eHealth

COBRA Subsidy Eligibility Extended Again: eHealthInsurance Answers Consumer Questions

April 21, 2010

MOUNTAIN VIEW, CA, Apr 21, 2010 (MARKETWIRE via COMTEX) --Eligibility for the federal COBRA health insurance subsidy has been extended through May 31, 2010. In response, eHealthInsurance (NASDAQ: EHTH) today released an updated list of frequently asked questions (FAQs) for consumers who want to know how the COBRA extension affects their health insurance coverage.

The American Recovery and Reinvestment Act of 2009 (ARRA) included a 65% subsidy designed to make COBRA health insurance coverage more affordable for qualifying individuals and families for up to 9 months. Since December 21, 2009, the subsidy has been extended several times and in several ways:

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--  The duration of the subsidy was extended from nine (9) months to
    fifteen (15) months
--  The eligibility period was extended to include those who became
    eligible for COBRA due to a lay off on or before February 28, 2010
--  The eligibility period was again extended to include those who became
    eligible for COBRA due to a lay off on or before March 31, 2010
--  The current extension means that persons who became eligible for COBRA
    due to a lay off that occurs on or before May 31, 2010 may now receive
    the subsidy
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FAQs Regarding the COBRA Subsidy:

Question: I became eligible for COBRA due to a lay off that occurred in early April, after the last subsidy extension had expired. Can I sign up for COBRA and receive the subsidy now?

Answer: Yes. Talk to your Human Resources department or Benefits Administrator for more information on how to sign up for COBRA and receive the subsidy.

Question: Now that the COBRA subsidy has been extended through the end of May, does that mean I'll receive the subsidy for an extra two months?

Answer: No, this is not an extension of benefits for persons already receiving the subsidy. Rather, it's an extension of the eligibility period to allow more Americans to qualify for the subsidy. Prior to this extension, persons who were eligible for COBRA due to a lay off after March 31, 2010 did not qualify for federal assistance. That eligibility period has now been extended by two months. If you're already receiving the COBRA subsidy, you'll continue to get the subsidy for up to 15 months from your initial enrollment date, provided you continue to meet the eligibility requirements for the subsidy.

Question: Will the subsidy be extended again for people who become eligible for COBRA after June 1, 2010?

Answer: It's not clear at this point whether the eligibility period for the subsidy will be extended again in the future.

Question: My subsidy is set to run out after May 31, 2010. What should I do if I don't have access to group coverage by then?

Answer: If you were among the first people to receive the COBRA subsidy, you should start to research your options and alternatives for health coverage right now.

Anyone who is relatively healthy and worried that they won't be able to afford non-subsidized COBRA premiums should be aware that it can take up to 2-4 weeks (longer in some cases) to get approved for private, non-group health insurance.

If you have a pre-existing medical condition, your best option is to continue COBRA coverage at your own expense for as long as you can. Once your 18 months of COBRA ends, you may have the opportunity to apply for what is called a "HIPAA" health insurance plan, specifically designed for persons who might be declined elsewhere. Talk to a licensed health insurance agent, like those at eHealthInsurance, to learn more.

Question: What should I do if I don't qualify for individual health insurance and can't afford to pay for COBRA coverage without the subsidy?

Answer: If you can't afford unsubsidized COBRA premiums, you'll need to look into other government-sponsored options. To learn more about government-sponsored health insurance options in your area, contact the non-profit Foundation for Health Coverage Education through their website (www.CoverageForAll.org) or their toll-free number: 800-234-1317.

Question: Will the new high-risk pools being created as a result of health reform offer a better alternative than COBRA?

Answer: You need to have been uninsured for six month to be eligible for the new high-risk pools, according to guidelines released by the Department of Health and Human Services. So, the new high-risk pools will not provide an immediate alternative to COBRA once your subsidy runs out.

It's also important to note that coverage under current high-risk pools can be comparable in cost to unsubsidized COBRA coverage. To learn about high-risk pools operating now in your state, visit this link: www.ehealthinsurance.com/health-plans/high-risk-pools/.

Question: Isn't the passage of health reform going to make it easier for me to continue COBRA coverage or receive the subsidy?

Answer: No. Health reform legislation doesn't extend COBRA coverage for those who qualify for it today, nor does it specifically address the current federal subsidy for COBRA. While the health reform legislation signed into law by President Obama may make it easier for you to qualify for and purchase individual and family health insurance coverage, many of its provisions don't become effective until 2014.

Additional Information:

COBRA Subsidy Calculator: Persons qualifying for the COBRA subsidy can calculate their remaining time on the subsidy using eHealthInsurance's COBRA Subsidy Calendar Widget located in either of the following locations:

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--  eHealthInsurance's Media Center:
    (http://news.ehealthinsurance.com/pr/ehi/cobra-subsidy-widget.aspx)
--  Or Widgetbox.com
    (http://www.widgetbox.com/widget/cobra-subsidy-calendar-ehi)
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The COBRA subsidy is not a long term solution. If you're nearing the end of your subsidy eligibility, take advantage of these additional resources:

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--  Be proactive about seeking a long-term alternative to COBRA by
    researching your health insurance options at a place like
    eHealthInsurance.com
--  If you've never purchased your own health insurance before, get help
    by contacting an agent or broker or by using free online resources
    like eHealthInsurance's "Health Insurance Buyer's Guide"
--  Test your understanding of key health insurance terms and benefits
    with eHealthInsurance's health insurance quiz
--  If you have a pre-existing medical condition, talk to a licensed agent
    or contact the Foundation for Health Coverage Education at
    http://www.CoverageForAll.org to determine what free and low-cost
    health care options are available to you in your area
--  If you have medical debt or need help understanding your rights,
    eHealthInsurance encourages you to review Families USA's consumer
    guide: Your Medical Bills: A Consumer's Guide to Coping with Medical
    Debt
--  If you need help paying for prescription drugs contact the Together Rx
    Access(R) program, sponsored by some of the nation's leading
    pharmaceutical companies at http://www.togetherrxaccess.com
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To learn more about the COBRA subsidy, please see eHealthInsurance's March 25, 2009 Press Release: http://news.ehealthinsurance.com/pr/ehi/rel484940.aspx

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