



WORK  
CHANGES  
REQUIRE HEALTH  
CHOICES

PROTECT YOUR RIGHTS

# Work Changes Require Health Choices...Protect Your Rights



Opportunities and setbacks are part of life, especially when it comes to work. Learn how changes in employment status can affect health coverage.

Whether you're thinking about changing employers, have a new job, or lost or retired from one, find out today how to have the health benefits you might need tomorrow.

**Know your rights. Exercise your options.**

## Your First Job

**Starting your first job?** Consider enrolling in your employer's health plan. Find out how the plan works and what eligibility requirements you have to meet. Your new employer must provide you with a notice of your health coverage options. If your employer offers more than one option – an HMO, a preferred provider option, and a fee-for-service plan, for example – compare each to your needs and preferences before making a decision. Ask for copies of two key documents – the Summary Plan Description (SPD) and the Summary of Benefits and Coverage (SBC) – to get details about covered benefits, the premium and costs you will pay, and who to talk to if you have questions.

Another option to consider is enrolling in coverage through the Health Insurance Marketplace (Marketplace). The Marketplace offers health insurance plans that provide comprehensive health coverage and allows you to compare prices and benefit information. Keep in mind that with most job-based health insurance plans, your employer pays part of your premiums. If you pick a Marketplace plan, the employer usually doesn't contribute to your premiums.

## Job Loss

### **What if your health care coverage ends**

because you lose your job, your employer reduces your hours, or you get laid off? Knowing your rights ahead of time can prevent these situations from ending your health coverage.

- You may be eligible under the Health Insurance Portability and Accountability Act (HIPAA) to enroll in your spouse's health plan without waiting for an open enrollment period. If you are considering special enrollment, you must request enrollment within 30 days of losing coverage.
- You, your spouse, and your dependent children may be eligible to purchase extended health coverage for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act (COBRA). You may have to pay the entire premium plus a 2 percent administrative fee.
- Under the Affordable Care Act (ACA), you can buy individual insurance coverage through the Marketplace. To do so, you must select a plan within 60 days before or after losing your employer-sponsored health coverage.
- Contact your state government to find out if you or your dependents are eligible for public health insurance, like Medicaid or the state Children's Health Insurance Program.

Get information and compare your options before you decide which coverage to elect.

## Looking for a New Job?

**Before switching jobs,** ask about the health plan offered by the potential employer and compare it to your current plan. Ask what the new plan covers, how much your premium will be, and whether you can continue with the same doctors. Check to see if the new plan has a waiting period before you can enroll in coverage – generally, it may last up to 90 days from the date you become eligible for the plan. COBRA may give you the opportunity to purchase temporary coverage offered by your former employer while you are looking for a new job or during a waiting period for your new health plan.

## Retirement

**If you're thinking about retiring,** consider what you will do for health coverage. While some employers continue to provide health benefits to their retired employees, private sector employers are not required to do so. Review your SPD and any documents that modify it. Request and review copies of any formal plan documents that outline how your plan operates, and any other information on your employer's policies on retiree health care benefits. Remember, federal law does not prevent employers from cutting or reducing health benefits unless they have made a specific, legally enforceable promise to continue them.

If you want to retire early, consider what you will do for health coverage before you are eligible for Medicare. Your options may include enrolling in a spouse's employer plan, a Marketplace plan or temporarily continuing your employer coverage by electing COBRA. Find out what your options are before you retire because they will depend on your individual circumstances.

## At a Glance

### HIPAA

HIPAA allows you and your family members to special enroll in your or your spouse's employer-sponsored health plan when you lose coverage or experience certain life events such as marriage, birth, adoption, or placement for adoption.

HIPAA also protects you against discrimination in health coverage based on certain health factors such as prior medical conditions, previous claims experience, and genetic information.

### ACA

Protections related to employment-based group health plans include:

- Extending dependent coverage until age 26,
- Prohibiting preexisting condition exclusions,
- Banning annual and lifetime limits on coverage for essential health benefits, and
- Requiring group health plans and insurers to provide an easy-to-understand Summary of Benefits and Coverage.

The ACA also allows you to enroll in health coverage through the Marketplace. If you enroll in Marketplace coverage, you may be eligible for a tax credit that will lower your monthly premiums and cost-sharing reductions that will lower your out-of-pocket costs for deductibles, coinsurance and copayments.

### COBRA

If you are covered under your employer's health plan and you lose your job, have your hours reduced, or get laid off and your employer's health plan continues to exist, you and your dependents may qualify to purchase temporary health coverage at group rates under COBRA. Divorce, legal separation, loss of dependent child status, the covered employee's death, or entitlement to Medicare may also give your covered spouse and dependent children the right to elect COBRA coverage. Your plan must be notified of these

events. The group health plan must provide you with a written notice of your eligibility for COBRA coverage. You have 60 days from the date the notice is sent or from the date your coverage ends – whichever is later – to elect COBRA. Generally, COBRA covers group health plans maintained by employers with 20 or more employees. If the employer has fewer than 20 employees, state law may require the plan’s insurer to provide some continuation coverage.

## For More Information:

The Department of Labor’s Employee Benefits Security Administration (EBSA) administers several important health benefit laws governing your employer-provided health plan—how the plan works, how you qualify for benefits, your basic rights to information, and how to make claims for benefits. In addition, specific laws protect your right to health benefits when you lose coverage or change jobs.

Visit EBSA’s [Website](#) to view the following publications. To order copies or to request assistance from a benefits advisor, contact EBSA [electronically](#) or call toll free **1-866-444-3272**.

- Retirement and Health Care Coverage...Questions and Answers for Dislocated Workers
- An Employee’s Guide to Health Benefits Under COBRA
- Can the Retiree Health Benefits Provided by Your Employer Be Cut?
- Top 10 Ways to Make Your Health Benefits Work for You
- Life Changes Require Health Choices...Know Your Benefit Options
- Taking the Mystery Out of Retirement Planning

You also may visit the U.S. Department of Health and Human Services [Website](#) or call **1-800-318-2596** to find out more about Marketplace plans. Or contact your state insurance commissioner’s office.



**EMPLOYEE BENEFITS SECURITY ADMINISTRATION**  
UNITED STATES DEPARTMENT OF LABOR

September 2019