

Health Matters

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A NEWSLETTER CONCERNING COVERAGE AND BENEFITS

VOLUME 1 . ISSUE 1

What is MINI-COBRA?

Cobra is a Federal law that allows employees who lose their jobs, the right under certain circumstances to purchase continuation of group health coverage provided by their employer's plan. Federal COBRA applies to employer groups with 20 or more employees, and allows benefits to continue for up 18 months.

MINI Cobra is a new state law (Gov. Ed Rendell signed Act 2 of 2009 on June 10, 2009) that now gives employees of smaller groups in PA the right to purchase continuation of coverage through their employer's plan. The Mini-COBRA benefits may continue for 9 months. The employee would pay the cost, up to 105% of the group rate. Some employees may qualify under the federal stimulus law, and receive a 65% premium reduction.

Attached is a sample letter that can be adapted to fit your needs and used with your employees in this situation.

Health Insurance Renewals

For the most part, the group renewals have not been pretty. I always hate having to contact my clients to let them know that they received a large renewal increase. I feel like the waitress who brings the bad food. The standard lately seems to be about 12% without a medical load. Unfortunately, we cannot change the increase, but we can try to be creative with how we approach it. It is important to look at other options within the same insurance carrier, as well as quote other carriers to see how the rates compare. Health insurance carriers are promoting higher deductible plans as well as coinsurance plans. This will hopefully promote better consumer choice in managing health care, which allows insurance carriers to share costs with members.

Planning to Travel Abroad

Your health insurance coverage provides domestic coverage, but it is not designed for international travel. There are some companies that provide coverage for US citizens traveling outside of the U.S. If you are interested in getting this information, please let me know.

What is ACT 4?

This is a PA law that addresses extended coverage for dependents. This act does not require employers to extend the coverage, but health insurance carriers have to offer the option of providing coverage to dependents up to the age of 30 at the employee's expense. This option is now available when groups renew or first sign up for coverage. In order to be considered an eligible adult child of a covered employee, they must meet the following criteria:

Under the age of 30

Not married

No dependents

Resident of PA or a full time student of an institution of higher education

Not covered under any group or individual health insurance policy

Not entitled to benefits under any government health care plan.

If this option is chosen, the carriers will charge the group the individual rate for each additional dependent. (They WILL NOT stay on the family plan). Individual insurance options may be preferable for these individuals if they medically qualify.