

# Saving Money on Your Insurance

BY JOSE MONTE MAYOR

## Health Coverage Options for Unemployed Texans

**F**OR TENS OF THOUSANDS of Texans who have become unemployed in the recent economic downturn, losing their jobs also has meant losing health care coverage provided through their employers.

State and federal laws provide certain health coverage rights and options for individuals and families in these situations. This article will outline the primary rights and options as well as sources of additional information.

**COBRA:** The federal Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) applies to employers with 20 or more employees. It gives laid-off employees and their families the right to remain on whatever health plan the employer has for up to 18 months if they continue paying the full premium (both the employer's and the employee's share) plus a 2 percent administrative fee. Employers are required to give laid-off employees a written notice of their COBRA rights. The employees then have 60 days to decide whether to continue their health care coverage.

Detailed information about COBRA is available from the U. S. Department of Labor (DOL) on the Internet at [www.dol.gov/dol/topic/health-plans/cobra.htm#doltopics](http://www.dol.gov/dol/topic/health-plans/cobra.htm#doltopics)

The Department of Labor also has a free consumer publication about COBRA. It's on DOL's Web site, [www.dol.gov](http://www.dol.gov). Printed copies can be obtained by calling **1-800-998-7542**. The DOL's regional office in Dallas, **214-767-6831**, also can answer questions about COBRA.

**State Continuation Rights:** Texas law provides certain coverage continuation rights for employees not covered by COBRA or who have exhausted their COBRA coverage. Laid-off employees and their families can remain on their former health plans for up to six months by paying the full premium. This requirement applies only to health plans issued by licensed insurance companies and HMOs subject to the *Texas Insurance Code*. It does not apply to employer self-funded (ERISA) health care plans, which are exempt from state insurance laws.

This state continuation right is discussed in the Texas Department of Insurance's consumer publication, *Your Health Care Coverage*. The publication is available online at [www.tdi.state.tx.us/consumer/cbo05.html](http://www.tdi.state.tx.us/consumer/cbo05.html). Printed copies can be obtained by calling TDI toll-free at **1-800-599-7467**.

Consumers also can obtain information about state continuation requirements by calling TDI's **Consumer Help Line** at **1-800-252-3439**.

**Texas Health Insurance Risk Pool:** Texas residents who have lost their employer-sponsored health care coverage are eligible for risk pool coverage if they:

- Have exhausted continuation coverage under COBRA or Texas' continuation law and
- Have maintained health coverage through an employer, church or government plan (including the exercise of COBRA or state continuation rights) for the 18 months preceding application for pool coverage, with no gap in coverage longer than 63 days.

Detailed information about the pool is available from the pool's Web site, [www.txhealthpool.org](http://www.txhealthpool.org), or by phone at **1-888-398-3927**.

**TexCare Partnership:** The TexCare Partnership, including the Children's Health Insurance Program (CHIP) is a source of coverage for uninsured children who meet certain eligibility standards based on income and family size.

Detailed information is available from the partnership's Web site, [www.texcarepartnership.com](http://www.texcarepartnership.com) or by calling **1-800-647-6558**.

It's important for employers to make sure that laid-off employees know their options concerning the continuation or replacement of the health coverage they had on the job. Each individual then can make informed decisions based on his or her situation and financial resources. ★

### Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.