

Dealing Without Health Insurance – FOXBusiness.com

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The reality of losing a job and the health insurance that went with it is daunting for people accustomed to employer-sponsored plans. It's a challenge self-employed people struggle with all the time, but going it alone on the open market is becoming more common as employers bow out of the health care business.

Karen Pennington, Ph.D., an associate professor in the nursing program at Regis University, says, "75% of the health care in this country traditionally comes from your place of employment. That number is falling. It is now down to 73% because employers are saying, 'I can't do it anymore. It's either pay an employee or pay into a health care system and fire an employee.'"

While the current administration places health care among its top priorities, it will take time to implement a plan. In the meantime, if you find yourself outside the relative safety of group health insurance plans, you have important decisions to make. Here's how you can make the best of a tough situation.

3 ways to avoid gaps in insurance coverage

Any lapses in health insurance coverage void federal and state protections and make getting insurance harder or even impossible. Avoid them whenever possible.

COBRA. The Consolidated Omnibus Budget Reconciliation Act, or COBRA, allows employees, in most cases, to continue an employer's group plan at their own expense for up to 18 months. Often this is the best option if serious medical conditions make you ineligible for private health insurance, but it can be expensive. "COBRA was more than our mortgage," says Christina McMenemy of Columbus, Ohio, whose husband lost his state job in June 2008. "We're talking over \$1,200 a month for a family of four, and we were like, 'Wow! That's just too much.'"

Unfortunately, the McMenemy family falls outside criteria for COBRA subsidies embedded in the American Recovery and Reinvestment Act of 2009, signed into law in mid-February. The act offers premium assistance of 65% toward COBRA insurance for up to nine months, not the full 18 months, under the following conditions:

- The unemployed person has an individual income of less than \$125,000 per year or a family income of less than \$250,000.
- The person must be laid off between Sept. 1, 2008, and Dec. 31, 2009.
- The person was participating in group coverage at the time of layoff.

Another caveat is that the former employer must continue to exist, so if a company files for Chapter 7 bankruptcy, these subsidies would not apply.

However, says Sam Gibbs at eHealthInsurance.com, "If a person was laid off in September 2008 and did not choose COBRA within the required 62-day window, the new stimulus package allows them to become eligible for COBRA again, as long as the former employer continues to exist and offer group coverage."

For those currently employed but worried about needing COBRA, Gibbs recommends downgrading your insurance to a less expensive option during the annual open-enrollment period.

HIPAA. The Health Insurance Portability and Accountability Act, or HIPAA, offers some protection against insurance gaps. These "plans of last resort" guarantee coverage for those rejected on the private market. "As long as you have continuous coverage, you are always eligible for some type of program," says Gibbs. "As soon as you're left without coverage, then you are not eligible for a HIPAA plan."

For example, William Fogler of Atlanta made a COBRA payment mistake in November 2007 and lost his insurance before he could move to an individual plan. Because of this gap and a major pre-existing condition, Fogler is now uninsurable.

Individual or family plans. The same insurance providers who offer group plans also sell individual and family plans to those who qualify. Known as "major medical" plans, these insurance offerings use a catastrophic model, where you take responsibility via large annual deductibles (medical expenses paid out of pocket) in exchange for coverage beyond that. Common deductible options can be \$1,000, \$2,500, \$5,000 or even \$10,000 per year. Higher deductibles correlate with lower monthly premiums.

Gibbs uses a car insurance analogy to explain the difference. People expect car insurance to cover accidents and maybe a rental car, but they would never expect it to pay for regular maintenance such as wiper blades, oil changes, brakes and tires.

7 ways to access community health care resources

Be prepared to piece community resources together from the hodgepodge available. "It's going to take a lot of effort," says Pennington, who teaches advocacy along with clinical skills. "You're going to be put on hold. You are going to be rerouted and referred before you get the answers you're looking for."

Contact your local health department. Make your first call to the local health department. In some cases, services might go beyond vaccinations and include dental care, mental health services and other diagnostics.

"It's hit or miss," Pennington says. "If they happen to have mammograms, lucky you. Go and have a free mammogram, but that doesn't mean you're going to get a free mammogram when you need one. They may not have them at that point."

Find the nearest community health center. **Community health centers** provide medical care free or on a sliding scale based on current income. "No matter who you are, where you live, whether you have insurance or not, you will not be turned away at the door of a community health center," says Amy Simmons, communications director for the National Association of Community Health Centers.

These federally funded centers focus on community needs in addition to basic health care services. Many also include onsite pharmacies or can make referrals to a discount one nearby because doctors like Gary Wiltz, M.D., from the Teche Action Clinic in Franklin, La., know that scraping together money for an exam is only step one. "If I just wrote you five prescriptions that cost \$250 to \$300 a month," he says, "then you need additional help."

Miriam Hughes of Phoenixville, Pa., is self-employed, earns a good income, but does not qualify for individual health insurance due to prior medical issues. She calls the clinic in Phoenixville a "lifesaver" for giving her access to routine medical care, screenings and other services. "I didn't know it existed," she says, "and it's 10 minutes from my house."

Tap into prescription assistance programs. Wiltz also recommends prescription assistance programs offered by [Partnership for Prescription Assistance](#) or by pharmaceutical companies.

Look into foundations and charities. Disease-specific foundations, charities or advocacy groups are great resources for free care or referrals.

Use retail health clinics. Some pharmacies and big-box retail stores include clinics, staffed by nurse practitioners who can help with smaller health matters (such as sore throats, earaches and vomiting).

Leverage health fairs. Look for community health fairs that offer free or low-cost screenings, sometimes including mammograms, pap smears, blood work, eye exams and such.

Ask your current doctor for cash-payment rates. Some private physicians and medical service providers offer lower cash-payment rates to people without insurance.

2 ways to avoid the emergency room trap

The Emergency Medical Treatment and Labor Act, or EMTALA, made it illegal for hospitals to refuse to help people in medical need based on ability to pay. Unfortunately, uninsured people sometimes end up in the ER because a lack of routine care pushes their bodies to the brink or because they feel as if they have nowhere else to go, even for routine medical concerns.

A study done by the National Association of Community Health Centers found that Americans waste \$18 billion a year on unnecessary ER visits. Because hospitals charge the uninsured significantly higher rates than the rates that insurance companies pay, Davis Liu, M.D., author of "Stay Healthy, Live Longer, Spend Wisely," says, "Never ever use the emergency room for routine medical care."

ERs handle life or limb-threatening injuries or conditions. Always go to the ER in these situations. However, you have other options for scenarios of an imminent, but not emergency, nature.

Call your doctor, community health center or hospital advice line. The on-call doctor or nurse can help determine if your symptoms warrant a trip to the ER, an urgent care facility or some medications to tide you over until you can be seen in a normal clinical setting.

Visit an urgent care clinic. These clinics address immediate medical needs other than life or limb-threatening problems. They are typically open when regular doctors' offices are closed.

5 ways to negotiate medical bills

Getting by without insurance means facing medical expenses without a contract dictating how much providers can charge. Levi Smith, CEO of The Karis Group, which negotiates medical bills for self-pay patients from private benefit plans, compares medical costs for the uninsured to rates hotels post on the back of doors that no one actually pays. But in a medical scenario, you just might. When asked about the fairness (or lack thereof) of such pricing policies, eHealthInsurance.com's Gibbs offers this comparison: Two people on the same plane to the same location may pay vastly different rates.

Within the last three or four years, however, medical service providers have become more lenient and proactive when working with uninsured or self-pay patients. Clarifications on federal programs resolved some providers' worries. "The concern that providers had before was that if they did one-off pricing for individuals, it would potentially jeopardize their reimbursement rates from Medicare and Medicaid or from contracted insurance organizations," says Smith.

Be upfront with providers about your situation. When time allows, talk to providers in advance about your insurance, employment and financial status so that you know before incurring fees how responsive they are.

Apply for charity help. Hospitals, in particular, have access to foundation and state funds to cover care for the uninsured. When Dotty Scott's husband of Vancouver, Wash., ended up in the ER with what turned out to be kidney stones, the \$6,100 bill astounded them. The hospital requested financial forms and a copy of tax returns, and Scott explains, "They said we qualified for a charity grant, so we didn't pay for any of the hospital bill."

Ask targeted questions. Negotiations fall into two categories: lowering the bill total and asking to pay over time. Usually, it is easier to ask about payment terms than it is to ask about discounts. But, says Hana Rubin, CEO of The Maxon Co., a third-party administrator for health insurance programs, "when you ask for help, it's hard for them not to do something."

"Talk to the doctor," she says. "I would talk to the people at the desk as well, but they are the gatekeepers. They are not the ones who are supposed to be sympathetic necessarily. They are there to do their job and to run the business."

Be reasonable. Smith credits a collaborative tone for successful negotiations. "Our people are trained to walk through that conversation without losing focus, without losing their temper," he says. "We don't accuse the provider of wrongdoing -- 'You've sent an erroneous bill!' or 'I can't believe you charged me these rates!' We just deal with the reality of the situation, which is here is this bill, here is how much this person makes, and we need to come up with a resolution."

Smith considers a negotiation successful if providers agree to a 30% discount or more. "That's assuming that the charges weren't rock bottom to begin with," he adds.

Don't agree to aggressive payment plans. Make sure you can live up to amounts you agree to pay each month.