

Attention Health Care Consumers: Free Health Insurance Is Available for People Who Lost Coverage When They Lost Their Jobs or Hours of Work during COVID-19



In 2020 or 2021, if you had health insurance through your job until you lost hours or lost employment, you and your family might now be able to continue that coverage for free. Premium-free COBRA is a new option for getting health insurance coverage this year. The following Q & A will help you get the coverage you need.

Question: What health insurance options do I have if I lost coverage when I lost my job or my hours were cut?

Answer: A new premium-free insurance option provided through **COBRA** may be available for you to get health insurance coverage April 2021 through September 2021. Other options for free or low-cost coverage include **the marketplace** (healthcare.gov) or, if you are eligible, **Medicaid** or the **Children’s Health Insurance Program**.

If your income is low, you and your family might be eligible for Medicaid or CHIP, which is free of charge and open for enrollment at any point during the year. If you do not qualify for Medicaid or CHIP, you might be able to enroll in a plan with premium assistance through the marketplace. Visit healthcare.gov to be directed to your state’s marketplace. Some marketplace plans will be free to people who received unemployment compensation in 2021. When premium-free COBRA

ends in September, all marketplaces will allow people losing COBRA assistance to apply for marketplace coverage. See [this fact sheet](#) for more information.

Q: How can I enroll in premium-free COBRA (also called COBRA premium assistance or premium subsidies)?

A: If you lost job-based coverage during the pandemic, watch for a notice from your former employer or health plan about free COBRA coverage, and follow the instructions within 60 days of receiving that notice to get no-cost COBRA coverage. The title of the notice might be “COBRA Continuation Coverage and Other Health Coverage Alternatives,” “COBRA Extended Election Period,” or “ARP Continuation Coverage.” The notice will tell you how to enroll. The exact months that you are eligible for premium-free COBRA will depend on when you lost your job or work hours, the size of your employer, and when you get a new offer of coverage.



COBRA is available only through your former employer or health plan. Do not be fooled by websites that pretend to sell COBRA insurance. They may be frauds.

Q: Who is eligible to enroll in premium-free COBRA?

A: Consumers who lost their job-based health insurance during the pandemic can maintain or reenroll in job-based coverage — COBRA or state continuation coverage — without paying premiums.

If you had health insurance through your job until you lost hours or lost employment, you and your family might now be able to continue that coverage for free until September 2021. The exact months that this coverage is available to you will depend on when you lost your job or hours and the size of your employer. Contact your former employer or visit the U.S. Department of Labor’s [COBRA Premium Subsidy](#) webpage to learn about this option if you lost your job-based coverage in 2020 or 2021.

Q: What if I didn’t enroll in COBRA in 2020 or 2021 when it was first offered because it was too expensive?

A: If you did not take COBRA or continuation coverage when it was first offered to you because it was too expensive, you have a second chance to enroll in COBRA at no cost. The American Rescue Plan provides

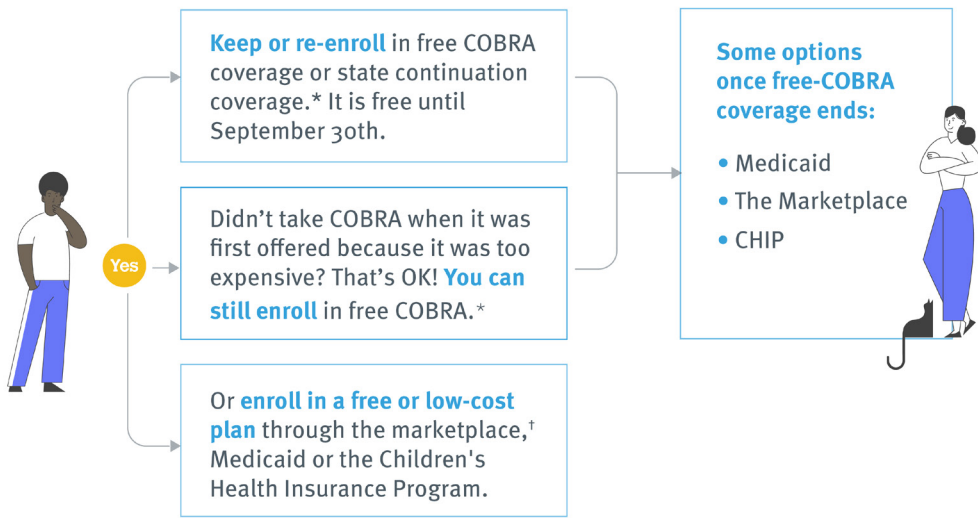
COBRA premium assistance and a second chance to enroll. This second chance to enroll began in April and ends after July 2021. Watch for a notice from your former employer or health insurer. It should have arrived by May 31, 2021. You have 60 days after getting that notice to enroll. See the [U.S. Department of Labor website](#) for more information and [sample notices](#). COBRA is the federal law that helps people who lost job-based health insurance keep coverage if their former employer had more than 20 workers. State continuation coverage refers to state laws that allow workers in smaller companies to keep their coverage for a few months after losing a job. Premium assistance is available for both COBRA and state continuation coverage.

Q: How long can I keep my job-based coverage after I lose my job or after my hours are cut?

A: If you worked for an employer with 20 or more employees, COBRA usually lasts up to 18 months after you lost your job or hours. If you worked for a smaller employer, under state laws, you might be able to keep your insurance, called state continuation coverage, but this may be for a much shorter period. Check the notice from your employer or insurer, or check with your state insurance department for information.

How Long Does Free COBRA Last?	How Long Does COBRA Last?
<ul style="list-style-type: none"> » Until September 30, 2021, or, » You are no longer eligible for COBRA, or, » You get an offer of job-based coverage from a job or from your spouse’s, or, » You become eligible for Medicare. 	<ul style="list-style-type: none"> » COBRA lasts about 18 months if your employer had 20 or more employees. » State continuation coverage lasts for a few months depending on your state’s laws, if your employer had less than 20 employees.

Lost Your Health Care Because You Lost Your Job or Your Hours Were Cut?



* Watch for a notice from your former employer. You have 60 days after getting that notice to enroll.

[†] For free or low-cost plans, visit healthcare.gov

Q: How long will the COBRA coverage be free?

A: Health coverage will be free from April 1 to September 30, 2021. Free COBRA coverage will end earlier for you if:

- » You are no longer eligible for COBRA or state continuation coverage.
- » You get another offer of job-based coverage from your own job or from your spouse's job.
- » You become eligible for Medicare.

You will get another notice when your COBRA premium assistance ends explaining your options.

Q: Which health care option should I take — COBRA or a new plan through the marketplace or Medicaid?

A: Here are some key questions to consider when making that decision, especially for people with ongoing health care needs:

» Do you want to keep using the same health care providers and medicines?

- » Staying in the same plan will usually help you see the same providers and use the medicines through the year.
- » If you might change plans, check the provider directory and double-check with your providers first to see if they accept the new insurance. Check with the plan to see if medicines that you take are on the new plan's formulary. If not, ask your doctors if it is OK to switch medications.

» Will you need to meet a new deductible?

- » You might already have accumulated expenses toward your deductible. Determine if the deductible you'd have to meet in a new plan is more or less than the amount you have left to meet your current plan's deductible.
- » Find out what services you can get in your current plan and in your new plan before meeting a deductible.

- › If the same health insurance company runs the new plan that you are considering, ask the company if it will give you credit for the expenses you already have toward a deductible. Get it in writing.

› What is the cost sharing?

- › Compare out-of-pocket charges you will pay at each visit with what you pay now.
- › Medicaid has no deductible and very low or no cost sharing. It is a good option for people with limited incomes, but not all providers accept Medicaid.

Q: Where can I get answers to my questions about health care coverage and information about enrollment?

A: There are resources at the national, state, and local level:

- ›› U.S. Department of Labor, Employee Benefits Security Administration, for information about [COBRA premium assistance](#), 866-487-2365.
- ›› Your [state department of insurance](#), for information about state continuation coverage.
- ›› “Find Local Help” on localhelp.healthcare.gov/#/ (which will direct you to your state’s marketplace if needed), for information about the marketplace and Medicaid/CHIP.
- ›› [Consumer Assistance Programs](#), for help with health insurance questions and problems in some states.
- ›› [State Medicaid agencies](#), for questions about Medicaid.



Families USA, a leading national, nonpartisan voice for health care consumers, is dedicated to achieving high-quality, affordable health care and improved health for all. We do not provide one-on-one consumer assistance, but we are interested in hearing about your experiences. Too often, the consumer voice is an afterthought in local, state, and national efforts to reshape our health care system. Families USA is working to address this problem by researching and giving broad voice to consumer perspectives, and exploring new ways that enable consumers to engage on health care issues.

Learn More:

familiesusa.org

Share Your Experience With the Health Care System:

familiesusa.org/share-your-story/

This publication was written by:

Cheryl Fish-Parcham, Director of Access Initiatives, Families USA

The following Families USA staff contributed to the preparation of this material (listed alphabetically):

Justin Charles, Digital Media Associate

Katie Corrigan, Chief of Staff

Nichole Edralin, Senior Manager, Design and Publications

Eliot Fishman, Senior Director of Health Policy

Lisa Holland, Senior Communications Manager

Adina Marx, Communications Associate



1225 New York Avenue NW, Suite 800

Washington, DC 20005

202-628-3030

info@familiesusa.org

FamiliesUSA.org

facebook / FamiliesUSA

twitter / @FamiliesUSA