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## Jobless need to keep safety net in place

Insurance options for unemployed

By **Judy Artunian**

Special to the Tribune

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Everyone's pocketbook can take a hit from emergency room visits and colonoscopies. But when you're between jobs, even a \$15 prescription can pack a wallop.

The federal Consolidated Omnibus Budget Reconciliation Act, better known as COBRA, and the Illinois Continuation Law are intended to help ease that burden by giving many unemployed workers the option to stay on the health plan offered by their former employer for a limited period of time

But for many, these insurance extension programs cost too much. That is because you're responsible for paying the entire insurance premium, not just the portion you paid as an employee.

According to the Kaiser Family Foundation, in 2002 the average cost of a COBRA-sponsored family health insurance policy was \$8,000 per year. Congress is looking at the possibility of instituting a health insurance tax credit for unemployed people, but it's not expected to be signed into law anytime soon.

Gary Lauer, chief executive of Sunnyvale, Calif.-based eHealthInsurance, recommends looking into short-term health insurance. You can stay on these plans for up to 12 months.

"It's one-half to one-third the cost of COBRA," he said. "The application process is very short. In many cases, you can apply and be insured the next day."

Lauer said that a family of four can be covered for as little as \$150 per month. But don't expect much more than catastrophic coverage. The deductible for this policy is \$2,500. Prescription coverage, which doesn't kick in until after the deductible is met, provides a 50 percent discount on prescription drug costs. A policy with a \$231 per-month premium lowers your deductible to \$500.

If you have a pre-existing health problem, you can be denied coverage. That's one limitation you don't have to worry about if you go with COBRA.

"The COBRA extension is guaranteed up to 18 months and can't be denied, even based on health," said Lauer. "Don't eliminate COBRA until you're sure you can qualify for something else."

Andrew Scheele, 38, was laid off last August from his job as a factory manager for a company that produces automatic doors. The Chicago resident was offered a COBRA extension for more than \$600 per month. As an employee, he paid about \$60 per month for the same coverage.

"I didn't want to be on COBRA and at the end of the period not have coverage," he said. "I also thought it was expensive for what I was getting."

Instead, he opted for a short-term insurance policy to cover his family, which includes his wife, Elizabeth, and his infant daughter, Emma. With that policy his monthly premium was less than \$300 and his deductible was \$1,000. A few months after being laid off, Scheele launched his own business as a

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Photo



Andrew Scheele and wife Elizabeth, with daughter Emma, opted for a short-term insurance policy after he was laid off.

(Photo for the Tribune by Margo Cohn)



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manufacturer's representative and bought a more comprehensive health plan.

Even while unemployed, Scheele never considered going without health coverage.

"People who go without insurance are taking a huge risk," he said. "They could be in debt for life if something catastrophic happens. It's crazy not to have it."

According to the Robert Wood Johnson Foundation, about 75 million Americans under 65 years of age have gone without health coverage at some point in the last two years.

If you return to school and carry a minimum of nine semester units, you have yet another option: You may qualify for student health insurance. It costs about the same as a short-term plan for an individual. Plus, it comes with two additional benefits: You can't be turned down, and you can keep your policy for the rest of your life.

While low-cost insurance plans may keep you from drowning in debt if you need major surgery, what about everyday medical costs? You can visit a low-cost or free medical clinic, but be prepared for long waits to see a doctor.

Your own primary care physician may agree to reduce his fees if you ask. In fact, he may have a sliding scale already in place that adjusts fees depending on the patient's ability to pay.

If you find yourself with a malady that you think needs to be treated by a specialist, a visit to your primary care physician might be more economical, according to Dr. Patrick A. Tranmer, an associate professor and head of clinical family medicine at the University of Illinois College of Medicine in Chicago.

"Primary care physicians cannot only provide you with ongoing health care, but they can often do it in a less expensive manner than if you directly access a specialist for care," he said. "A primary care physician may do fewer diagnostic tests and may have lower office-based charges than a specialist."

If you need diagnostic tests, your physician should be able to refer you to hospitals or other health systems that have reduced fees. But first, ask if certain tests can be postponed until you get your finances in order.

To help reduce your prescription costs, ask your doctor for samples of the medications you take. If samples are unavailable, look into using generic brands. If your prescription bills are still too high, find out if it's safe to cut back on any of your medications.

According to Dr. Arvind Goyal, a primary care physician in Rolling Meadows, "If a patient tells me that they don't have insurance or it's important to contain costs because they're out of a job, I can prioritize for a patient. I might say, 'These are the three things I want you to take, but if you can only take one at a time, do it in this order.'"

Your biggest challenge may be pushing aside your pride and admitting to your doctor that you're in financial straits. "The most important thing is to have a physician you can trust before you get into that situation. You want a physician you can confide in," said Goyal.

Shop around before refilling your prescriptions. Some online pharmacies, especially those based in Canada, are cheaper than drugstore chains. Many pharmaceutical companies provide drugs at a discount for low-income patients through what the pharmaceutical industry calls patient assistance programs. You can only access the discounts through your physician.

There are also discount cards available at some drugstore chains and elsewhere. Since they come with their own price tag, calculate your monthly prescription costs to determine if the cards will save you money in the long run.

For example, eHealthInsurance's eHealth Pharmacy Savings Card costs \$7.95 per month for an individual and \$9.95 per month for a family. It gets you a 50 percent discount on generic prescriptions and discounts of up to 15 percent for brand-name drugs.

If the pressure to take control of your medical costs seems overwhelming, Mary Hunt, editor and publisher of "Cheapskate Monthly," based in Paramount, Calif., suggests giving yourself an attitude check-up.

"You have to have the attitude that you can endure anything as long as it's temporary," she said. "Leave no stone unturned. Get a part-time job that offers health benefits. Call county services and find out where the closest county hospital is and the terms of admission in case you get sick and have no other options.

"Being unemployed is damaging to one's ego. It's hard to think of these things, but you have to kick into survival mode."

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