



## Last COBRA Subsidy Recipients Face 186% Increase in Monthly Premiums: eHealthInsurance Offers Five Tips for Life After COBRA

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MOUNTAIN VIEW, CA, Aug 05, 2011 (MARKETWIRE via COMTEX) -- Today eHealthInsurance (NASDAQ: EHTH), the leading online source of health insurance for individuals and families, released five tips to help the last recipients of the federal COBRA subsidy find affordable health insurance alternatives to COBRA coverage after their subsidy ends.

The federal COBRA subsidy, introduced in March 2009, covered 65% of the cost of COBRA health insurance premiums for up to 15 months. In order to qualify for the subsidy, recipients must have originally become eligible for COBRA as the result of an involuntary termination of employment occurring between September 2008 and May 2010. The subsidy's last group of recipients -- those who began receiving assistance in May 2010 -- roll off the subsidy in August 2011. As a result, they face a 186% increase in their monthly COBRA premiums(1).

Unless they are eligible to enroll in a new employer-based health insurance plan, former subsidy recipients who do not wish to go uninsured may opt to pay their COBRA premiums at the increased rate for an additional three months, until their COBRA eligibility ends. Alternately, they may search for more affordable options in the individual & family health insurance market or through government-sponsored programs.

### Five Tips for Former COBRA Subsidy Recipients

1) See if you can save money in the individual market. If you're relatively healthy, you may be able to purchase health insurance on your own at a cost similar to your formerly subsidized COBRA coverage, and for less than a full COBRA premium. For example, the Kaiser Family Foundation found in 2010 that the national average cost of maintaining COBRA without the subsidy was \$1,137 per month for families and \$410 per month for individuals. By comparison, health insurance plans purchased through eHealthInsurance with coverage in effect as of February 2010 averaged \$392 per month for families and \$167 per month for individuals(2). Note, however, that if you are currently covered by COBRA and have a pre-existing medical condition, it is possible to be declined coverage in the individual & family market. Do not cancel your current insurance coverage until you are officially approved for a new plan.

2) Understand your government-sponsored options. Health care reform expands access to programs like CHIP and Medicaid but does not provide free coverage. You may qualify for assistance based on your income. For persons with pre-existing medical conditions, health reform also expands access to high-risk pools, also known as pre-existing condition insurance plans (PCIP). Though you no longer need to be declined coverage before you can qualify for a PCIP, you may still have to be uninsured for six months. To learn more about your government-sponsored options, contact your state department of insurance or the non-profit Foundation for Health Coverage Education at [coverageforall.org](http://coverageforall.org).

3) Get hip to HIPAA. HIPAA (the Health Insurance Portability and Accountability Act of 1996) is a law that guarantees access, for consumers who meet specific criteria, to special health insurance plans that do not have pre-existing condition limitations. If you can show that you have had 'creditable health insurance coverage' (which includes COBRA) without a gap of more than 63 days, you may qualify for a HIPAA plan. This is a good option for people who can afford COBRA at the full-price but have exhausted their 18-months of COBRA eligibility. HIPAA plans can be expensive, but they provide persons with pre-existing medical conditions valuable access to coverage.

4) Make your consulting work official for health insurance and tax breaks. Many of today's unemployed earn supplemental income by consulting or contracting. By officially going into business for yourself, you may qualify for group health insurance and special health insurance tax breaks. Depending on the rules in your state, you may be eligible for a small business health insurance plan with only one or two full-time employees (including yourself) -- and you can't be turned down due to pre-existing medical conditions. The 2010 health care reform law provides a tax credit of up to 35% of the money certain businesses spend on health insurance premiums for low to moderate-income workers. Not all small businesses will qualify for the full tax credit and rules for incorporating your business may vary from one state to another, so consult with your accountant.

5) Negotiate health care costs whenever possible. You may be able to save up to 30% off your medical bills by negotiating with your medical care provider. If you end up uninsured after the COBRA subsidy, you'll no longer automatically benefit from the discounted rates that doctors and hospitals agree to accept as payment in full from many insurance companies. That means the charges listed on your medical bills may be substantially higher than others are expected to pay. Talk to your doctor or your hospital's billing department to see if you can negotiate a discount for your care by paying up-front or creating a payment plan. Persons with Health Savings Accounts or enrolled in plans with high cost-sharing may also benefit by negotiating medical costs. Visit Healthcare Blue Book to learn more and find suggested prices for many standard medical services.

Notes: (1) 186% represents the percentage increase when out-of-pocket costs to the consumer change from 35 cents on the premium dollar (i.e. with the 65% COBRA Subsidy) to 100 cents on the premium dollar (without the COBRA Subsidy). (2) The quoted Kaiser Family Foundation and eHealthInsurance cost estimates are based on 2010 data. More recent data is not available at this time. The premium dollar amounts quoted here are likely lower than current premiums for employer-based or individually-purchased health insurance plans.

### Additional Resources:

- For help researching your options in the individual & family health insurance market, visit [eHealthInsurance.com](http://eHealthInsurance.com) or call eHealthInsurance's COBRA Alternatives Hotline toll-free at 888-407-1127
- Watch a video prepared by eHealthInsurance to help educate consumers about their post-COBRA health insurance options
- Don't assume that all pre-existing conditions will prevent you from

qualifying for individually-purchased coverage: learn more

- Follow eHealthInsurance's Get Smart - Get Covered blog for additional insights and information about consumer health insurance choices as well as health care reform and related topics

About eHealth eHealth, Inc. (NASDAQ: EHTH) is the parent company of eHealthInsurance, the nation's leading online source of health insurance for individuals, families and small businesses. Through the company's website, [www.eHealthInsurance.com](http://www.eHealthInsurance.com), consumers can get quotes from leading health insurance carriers, compare plans side by side, and apply for and purchase health insurance. eHealthInsurance offers thousands of individual, family and small business health plans underwritten by more than 180 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia, making it the ideal model of a successful, high-functioning health insurance exchange. Through the company's eHealthTechnology solution ([www.eHealthTechnology.com](http://www.eHealthTechnology.com)), eHealth is also a leading provider of health insurance exchange technology. eHealthTechnology's exchange platform provides a suite of hosted e-commerce solutions that enable health plan providers, resellers and government entities to market and distribute products online. eHealth, Inc. also provides powerful online and pharmacy-based tools to help seniors navigate Medicare health insurance options, choose the right plan and enroll in select plans online through its wholly-owned subsidiary, PlanPrescriber.com ([www.planprescriber.com](http://www.planprescriber.com)) and through its Medicare website [www.eHealthMedicare.com](http://www.eHealthMedicare.com).

For more health insurance news and information, visit the eHealthInsurance consumer blog: Get Smart - Get Covered.

For media inquiries, please contact:

Sande Drew  
eHealth, Inc.  
(916) 207-7674  
< a href="mailto:sande.drew@ehealth.com  
>sande.drew@ehealth.com

Kris Kraves  
Cogenta Communications  
(805) 527-7733 - direct  
[kris@cogentacom.com](mailto:kris@cogentacom.com)

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