

Insurance Matters

What To Do If You Lose Your Health Insurance

Transamerica Center for Health Studies (NAPS)—Losing your health insurance can be stressful and confusing as you explore the options for new coverage. To recover, it is important to understand all your options, their costs and potential restrictions before purchasing new coverage. Careful planning can help you find the coverage that best meets your needs.

If you are in the market for new insurance, you are not alone. Nonprofit Transamerica Center for Health Studies' annual consumer survey found that over one in three (35 percent) insured adults acquired new health insurance in the past 12 months. And a strong majority (61 percent) of uninsured respondents said cost prevents them from obtaining health coverage.

Do you need health insurance? While the Internal Revenue Service no longer penalizes individuals on their federal taxes if they do not have health insurance, New Jersey, Massachusetts, Vermont and the District of Columbia all require residents to be insured or pay a tax penalty. Other states are considering adopting a health insurance mandate as well, so be sure to check these tax requirements. Even in states that do not require it, health insurance can help protect you (and your loved ones) from high medical costs, expected or not.

It is a very difficult situation when you lose your health insurance—whether you lost your employer-based coverage, can no longer afford your current premium on individual coverage, lost your parents' or spouse's coverage, experienced a divorce, or have a new addition to your family. At that moment of uncertainty and concern for your health, what are your options for new health insurance coverage?

Join Your Parents' or Spouse's Plan

If you are under 26 years old, you may be added or remain on your parents' health insurance (if it covers children). Adult children can join or remain on a parent's plan even if they are married; not living with their parents; attending school; not financially dependent on their parents; or eligible to enroll in their employer's plan.

If you are married and your spouse's employer-based coverage covers dependents, you can be added to that health insurance. This change to your spouse's



Recent changes mean you may have more options than you realize if you lose your health insurance.

employer-based coverage may be limited to the company open enrollment period once each year.

Shop the Exchange

Another place to look is your state's Health Insurance Exchange. About 80 percent of customers purchasing a health plan through the Exchanges qualify for a subsidy on their premiums, depending on their income level. Health Insurance Exchanges are the only place to offer these subsidies, which are available for singles with a 2019 annual income between \$12,140 and \$48,560, or income between \$25,100 and \$100,400 for a family of four. (Income limits are different in states that offer "expanded" Medicaid coverage, meaning a wider number of low-income residents can qualify.) You can check for basic information about your state's Exchange on our website: www.TransamericaCenterforHealthStudies.org.

It is important to know that you have up to 60 days after losing your previous insurance or experiencing a life event (new baby, marriage, etc.) to purchase coverage in an Exchange. Otherwise, you have to wait until the Exchange open enrollment period each fall to sign up.

Determine Eligibility for Medicaid

If you are lower income or unemployed, you may qualify for Medicaid in your state. Generally, the income limit is about \$12,140 for singles and \$25,100 for a family of four, though state requirements vary. Medicaid provides full health coverage with little or no out-of-pocket cost to you and your family. Some states have work/community engagement requirements for adults. You can check a state's Medicaid income qualifications and requirements on our website: www.TransamericaCenterforHealthStudies.org.

Buy Direct

You can also purchase health insurance directly from an insurance provider. Health plans with the "essential health benefits" required by the Affordable Care Act can be purchased directly from health plans, often on the website. You might also consider working with an insurance broker who can help you understand the different plan options available to you and the levels of coverage.

Consider Gap and Short-Term Insurance

Some health insurance products that do not qualify as major medical health insurance are also available. They are sometimes called gap insurance, but you should know the limitations of these plans before purchasing.

- **Critical illness insurance** provides a cash payment if you are diagnosed with cancer, have a heart attack, suffer a stroke or another serious and costly illness.
- **Accident insurance** gives you a cash payout if you are in an accident. A plan may have daily payouts for specific events, such as a cash payment for every day you spend in the hospital.
- **Short-term health insurance** plans also do not comply with the Affordable Care Act, but they can provide you with health insurance if you need a stopgap until obtaining full coverage. Short-term health plans can provide catastrophic health coverage but some states limit their availability. It is important to note that short-term medical plans are not required to cover mental health services, outpatient prescription drugs, substance use disorder treatment, maternity care or other essential health benefits. Moreover, short-term plans do not cover pre-existing conditions and may deny you coverage based on your past medical history.

Before you sign up for health insurance again, do your homework and shop around. That is the best way to make sure you find the best option for your needs.

Transamerica Center for Health Studies, a division of the nonprofit private foundation Transamerica Institute, is focused on empowering consumers and employers to achieve the best value and protection from their health coverage, as well as the best outcomes in their personal health and wellness. www.TransamericaCenterforHealthStudies.org.