



**Work Changes Require
Health Choices
Protect Your Rights**

U.S. Department of Labor

Your First Job

Starting your very first job? Consider enrolling in your employer's health care plan. If your employer offers more than one option — an HMO plan, a preferred provider option, and a fee-for-service plan, for example — compare each to your needs and preferences before making a decision. Ask for a copy of the summary plan description (SPD) to get details about covered benefits. Ask what type of plan you have, how it works, and what eligibility requirements you may have to meet. Know whether you will be expected to pay a portion of your premium, how much it will be, and who to talk to if you have questions.

Job Loss

What if your health care coverage ends because you lose your job, have your hours reduced, or get laid off? Knowing your rights ahead of time can prevent these situations from meaning an end to health care coverage. Under the Health Insurance Portability and Accountability Act (HIPAA), you may be eligible to enroll in your spouse's health plan without waiting for an open enrollment period. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), you, your spouse, and dependent children, might be able to purchase extended health coverage for up to 18 months. In the case of individuals who qualify for Social Security disability benefits, special rules may allow for extending coverage an additional 11 months. You may have to pay the entire premium, but the cost is usually less than if you obtained coverage on your own. Also, contact your state government to find out if you or your dependents are eligible for public health insurance, like Medicaid or the State Children's Health Insurance Program.

Looking for a New Job?

Before switching jobs, ask about the type of health plan offered by the potential employer, and compare it to your current plan. Ask about the premium you'll pay under the new plan, whether you can continue with the same doctors, or whether you will have to see new ones. And learn about your rights under HIPAA, which protects you and your dependents by limiting preexisting condition exclusion periods. COBRA may give you the opportunity to purchase temporary extended health care benefits offered by your former employer while you are looking for a new job, or during a waiting period for health benefits imposed by your new employer.

Retirement

When you're thinking about retiring, be sure you understand the documents governing your health care plan. Review your SPD and any documents you have received that modify it. Also, request copies of any formal written documents that outline how your plan operates, and any other information on your employer's policies on retiree health care benefits. Realize that although some employers continue to provide health care benefits to their retired employees, private-sector employers are not required to provide retiree health benefits. And remember, Federal law does not prevent employers from cutting or reducing health benefits under plans available to participants and their families, unless there has been a specific promise to continue them and that promise can be legally enforced. Many employees set aside money to use for any coverage gaps that may occur before becoming eligible for Medicare.

At A Glance

HIPAA

Generally HIPAA limits preexisting condition exclusions to a maximum of 12 months (18 months for late enrollees). HIPAA also requires this maximum period to be reduced by the length of time you had prior “creditable coverage.” You should receive a certificate documenting your prior creditable coverage from your old plan when coverage ends. HIPAA may also give you the right to purchase individual coverage if you have no group coverage available, and you have exhausted COBRA or other continuation coverage.

COBRA

If you are covered under your employer’s health plan and you lose your job, have your hours reduced, or get laid off, and your employer’s health plan continues to exist, you and your dependents may qualify to purchase temporary extended health coverage at group rates under COBRA. Divorce, legal separation, loss of dependent child status, the covered employee’s death, or entitlement to Medicare may also give your covered spouse and dependent children the right to elect continued coverage under COBRA. Your plan must be notified of these events. Generally, COBRA covers group health plans maintained by employers with 20 or more employees. The group health plan is required to provide you with a written notice indicating your eligibility for COBRA coverage. If you are eligible, you will have 60 days from the date the notice is sent or from the date your coverage ends — whichever is later — to elect COBRA. If the employer is too small to be subject to COBRA, state law may require the plan’s insurer to provide some continuation coverage.

ACA

The Affordable Care Act (ACA) adds important protections related to employment based group health plans that will improve health coverage for you and your family. Many of these protections are available now including extending dependent coverage until age 26, prohibiting preexisting condition exclusions for children under 19, and banning lifetime limits on coverage for essential health benefits. Additional

protections will be available in 2014. This publication does not reflect the provisions of the Affordable Care Act. For more information, visit the Employee Benefits Security Administration's ACA web page at www.dol.gov/ebsa/healthreform.

For More Information

The Department of Labor's Employee Benefits Security Administration (EBSA) administers several important health benefit laws covering employer-provided health plans and your basic rights to information on how your health plan works, how you qualify for benefits, and how to make claims for benefits. In addition, there are specific laws protecting your right to health benefits when you lose coverage or change jobs.

Visit the Employee Benefits Security Administration's website at www.dol.gov/ebsa to view the following publications. To order copies or to request assistance from a benefits advisor, contact EBSA electronically at www.askebsa.dol.gov or call toll free 1-866-444-3272.

- *Retirement and Health Care Coverage... Questions and Answers for Dislocated Workers*
- *An Employee's Guide to Health Benefits Under COBRA*
- *Your Health Plan and HIPAA... Making the Law Work for You*
- *Can the Retiree Health Benefits Provided by Your Employer Be Cut?*
- *Filing a Claim for Your Health or Disability Benefits*
- *Top 10 Ways to Make Your Health Benefits Work for You*
- *Life Changes Require Health Choices... Know Your Benefit Options*
- *Taking the Mystery Out of Retirement Planning*

Also visit the Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services, at www.cms.hhs.gov. Or, contact your State Insurance Commissioner's office.