

Health Insurance 101: How to Get Coverage

By Jennifer C. Jaff*

Perhaps the most difficult question I am asked as a patient advocate is how to get health insurance for people with IBD. These questions come from students who lose coverage under their parents' plan, self-employed individuals, individuals who are disabled but not eligible for Medicaid or Medicare, and others who lived without health insurance for a long time before being diagnosed with IBD.

The reason this is a difficult question is that there are few options. I will discuss those options here.

Private Health Insurance

Of course, the best option is to obtain group health insurance through an employer. That is the best way to ensure that you are covered regardless of whether you are sick. In such plans, the insurer may not decline to cover you due to a pre-existing condition.

If you have such insurance and lose your job, this type of plan also permits you to avail yourself of continuation coverage commonly known as COBRA. You may COBRA for 18 months, or even 29 months if you are disabled at the time you qualify for COBRA coverage.

If you switch from one employer-based group plan to another, as long as you do not have a break in coverage longer than 63 days, the new insurer cannot refuse coverage due to the existence of a pre-existing condition. I always COBRA for the month my new insurance is supposed to take effect, just in case of glitches in the system. One month overlap is worth it to ensure that you have coverage.

High Risk Pools and Guaranteed Issue Policies

The hard questions come when the patient is not covered under a group employment-based plan. I know of no private insurer who willingly would enroll an IBD patient on an individual basis with coverage that is similar to the coverage available through an employer. However, there are options.

First, many states have what is called a “guaranteed issue” plan. That means that the state legislature has determined that any insurance company doing business in the state must offer a health insurance plan to anybody in need. These guaranteed issue plans tend to be the bare minimum. They provide what is known as “catastrophic coverage” or “major medical,” which means that the plan covers a hospital stay. Even if these plans cover prescription drug benefits, there can be an annual maximum of \$500 to \$1,000 per year. For IBD patients, this barely gets us through a month.

Second, a number of states have what are known as “high risk pools.” (See sidebar). The coverage offered through these plans varies tremendously. Some cover only catastrophic coverage, but others are full-blown insurance plans that even cover prescription drugs. Some are prohibitively expensive, and others are not significantly more expensive than employer-based plans.

Because both guarantee issue plans and high risk pools are not employer-based group plans, they are allowed to exclude pre-existing conditions, at least for a waiting period up to a year. Having a high risk pool that excludes a pre-existing condition seems, to me, to undermine the purpose of having such a pool, but many states do so anyway.

There are a number of other questions you should ask before enrolling in one of these plans. First, some have time limits, so that they are offered as a bridge between your last employer-based insurance to your next employer-based insurance or Medicare.

Second, many of these plans are not traditional insurance plans. You will pay a portion of the costs under any circumstances. This is not just a co-pay; you will pay a percentage of what everything costs, including prescription drugs. These plans tend to have an annual out-of-pocket loss of \$15,000 or so, after which they pay 100%. For many of us, a \$15,000 out of pocket annual maximum is prohibitive.

In order to qualify for a high risk pool, typically you have to exhaust all of your other remedies. They may require you to obtain one or two denials from commercial insurers. For us, that is not a hard standard to meet, but if you are denied health insurance, you should hold onto the denial letter in case you need it to enroll in a high risk pool.

Some high risk pools and guarantee issue plans require a waiting period of up to 6 months. That means you have to go without coverage for that period of time.

The other significant issue with high risk pools is that they can be closed at the whim of the state legislature. These plans cost the state money. Even though the patient pays a monthly premium, states have to find additional funding, often by creating an assessment of insurance carriers in the state. Even though the patient pays a premium, there are administrative costs, and in this age of budget crunching, this may be one of the budget items that will be discontinued to save money.

As with any health insurance, you should pay attention to deductibles and co-insurance, your ability to see doctors out of the insurer's network, and the prescription

drug benefit, if any. In addition to these obvious items, you also should ask about the lifetime maximum, which many, if not most, plans now have.

Other Commercial Options

If you cannot obtain coverage through an employer, a high risk pool, or a guaranteed issue plan, there are a few additional options. If you are self-employed, there is a National Association for the Self-Employed that you might try. They don't offer a policy in every state, but it is worth looking into their plan. Again, remember to ask the pertinent questions: Is there a pre-existing condition limitation? Is there a prescription drug benefit? May I see doctors outside my network? What are the co-pays and deductibles?

Similarly, most chambers of commerce have health insurance plan. If you have access to a chamber of commerce plan, you should be able to obtain fairly reasonable coverage. Along the same lines, you might see if there is a trade association for the kind of work you do. Trade associations often have policies similar to what you could obtain through a chamber of commerce.

Federal or State Funded Plans

As I am sure you are aware, one of the legacies of so-called welfare reform is that Medicaid is not available to single people without children. Medicare is available to people on Social Security Disability Income (SSDI) only after they have been on SSDI for 2 years. This does not leave many options.

A number of states have special coverage groups for people who need Medicaid. These special groups often include people with chronic illnesses. You should not assume

that you are ineligible; you should consult your state's Medicaid agency and ask if you can obtain coverage without having a child or being on any other state benefits.

Discounted Benefits in Lieu of Insurance

Finally, if all else fails, there are a growing number of discount programs. Many pharmaceutical companies offer discount cards to patients. Your pharmacy may be able to help you to identify which companies offer discounts.

Similarly, there are programs such as Best Benefits, offered through the CCFA, which is intended to be a short-term benefit, and which is not insurance. What it does is to determine which health care providers are willing to provide discounts, and patients can tap into these discounts through the Best Benefits plan. This is not free, nor does it give you access to free services, or to insurance with a co-pay. This is just a discount plan, with a network of physicians and other health care providers who are willing to participate by offering their services at a discount. These plans are intended to get patients over a short term hump, but they are not a substitute for health insurance.

Charity Care and Community Health Centers

Although it is a well-kept secret, hospitals receive federal funding for what is called "uncompensated care." This is care administered to patients who cannot afford to pay. There are a number of pending lawsuits brought by states charging that the pursuit of collection from poor patients violates a hospital's obligation to provide charity care. When you are being "dunned" by a hospital – when you are receiving multiple bills and threats of legal action – keep in mind that, if you are a genuine charity case, you should not be pressured for payment.

The easiest thing to do in such a circumstance is agree to pay some very small amount per month. In general, if you agree to pay \$20 per month and you keep up these payments, your case should not be sent on to collections. No judge will rule against you as long as there is a payment plan and you don't miss a payment.

Finally, you may wish to explore whether there are any Community Health Centers (“CHC”) in your location. CHCs provide help regardless of ability to pay. They are largely federally funded. It is not a perfect solution – they can't give you medication, for example – but you can get help if you are in acute need.

Conclusion

In sum, the options outside of an employer-based health insurance plan are not wonderful. However, there are options. If you are trying to determine which options are available in your state, I find that www.healthinsuranceinfo.net is a very reliable source. It is created and maintained by the Georgetown University Health Policy Project, and there is a paper outlining the options in each state. If, instead, you would like some assistance in fleshing out your options, you may email me at patient_advocate@sbcglobal.net and I will do whatever I can to help.

Hopefully, some day, there will be a solution that works for everybody. For now, we have to do a lot of work to find out if there is anything that meets our needs. That is one of the reasons I founded Advocacy for Patients with Chronic Illness, Inc. I am available to you, even if just to vent. I hope that the information provided here is a good start.

Sidebar on High Risk Pools:

State	Website	Telephone number
Alabama	www.seib.state.al.us/2K2/ahip/ahipf.asp	Not available
Alaska	www.achia.com	1-888-290-0616
Arkansas	www.chiparkansas.org	1-800-285-6477
California	www.mrmib.ca.gov	916-324-4695
Colorado	www.covercolorado.org	1-877-461-3811
Connecticut	www.hract.org/hra/	1-800-842-0004
Florida (closed)	Not available	850-309-1200
Idaho	www.doi.state.id.us/consumer/individualplan.pdf	1-800-721-3272
Illinois	www.chip.state.il.us/	1-866-851-2751
Indiana	www.onlinehealthplan.com	1-800-552-7921
Iowa	www.onlinehealthplan.com	1-877-5156
Kansas	www.benefitmanagementks.com	1-800-290-1368 or 1-800-290-1368
Kentucky	www.onlinehealthplan.com	1-866-4-5-6145
Louisiana	www.lahealthplan.org	504-926-6245
Maryland	www.marylandhealthinsuranceplan.state.md.us/index.html	1-866-780-7105
Minnesota	www.mchamn.com	1-866-894-8053
Mississippi	www.doi.state.ms.us/mchirpa.html	1-888-820-9400
Missouri	www.mhip.org	1-800-843-6447
Montana (temporarily closed as of 5/1/04)	ww.mthealth.org	-1800-447-7828
Nebraska	www.bcbsne.com/healthplanoptions/chip/default.asp	1-877-348-4304
New Hampshire	www.nhhealthplan.org	1-877-888-6447
New Mexico	www.nmmip.com	1-800-432-0750
North Dakota	www.chand.org	1-800-737-0016
Oklahoma	www.oid.state.ok.us/consumer/hrp.html	1-800-255-6065
Oregon	www.omip.state.or.us	1-800-542-3104
South Carolina	Not available	1-800-868-2500 ext. 42757
South Dakota	www.state.sd.us/bop/RiskPool.htm or email RiskPool@state.sd.us	Not available
Tennessee	www.state.tn.us/tenncare	1-800-669-1851
Utah	www.ut.regence.som/needcoverage/hiputah	1-800-624-6519 or 1-800-662-0876
West Virginia (starts 2005)	Not available	304/558-3864
Wisconsin	www.dhfs.state.wi.us/hirsp	1-800-828-4777
Wyoming	www.insurance.state.wy.us/consumer.html	1-800-442-2376

Washington	www.wship.org/default.asp	1-800-877-5187
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