Jane Walstedt: Now I'd like to ask Rose Holandez, a program analyst in the Women's Bureau’s Regional Office in Philadelphia, to introduce our first speaker. Rose…

Rose Holandez: Thank you, Jane. Good afternoon everyone. Eliza Navarro Bangit is a Senior Research Associate at Georgetown University's Health Policy Institute in DC. Her research focuses on federal and state laws governing the private insurance market, with a focus on access, affordability and adequacy of coverage.

Other areas of focus include the examination of state initiatives in covering the uninsured, including state high-risk pool programs, subsidies for private health insurance coverage and small employer tax credits, the regulation of association health plans and multiple employer arrangements, and the proliferation of fraudulent health insurance coverage promoted through associations.

Prior to joining the Institute, Ms. Bangit served as Program Associate at the Institute for Health Policy Solutions, where she conducted a wide array of data research and analysis involving employer-based health insurance coverage and initiatives to expand health insurance coverage to children and families.

Ms. Bangit received her JD from the University of the District of Columbia David A. Clarke School of Law and her M.A. and B.A. from the College of Notre Dame of Maryland.

Good afternoon, Ms. Bangit.

Eliza Navarro Bangit: Thank you, Rose. Today I'd like to talk briefly about how health insurance works in different markets. The protections you have when buying and keeping
health insurance depend primarily on the type of coverage you have and where you live.

In the U.S. most people get health insurance through their employer, as Jane had just mentioned earlier. We call these plans employer-sponsored group health plans. Those who do not have access to group health plans buy in the individual market.

Finally some people can qualify for government programs such as Medicaid or TRICARE for military personnel and their families, just to name a few.

Now I want to go over the protections provided by each of these markets. In general group health plans are more protective than individual health insurance policies that you buy on your own. This is because group health plans must follow certain rules that are not required of individual health insurance plans.

For example, if your employer offers health insurance coverage to employees, your employer cannot deny you coverage because you have a health condition. This is called **guaranteed issue**.

Another protection found under group health plans is it limits the time your employer can exclude coverage for a preexisting condition, which is defined as a health condition that existed prior to your enrollment into the group health plan.

Group health plans are limited to up to 12 months of exclusion, but you'll find that many employers--specifically large ones--do not impose an exclusion or may limit this exclusion period to less than 12 months.

Also, certain life events, such as retirement, divorce, and aging off of your parents’ policy will cause you to lose your health insurance coverage. In these
circumstances you may be given an opportunity to continue in the group health plan through COBRA.

Deborah Perry from the Department of Labor, who will be speaking today, will give you more information about COBRA.

There's also special enrollment periods in group health plans. This is a period typically lasting about 30 days where you can enroll in your spouse or parents’ group health plans based on a life event, such as marriage, birth, or adoption.

Generally, large group plans--defined as employers with more than 50 employees--provide the most protection. Large group plans tend to have the greatest premium subsidy, the most comprehensive coverage, low co-pays and deductibles.

Large employers are also likely to not impose any preexisting exclusion periods, as I mentioned earlier.

Then you have small group health plans.. These are plans offered by small employers, commonly defined as those with 2-50 eligible employees. These plans tend to have higher premium rates than large group plans; they're more vulnerable to premium increases at renewal.

And we're seeing more of it becoming less comprehensive, with higher deductibles and co-payments for services and prescription drugs.

For self-employed individuals, their protections differ based on where they live. Most states don't allow self-employed individuals to buy coverage in the small group market; however, there are a small number of states - I think there's about 13 of them - that define a small employer as those with 1-50 employees.
Therefore, in these states a self-employed individual can buy a group health plan. And, as I mentioned earlier, group health plans are more protective than individual health insurance, so providing a self-employed individual the right to buy into the small group market provides guaranteed access to this individual.

And this is a real protection, especially if a self-employed individual has an expensive health condition or is older. And most states, as I mentioned earlier, don't allow self-employed individuals to buy into the small group market. And in that case that person will have to buy in the individual market.

In most states the individual market is where consumers are most vulnerable, because it is medically underwritten when they apply for a policy. Medically underwritten means that you can be turned down because of your health status, your age, or any other factor that might predict the use of health services.

For individuals who are denied individual health insurance in 32 states, currently they can buy health insurance through their state high-risk pool. State high-risk pools are programs set up by the states to provide health insurance to uninsurable individuals and also to HIPAA eligible [individuals]. I believe Deborah will also talk a little bit about HIPAA eligibility.

[In] the individual market, with rare exceptions, premiums are unsubsidized, so they tend to be very expensive, and it offers, you know, less comprehensive policies. These policies are typically...well they're less comprehensive and can impose a temporary or even a permanent exclusion to your policy. And they tend to have higher deductibles, sometimes even up to [a] $10,000 deductible per year, and co-payment levels that are higher as well.

Now if you're looking to buy an individual health insurance policy, I would just like to make recommendations. So first look at the covered benefits and compare that to the kind of care you might need if you were to get sick or injured. Don't
just look for routine care that you use now. Remember, you know, you buy health insurance in case you get sick, not in case you stay healthy.

Now you should look for policies that cover hospitalization, outpatient treatments, doctor's visits, prescription drugs, mental health, rehabilitation care and lab and imaging tests. Now pay close attention to the types of services that the policy excludes from the out-of-pocket maximum.

For example, if costs for prescription drugs and mental health visits are not counted toward the out-of-pocket maximum, then your actual out-of-pocket expenses for the year can add up to thousands more if you get sick.

You also want to avoid policies that have caps on annual benefits and impose a specific benefit maximum. And we find this typically in, you know, prescription drug benefits.

Now if you do not have access to health insurance through your workplace or cannot afford to buy private health insurance, there are some public programs that might be available to you, depending on where you live. A public program available in every state is Medicaid.

Keep in mind though that eligibility requirements are pretty narrow. This program is limited to a very small category of people, primarily low-income families with children, pregnant women, and the disabled. In addition, you must also meet income, assets and property thresholds to be eligible. So it's definitely not for everyone.

All this information that I talked about is discussed in more detail on our state-by-state consumer guide to getting and keeping health insurance. Chapter 2 of our guide discusses the protections in group health plans. Chapter 3 covers protections in the individual market, and Chapter 4, your protections as a small
employer or self-employed. And we also have Chapter 5, which lists various programs providing free care in your state.

Now these guides are available on our Web site-- www.healthinsuranceinfo.net. Just so you know, we are updating 15 guides right now; some of the states that we're updating include New York, California and Texas. And those should be up on our Web site in the next couple of weeks.

Also on our Web site a worksheet which I think is very valuable is available for download to help you evaluate the types of coverage provided under a health insurance policy. You will find this worksheet by going to the “Managing Your Medical Bills” report, which you will find on the right side of the screen.

With that I will hand over the podium to Dolores, who I believe will introduce Deborah Perry from the Department of Labor.