophic medical event. Some insurance plans for the self-employed only have a lifetime maximum of \$750,000.

7. I found an insurance broker who called my Doctors to see what coverage they accepted. This broker sells insurance for several companies and he also told me about insurance plans with companies he doesn't even represent. I found him by surfing and calling many people. I am not affiliated with him or any other insurance company. I also liked the straight forward info. on his website. All brokers are paid by the insurance company and their rates are the same as if you went direct.

South Valley Benefits dave@davefluker.com

<http://www.davefluker.com/index.html> {Editor's note: this is a great website!}

David J. Fluker

408-847-6139

8. Dental coverage is also under the HIPAA law umbrella. Shop around for dental coverage because there are reasonable plans available. HIPAA is there if you need it.

9. Medical discount cards sound wonderful but be careful and learn about their limitations. They are not an insurance plan, they have no lifetime maximums. You would be considered uninsured by relying on a just discount card. For many people this a way to supplement to

their medical insurance. For others because of the economics of our times they have no choice but to use this option exclusively.
Please see below for many other options.

These are difficult times to find reasonable health insurance and be aware that there are scams out there. Do not sign up for any plan or discount card until you call your Doctor and Pharmacy to see if they honor the plan or discount card.

Additional Resources

What Is the Health Insurance Portability and Accountability Act (HIPAA)?

<http://www.insurance.ca.gov/docs/FS-Search.htm>

Type in HIPAA as the search criteria

California Department of Insurance. This hotline is a great resource for any insurance question. They really know their COBRA and HIPAA information.
Call our Consumer Hotline at 800-927-HELP (4357)

California Healthcare Foundation

<http://www.chcf.org/topics/index.cfm?topic=CL106>

Dental HIPAA information:

<http://www.dhs.cahwnet.gov/hipaa/htm/faq.htm>

<http://www.ada.org/prof/pubs/daily/departments/hipaa.html>

Technical COBRA help for HR folks:

<http://www.COBRAhelp.com>

HIPAA Compliance Info:

<http://www.dhs.cahwnet.gov/hipaa/htm/faq.htm>

What is continuous creditable coverage?

<http://cms.hhs.gov/hipaa/online/160261.asp>

Continuous creditable coverage includes most kinds of health benefits, but does not include any coverage you had before a significant break in coverage of 63 or more full days in a row. Time spent in a waiting period or affiliation period does not count as creditable coverage.

Creditable coverage is important because it helps you reduce or eliminate preexisting condition exclusions when you change from:

-->One group health plan to another

-->Individual coverage to a group health plan

-->A group health plan to individual coverage

When changing to a group health plan from either group or individual coverage, creditable coverage can reduce the length of any preexisting condition exclusions that might be applied to your coverage. When changing from a group health plan to individual coverage, 18 months of continuous creditable coverage is required in order to be HIPAA-eligible and to be entitled to guaranteed availability of individual coverage without preexisting condition exclusions. The amount of continuous creditable coverage is calculated by counting all the days that you had creditable coverage. Any days in a waiting period or affiliation period are not counted as creditable coverage, or as a break in coverage.

Important Points to Remember About HIPAA:

HIPAA gives eligible individuals who have lost group coverage the opportunity to purchase individual health coverage.

HIPAA eligible individuals are not subject to medical underwriting (preexisting conditions). HIPAA policies must be issued to eligible individuals on a guaranteed issue basis regardless of any preexisting medical condition.

You have only 63 days after COBRA or Cal-COBRA has been exhausted to file an application to purchase a HIPAA policy.

HIPAA policies are not conversion policies. Accepting a conversion or short-term policy terminates your HIPAA eligibility.

You may contact the CDI or the DMHC depending on the type of coverage you have (indemnity or HMO) if you are experiencing problems with HIPAA.

If you are not HIPAA eligible they are options!

You may be able to get individual coverage, but HIPAA does not require that insurance issuers offer you coverage. If you are not HIPAA-eligible, issuers can deny you coverage or apply a preexisting condition exclusion or exclusionary rider to your coverage.

-Review the policy on pre-existing conditions regarding exclusions, limitations or waiting periods before you sign.

-Plans with lifetime maximums of less than a million dollars may not be very useful.

-Plans that only offer hospital and surgical benefits are also not practical.

-Accept the highest deductible, coinsurance and copayment you can afford to reduce the premium payment.

You have several health coverage options. You could:

- Apply for individual coverage
- Obtain coverage through an association (professional organization, school alumni program, church or union)
- See if you are eligible for COBRA, Temporary Continuation of Coverage (TCC), or State continuation coverage
- Apply for a short-term limited duration policy

- See if you are eligible for a group health plan
- Convert your group coverage to an individual policy
- Ask your State Insurance Department if they participate in "Risk Pools" for the "hard to insure".
- Look for an HMO plan, as they are the least expensive sometimes
- See if you are eligible for other health insurance programs (Medicare, Medicaid, SCHIP, State High-Risk Pool)

<http://cms.hhs.gov/hipaa/online/620001.asp>

Bottom line. Explore any options you may have for health insurance through a professional, trade, alumni, or other associations (like an associations for the "self-employed" or even "AAA") or group to which you belong, or which you could join.

As the economy continues to improve we will have less expensive options.

Fran Quittel <fran@yourcareer.com> wrote:

I spoke to the Account Exec at Jenkins-Athens and any person who is a member of a Chamber of Commerce {Editor's note: list of participating chambers below is focused on the East Bay} is eligible for this health insurance without underwriting (Per the agent, you might find cheaper individual coverage elsewhere if you are eligible and pass the underwriting test. However, if you are declined, that decline stays in your record forever.)

Here is the information:

There are:

2 Kaiser plans

2 healthnet hmo plans and a healthnet point of service plans rates are all age rated based on home zip codes. It is a guaranteed issue plan.

call: 1-888-77tofix (1-888-778-6349)

Indicate your choice so they know what info to send you, e.g. Kaiser, HealthNet, etc.

The following Chambers participate in the program (so you have to join a chamber in addition which is probably another \$100 or so per year).

Alameda	Concord	Pinole	Vacaville
Benicia	Emeryville	Pittsburg	Vallejo
Berkeley	Livermore	San Ramon	
Calistoga	Martinez		

** Some chambers may no longer offer the plan after the next few months, but people who are in the plan will continue, and Benicia and Vallejo seemed to be the most active chambers.

(If the plan were not to continue, you would then go on Cobra and then to HIPAA, so in California anyway, you always have coverage.)

Please share this information with others.

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