



**HEALTHCARE COVERAGE OPTIONS FOR
UNEMPLOYED MASSACHUSETTS RESIDENTS**

August 2009

This information is provided courtesy of BMC HealthNet Plan, a Massachusetts health plan that participates in MassHealth and Commonwealth Care – two programs that you, as an unemployed Massachusetts resident, may qualify for now or when your eligibility for other health coverage programs expires.

Table of Contents

Introduction	3
If You've Been Unemployed for a Long Time And/OR Do Not Qualify for Massachusetts Unemployment Insurance Benefits	4
If You are Newly Unemployed and Qualify for Massachusetts Unemployment Benefits	5
Option 1 - COBRA	5
Federal Premium Assistance	5
State Premium Assistance	6,9
Opportunities to Elect COBRA Coverage	6
Option 2 – Coverage through Spouse's/Domestic Partner's Plan	7
Option 3 – Medical Security Program (MSP)	8
Direct Coverage	8
Premium Assistance	9
Hardship Waiver Guidelines	9
How to Apply	10
Which Plan Should I Apply For	10
Option 4 – MassHealth or Commonwealth Care	11
Sources/Helpful Resources	12

Introduction

This document outlines the *four* broad potential options for healthcare coverage for unemployed Massachusetts residents with low-to-moderate incomes. These include:

- COBRA – continuation of coverage on your previous employer’s health plan
- Coverage through a spouse’s or domestic partner’s employer-sponsored health plan
- Medical Security Program (MSP) – direct coverage and premium assistance options for Massachusetts residents qualifying for state unemployment insurance benefits
- Commonwealth Care and MassHealth – two state programs in which BMC HealthNet Plan participates

If You've Been Unemployed For A Long Time And/Or Do Not Qualify For Massachusetts Unemployment Insurance Benefits*

You may qualify for health insurance coverage under the state's MassHealth or Commonwealth Care programs if you've been unemployed for a long time or don't qualify for unemployment insurance benefits*. Please go to Option 4 (page 11) in this brochure for more information on these programs.

*If you have been laid off from a non-Massachusetts employer or the federal government, you do not qualify for Massachusetts unemployment benefits. You also may not qualify for unemployment benefits if you left your job voluntarily (at your own will) or lost your job because of violating a known rule or policy or because of deliberate or willful misconduct. Unemployment insurance (UI) provides benefits to Massachusetts' workers who are unemployed through no fault of their own. Most workers are covered by the law and can qualify to receive benefits if they have earned at least \$3,500 during the qualification period, are able and available to work, and are actively looking for new employment. The unemployment insurance program in Massachusetts is administered by the Division of Unemployment Assistance (DUA).

If You Are Newly Unemployed *And* Qualify For Massachusetts Unemployment Benefits

One of the first things most people think of when they become unemployed is “what will I do about healthcare coverage for me and/or my family?” Don’t panic – being unemployed doesn’t mean you or your family have to go without health insurance. *You have four potential options.* So, take the time to read through the options discussed in this brochure to see which programs you might qualify for. Note: For some programs you will only be eligible for coverage when your opportunity for coverage expires on another program, as described.

OPTION 1 - COBRA

If you were covered by an employer’s health insurance plan before losing your job, you may be eligible for coverage known as COBRA through your previous employer.

Under the federal law called the **Consolidated Omnibus Budget Reconciliation Act** (COBRA), employees may be allowed to continue their health insurance benefits, at the employee’s expense, for up to 18 months.

Federal Premium Assistance: If you lose your job between September 1, 2008 and December 31, 2009

Under the new “American Recovery and Reinvestment Act of 2009 (ARRA),” people who lose their jobs involuntarily *and* who qualify for COBRA coverage may be eligible for premium assistance. This means you would pay only 35% of the monthly premium for your health coverage. This premium includes your former contribution to your health coverage and the portion of the monthly premium your employer used to pay. Your previous employer would pay the remaining 65%. You can only get premium assistance for nine months. If you are still eligible for COBRA after nine months, you may stay on your employer’s plan, but will not get federal assistance to meet your premium payments.

In general, to be “federal-assistance eligible,” you must meet *all* of the following guidelines:

- 1) You are eligible for COBRA continuation at any time during the period from September 1, 2008 – December 31, 2009.
- 2) You were involuntarily terminated from your job.
- 3) **Your employer is still in business *and* has an active health plan.**
- 4) You elected COBRA coverage during the election period.

- 5) You are not eligible for other group coverage through a new employer's plan or Medicare.
- 6) You were covered by the employer's health plan at the time you lost your job.
- 7) You file less than \$125,000 as an individual in income on your tax return; or less than \$250,000 for married couples. Otherwise, you may have to repay part or all of the premium as a tax liability for the year in which you received it.

State Premium Assistance: In addition to the federal premium assistance, you may be eligible for additional premium assistance through the state's Medical Security Program (MSP). See Option 3 below (page 8).

Important Financial Note: If you qualify for both the federal premium assistance and the premium assistance available through MSP, you'll only be required to pay 7% of COBRA premiums. (Federal premium assistance means you only have to pay 35% of COBRA premiums, and then the state pays 80% of that 35%, so you will only be responsible for 7% of the COBRA premium.)

OPPORTUNITIES TO ELECT COBRA COVERAGE

The COBRA guidelines your previous employer must follow depend on the number of employees who work at the company.

- **If your previous employer had 2-19 employees**, your employer must follow those for state or "mini" COBRA.
- **If your previous employer had 20 or more employees**, your employer must follow federal COBRA guidelines.

Whether you worked for an employer who follows state or federal COBRA guidelines, **you must be given at least 60 days after an initial (first) COBRA-eligibility notice** to elect (choose) COBRA coverage. This election period begins either on the date you lost your health coverage or on the date a COBRA election notice was sent to you by your employer – the election period begins on the more recent of these two dates.

If you were previously employed by an employer who must follow Federal COBRA guidelines (see bullets above), you were involuntarily terminated between September 1, 2008 and February 16, 2009, AND you did not choose to go on your employer's COBRA plan during the first election period or elected to go on the Plan, but disenrolled, you should have been given a second chance to elect COBRA (via a second notice) by April 18, 2009. This gave you an additional 60 days from the second notice to choose COBRA.

A new Massachusetts law was recently passed that made sure that qualifying individuals who worked for "mini-COBRA" employers (see bullets above) also have a second opportunity to elect COBRA if they didn't choose it during the first election period. Like the federal COBRA second election period, this second special election

period opportunity currently only applies to individuals who involuntarily lost their jobs between September 1, 2008, and February 16, 2009. Employers are required to notify qualifying employees who lost their jobs involuntarily during this timeframe about the special election period – even if an employee originally elected COBRA, but disenrolled at some point. This notice must be sent by employers some time between July 2 and September 1, 2009 and the election period begins on the date of notice and lasts for 60 days.

At any time during the first and second 60-day election periods, you may decide to waive your right to continue coverage under Mini-COBRA. If you change your mind and contact your previous employer during the 60-day period to let them know you want to elect COBRA, your employer-sponsored health plan is only required to provide coverage beginning on the date you contacted them.

For more information on the new COBRA guidelines, visit www.dol.gov/COBRA or call 1-866-444-3272 to speak with an Employee Benefits Security Administration benefits advisor.

OPTION 2 – COVERAGE THROUGH SPOUSE'S OR DOMESTIC PARTNER'S PLAN

If your spouse or domestic partner works for an employer who offers health insurance coverage, you may be able to get coverage through his or her employer. The fact that you and/or your spouse or domestic partner no longer has coverage because you lost your job involuntarily is considered a “qualifying event.” That’s an event that allows you and your spouse to enroll in his or her employer plan, regardless of whether or not it is “open enrollment” time at your spouse’s or domestic partner’s employer. **Keep in mind that all employers do not offer domestic partner coverage.**

Ask your spouse or partner to ask his or her employer about opportunities for coverage.

IMPORTANT FINANCIAL CONSIDERATION: **Despite being eligible for coverage through a spouse’s or domestic partner’s employer-sponsored health insurance program, you do *not* need to choose that option instead of COBRA.** You are still eligible for COBRA if you find that makes more economic sense for you. You may find it makes more financial sense for you to be covered through COBRA, while your spouse or domestic partner enrolls in his or her employer health plan. **Access to COBRA coverage does *not* make you ineligible for Medical Security Program direct coverage – option 3 discussed below.**

OPTION 3 – MEDICAL SECURITY PROGRAM (MSP)

The Medical Security Program (MSP) is a health plan for low-to-moderate-income Massachusetts residents. You must qualify for unemployment insurance benefits in order to qualify for MSP. MSP coverage ends at the time your unemployment benefits end. Currently, Massachusetts is the only state that provides health insurance coverage for the unemployed through such a program.

To qualify for MSP you must:

- **be a Massachusetts resident**
- **be receiving Massachusetts unemployment insurance benefits**
- **have worked for a Massachusetts employer**
- **meet gross annual income requirements, outlined in the table below**

You may qualify for the Medical Security Program (MSP) offered by the state if you are either ineligible to participate in a COBRA plan through your previous employer, or you are eligible to participate in a COBRA plan, but can't afford the premiums.

2009 MSP Income Eligibility Guidelines (eff. 1/23/2009) are as follows:

Size of Family Unit	To Qualify, Income* Must Be At or Below
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200
5	\$103,160
6	\$118,120
Each additional person	+\$14,960

*Your family's actual income from the six months prior to applying for MSP + your projected income for the next six months = the annual income that MSP will use to determine if you qualify for direct coverage or premium assistance.

The MSP program offers two options:

- **Direct Coverage** – If you did not have health insurance before you lost your job or are not eligible to remain on your previous health plan through COBRA, MSP may offer direct coverage to you and/or your family.

- This program gives you health insurance coverage through Blue Cross Blue Shield. It is a basic level of coverage for which you do not have to pay monthly premiums. However, you will be responsible for co-payments (fees you pay at the time you receive services or care). You will also have to pay what's known as a deductible – an upfront fee before your coverage pays for certain services. **To find out more about what services are covered by the MSP Direct Coverage program, call Blue Cross Blue Shield at 1-800-810-BLUE.**
- **Premium Assistance** – If you had employer-sponsored health coverage before you lost your job and can stay on that plan through COBRA, or were on a private plan that you paid for entirely by yourself, but can't afford to pay COBRA or private-plan premiums, you may qualify for premium assistance from MSP.
 - The premium assistance program will pay for 80 percent* of the actual premium paid up to a maximum of \$1080/month for a family plan and \$440/month for an individual plan.

If you think that you cannot afford the cost of COBRA, even after getting reimbursed 80% of the cost, you can request a hardship waiver to enable you to participate in Direct Coverage instead of Premium Assistance. You automatically qualify for a hardship waiver (are eligible for Direct vs. Premium Assistance Coverage) if your family's gross annual income is less than or equal to 200% of the Federal Poverty Guidelines (FPG):

**2009 MSP Hardship Waiver Guidelines
(effective January 23, 2009)**

Size of Family Unit	200% FPG
1	\$21,660
2	\$29,140
3	\$36,620
4	\$44,100
5	\$51,580
6	\$59,060
7	\$66,540
8	\$74,020

each additional person	+\$7,480
------------------------------	----------

- **If your family income is between 200% and 400% of the poverty limit, you may be considered to have a hardship if your income is not enough to pay the COBRA premium along with other living expenses. You must submit proof of your expenses and a copy of your group health insurance coverage (COBRA) letter from your former employer. The MSP will review your case and let you know if you qualify for Direct Coverage.**

Important Financial Note: Keep in mind that, if you qualify for both the federal COBRA premium assistance and the MSP COBRA premium assistance, *you'll only be required to pay 7%* of COBRA premiums. (Federal premium assistance means you only have to pay 35% of COBRA premium, and then the state pays 80% of that 35%, so you will only be responsible for 7% of the COBRA premium)

How to apply for MSP

Once you have filed a claim to get unemployment benefits, you should get an application in the mail for MSP within 10 business days. You can also download the application at www.mass.gov/DUA/MSP.

For questions regarding MSP, call MSP Customer Service at 1-800-908-8801.

Which plan should you apply for?

- **If you want to have the same coverage you had through your previous employer, and are eligible for COBRA coverage through that employer, you should apply for MSP Premium Assistance.**
- **If you are currently paying all the costs for coverage through a private health plan, you should apply for MSP Premium Assistance.**
- **If you are not eligible for COBRA and are not currently paying the full cost of coverage for a private health insurance plan, you should apply for MSP Direct Coverage.**

OPTION 4 – MASSHEALTH OR COMMONWEALTH CARE

Your health coverage through COBRA or MSP may expire before you find a job that offers a group health insurance program in which you may take part. However, you may be eligible for coverage under the state’s MassHealth (Medicaid) or Commonwealth Care programs. In order to prevent any gaps in health insurance coverage, you may want to apply for MassHealth or Commonwealth Care before your COBRA or MSP coverage ends.

For information on MassHealth eligibility and all your MassHealth health plan options, please call the MassHealth Customer Service Center at 1-800-841-2900 (TTY 800-947-4648) from 8 a.m. to 5 p.m., Monday through Friday. For more information on Commonwealth Care eligibility and all your Commonwealth Care health plan options, please call the Commonwealth Care Customer Service Center at 877-MA-ENROLL or 877-623-6765 (TTY 877-623-7773) from 8 a.m. to 5 p.m., Monday through Friday, or visit mahealthconnector.org. Finally, BMC HealthNet Plan participates in both of these health coverage programs and is also available to help you. If you have questions or need help applying for MassHealth or Commonwealth Care, please contact the Plan at 1-800-792-4355 or at helpmeapply@bmchp.org.

Sources/Helpful Resources

Medical Security Program:

Division of Unemployment Assistance

mass.gov/DUA/MSP; 1-800-908-8801

Application: mass.gov/Elwd/docs/dua/2161_app_508.pdf

Hardship Waiver form: http://comparters.org/pdf/news/2009-03-18_msp_hardship_expenses.pdf

Health Care for All:

hcfama.org/helpline

1-800-272-4232



www.hcfama.org

Community Partners:

Community Partners believes community-based outreach workers are the best way to ensure people have quality, reliable health care. Find an outreach worker in your community:

comparters.org/map



MassResources.org:

a free online resource for Massachusetts residents in need of housing, food, health care, and other basic services

massresources.org

Federal COBRA Guidelines/Premium Assistance:

dol.gov/ebsa/cobra.html; 1-866-444-3272

MassHealth Program:

MassHealth Customer Service Center

mass.gov/mashealth; 1-800-841-2900 (TTY 800-947-4648)

Commonwealth Care Program:

Commonwealth Care Customer Service Center

mahealthconnector.org; 1-877-623-6765; TTY: 1-877-623-7773

To check the status of your application, or for information on MassHealth eligibility and all your health plan options, call the MassHealth Customer Service Center at 800-841-2900 (TTY 800-947-4648) from 8 a.m. to 5 p.m., Monday through Friday.

For more information on Commonwealth Care eligibility and all your health plan options, call the Commonwealth Care Customer Service Center at 877-MA-ENROLL or 877-623-6765 (TTY 877-623-7773) from 8 a.m. to 5 p.m., Monday through Friday, or visit mahealthconnector.org

BMC HealthNet Plan:

choosebmchp.com

Need help applying? Call us at 1-800-792-4355 (press 1) or e-mail us at helpmeapply@bmchp.org