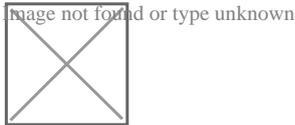


Finding Health Coverage When You Lose Your Job: COBRA Is Not Your Only Option

Description

by: Jamie Dudensing, CEO



The COVID-19 pandemic is highlighting the importance of health coverage when it comes to financially protecting Texas families from our state's high health care costs. Texas already had the [highest percent of uninsured residents](#) and some of the [highest health care prices](#) in the country—now, both of those problems have been exacerbated by the coronavirus.

More than half of Texas residents rely on job-based health insurance coverage. Since mid-March, [over 2.3 million Texans](#) have filed unemployment claims, and, [as reported by the Kaiser Family Foundation](#) last month, 1.6 million Texans have already lost their employer-based coverage.

COBRA v The Marketplace

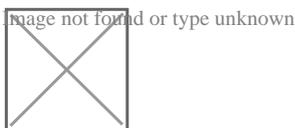
Most Texans who want to continue receiving comprehensive private

coverage must choose between extending their employer-based health plan through COBRA or purchasing a new health plan in the individual market, which includes the federal Health Insurance Marketplace (sometimes known as the Exchange).

COBRA is a federal program that gives eligible employees the option to temporarily continue their health insurance coverage when they lose their job. Under COBRA, newly unemployed individuals pay 102% of the full cost of their health insurance premium, which includes the portion previously covered by their employer (usually, employers cover a majority of the total monthly premium) and an additional fee. COBRA is typically significantly more expensive than the Marketplace.

For most Texans, the federal health insurance Marketplace provides multiple health plan options and is less expensive than COBRA for finding health coverage after the loss of job-based insurance. The average monthly premium for employer-sponsored health insurance in Texas was \$549 in 2018. According to the [Kaiser Family Foundation](#), the average monthly premium for a plan on the Texas Individual Market in the same year was only \$85 after subsidy (and \$434 before subsidy). About 80% of people are eligible for subsidies that may significantly reduce the overall cost of their health insurance.

Monthly Health Insurance Premiums in Texas



Although the normal period for purchasing a health plan on the Marketplace ([Healthcare.gov](#)) does not begin until Nov. 1, **Texans who have lost or expect to lose their job during the COVID-19 pandemic qualify for a “special enrollment” period and have up to 60 days before or after the date they lose health coverage to enroll in a new health plan** . Texans who were unable to sign up within the 60-day window due to a personal COVID-19 emergency may qualify for additional time and should ask to

Speak with a supervisor when contacting [Healthcare.gov](https://www.healthcare.gov).

To shop for health insurance through the Marketplace and determine whether you are eligible for a subsidy, visit [Healthcare.gov](https://www.healthcare.gov) or [click here](#) to find a local professional to help you navigate the process.

Alternative Options

Several government health care programs are available to Texans depending on factors including age and income. For more information about each program, click the links below.

- [Children's Medicaid or CHIP](#) (children and pregnant women; most children will be eligible for state assistance through Medicaid or CHIP)
- [Medicaid](#) (people who cannot afford private coverage, depending on income)
- [Medicare](#) (people over age 65 and people with disabilities)

Married Texans who recently lost health coverage may be eligible to join their spouse's existing health plan. Texans interested in this option should contact their spouse's employer. Texans under the age of 26 are eligible to join a parent's health plan, even if they are not considered to be financial dependents. Young Texans interested in this option should have a parent contact their employer or health insurer.

Alternatives to traditional health plans, such as short-term insurance and association, school, and church health plans, are also options to consider when looking for health coverage. [According to the Texas Department of Insurance](#), these options may not cover all injuries or illnesses, may not cover pre-existing and chronic conditions, and may have additional coverage limitations. These options also do not allow Texans to receive federal help to lower premiums and out-of-pocket costs.

The Verdict: Check the Marketplace First

Everyone's situation is different, but most Texans losing their job-based

health coverage due to the COVID-19 pandemic should turn to the federal Health Insurance Marketplace to find a new health plan. In most cases, COBRA cannot compete on cost—especially when factoring in the Marketplace subsidies available to most Texans.

Additional Resources

- [Texas Department of Insurance Guide to Finding Health Coverage](#)
- Texas Department of Insurance Health Coverage Questions Phone Number: 1-800-252-3439
- [Kaiser Family Foundation: Eligibility for ACA Health Coverage Following Job Loss](#)

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