

**A CONSUMER'S GUIDE
TO
GETTING AND KEEPING HEALTH INSURANCE
IN
MINNESOTA**

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This guide is intended to help consumers understand their protections under federal and state law. The authors have made every attempt to assure that the information presented in this guide is accurate as of the date of publication. However, the guide is a summary, and should not be used as a substitute for legal, accounting, or other expert professional advice. Readers should consult insurance regulators or other competent professionals for guidance in making health insurance decisions. The authors, Georgetown University, and the Health Policy Institute specifically disclaim any personal liability, loss or risk incurred as a consequence of the use and application, either directly or indirectly, of any information presented herein.

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A CONSUMER'S GUIDE TO GETTING AND KEEPING HEALTH INSURANCE IN MINNESOTA

As a Minnesota resident, you have rights under federal law and state law that will protect you when you seek to buy, keep, or switch your health insurance, even if you have a serious health condition.

This guide describes your protections as a Minnesota resident. Chapter 1 gives an overview of your protections. Chapters 2 and 3 explain your protections under group and individual health plans. Chapter 4 highlights your protections as a small employer or self-employed person. Chapter 5 summarizes help that may be available to you if you cannot afford health coverage. If you move away from Minnesota, your protections may change. Since this guide is a summary, it may not answer all of your questions. For places to contact for more information, see page 29. For information about how to find consumer guides for other states on the Internet, see page 30. A list of helpful terms and their definitions begins on page 31. These terms are printed in **boldface type** the first time they appear.

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CHAPTER 1

A SUMMARY OF YOUR PROTECTIONS

Numerous state and federal laws make it easier for people with **pre-existing conditions** to get or keep **health insurance**, or to change from one **health plan** to another. A federal law, known as the **Health Insurance Portability and Accountability Act (HIPAA)** sets national standards for all health plans. In addition, states can pass different reforms for the health insurance plans they regulate (**fully insured group health plans** and **individual health insurance**), so your protections may vary if you leave Minnesota. Neither federal nor state laws protect your access to health insurance in all circumstances. So please read this guide carefully.

The following information summarizes how federal and state laws do – or do not – protect you as a Minnesota resident.

HOW AM I PROTECTED?

In Minnesota, as in many other states, your health insurance options are somewhat dependent on your **health status**. Even if you are sick, however, the laws protect you in the following ways.

- *Coverage under your **group health plan** (if your employer offers one) cannot be denied or limited, nor can you be required to pay more because of your health status. This is called **nondiscrimination**. (See page 5).*
- *All group health plans in Minnesota must limit exclusion of pre-existing conditions. There are rules about what counts as a pre-existing condition and how long you must wait before a new group health plan will begin to pay for care for that condition. Generally, if you join a new group health plan, your old coverage will be credited toward the **pre-existing condition exclusion period**, provided you did not have a long break in coverage. (See page 7).*
- *When you buy individual health insurance there are limits on what you can be charged because of your health status, age, or where you live. (See page 10).*
- *Your health insurance cannot be canceled because you get sick. All health insurance is **guaranteed renewable**. (See pages 11, 18 and 19).*
- *If you leave your job, you may be able to remain in your old group health plan for a period of time. This is called **COBRA** continuation or **state continuation coverage**. It can help when you are between jobs or waiting for a new health plan to cover your pre-existing condition. There are limits on what you can be charged for this coverage. (See page 12).*

- *If you lose coverage under a fully insured group health plan in Minnesota, you can buy **conversion** coverage. There are rules about what conversion coverage must cover and limits on premiums that can be charged. You cannot be required to face a new preexisting condition exclusion period. (See page 18).*
- *If you lose your group health insurance and meet other qualifications, you will be **HIPAA eligible**. If so, you can buy coverage from the Minnesota Comprehensive Health Association (**MCHA**) high risk pool. You will not face a new preexisting condition exclusion period. There are limits on what you can be charged for MCHA coverage. (See page 16).*
- *You can also buy coverage from MCHA if you have a serious health condition or if you have been turned down by a health insurance company. In this case you may face a new preexisting condition exclusion period. (See page 16).*
- *If you are a small employer buying a fully insured group health plan, you cannot be turned down because of the health status, age, or any factor that might predict the use of health services of those in your group. This is called **guaranteed issue**. (See page 20).*
- *If you are a small employer buying a fully insured group health plan, there are limits on what you can be charged because of health status, age, or other characteristics of those in your group. (See page 20).*
- *If you have low or modest household income, you may be eligible for free or subsidized health coverage for yourself or members of your family. The Minnesota **Medicaid** program offers free or subsidized health coverage for pregnant women, families with children, elderly and disabled individuals with very low incomes. Also, if you cannot afford health insurance and you meet other income requirements, you can buy discounted coverage for yourself and your family from **MinnesotaCare** (See page 22.)*
- *If you believe that you may be at risk for cancer, you may be eligible for free screening and treatment. The **Sage Screening Program** provides free breast and cervical cancer screenings for qualified women residents of Minnesota. Some women diagnosed with breast or cervical cancer through this program may be eligible for medical care through Medicaid. (See page 25).*
- *If you lost your health insurance and are receiving benefits from the **Trade Adjustment Assistance (TAA) Program**, you may be eligible for a federal income tax credit to help you pay for new health coverage. This credit is called the **Health Coverage Tax Credit (HCTC)**, and is equal to 65% of the cost of qualified coverage, including COBRA and coverage offered through the Minnesota Comprehensive Health Association. (See page 26).*
- *If you are a retiree aged 55-65 and receiving benefits from **Pension Benefit Guarantee Corporation (PBGC)**, then you may be eligible for the HCTC. (See page 26).*

WHAT ARE THE LIMITS ON MY PROTECTIONS?

As important as they are, the federal and state health insurance reforms are limited. Therefore, you also should understand how the laws do *not* protect you.

- *If you change jobs, you usually cannot take your old health benefits with you.* Except when you exercise your federal COBRA or state continuation rights, you are not entitled to take your actual group health plan with you when you leave a job. Your new health plan may not cover all of the benefits or the same doctors that your old plan did. (See page 5).
- *If you change jobs, your new employer may not offer you health benefits.* If coverage is offered, employers are required only to make sure that their decision is based on factors unrelated to your health status. (See page 5).
- *If you get a new job with health benefits, your coverage may not start right away.* Employers can require **waiting periods** before your health benefits begin. (See page 5).
- *If you have a break in coverage of 63 days or more, you may have to satisfy a new pre-existing condition exclusion period when you join a new group health plan.* (See page 7).
- *If you work for certain non-federal public employers in Minnesota, not all of the group health plan protections may apply to you.* (See page 8).
- *If you are HIPAA eligible the Minnesota Comprehensive Health Association (MCHA) may be your only option for individual health insurance.* (See page 16).
- *If you have a break in coverage before your new individual health insurance policy or coverage through the Minnesota Comprehensive Health Association (MCHA) becomes effective, you may have to satisfy a new pre-existing condition exclusion period.* (See pages 17).

CHAPTER 2

YOUR PROTECTIONS UNDER GROUP HEALTH PLANS

This chapter describes the protections that you have in group health plans, such as those offered by employers or labor unions. Your protections will vary somewhat, depending on whether your plan is a fully insured group health plan or a **self-insured group health plan**. The plan's benefits information must indicate whether the plan is self-insured.

WHEN DOES A GROUP HEALTH PLAN HAVE TO LET ME IN?

- *You have to be eligible for the group health plan.* For example, your employer may not give health benefits to all employees. Or, your employer may offer an **HMO** plan that you cannot join because you live outside of the plan's service area.
- *You cannot be turned away or charged more because of your health status.* This protection is called nondiscrimination. Employers may refuse or restrict coverage for other reasons (such as part time employment), as long as these are unrelated to health status and applied consistently.

Discrimination due to health status is not permitted

The Acme Company offers two different health plans. Full-time employees are offered a high option plan that covers prescription drugs; part-time workers are offered a low option plan that does not. This is *permitted* under the law. By contrast, in a cost-cutting move, Acme restricts its high option plan to those employees who can pass a physical examination. This is *not permitted* under the law.

- *When you begin a new job, your employer may require a waiting period before you can sign up for health coverage.* These waiting periods, however, must be applied consistently and cannot vary due to your health status.
- *You must be given a special opportunity to sign up for your group health plan if certain changes happen to your family.* In addition to any regular **enrollment period** your employer or group health plan offers, you must be offered a special, 30-day opportunity to enroll in your group health plan after certain events. You can elect coverage at this time. If your group health plan offers family coverage, your dependents can elect coverage as well. Enrollment during a **special enrollment period** is *not* considered **late enrollment**.

Certain changes can trigger a special enrollment opportunity

- The birth, adoption, or placement for adoption of a child
- Marriage
- Loss of other coverage (for example, that you or your dependents have through yourself or another family member because of death, divorce, legal separation, termination, retirement, or reduction in hours worked)

- *Under Minnesota law, newborns (including dependent grandchildren) are automatically covered under the parents' fully insured group health plan, if the plan covers dependents. However, the insurer may withhold payment of any health benefits until premiums for the new premiums have been paid.*
- *Under Minnesota law, disabled adult children can remain on their parent's fully insured group health plan after reaching the age at which dependent coverage is usually terminated, if they meet certain requirements. Your adult child must be incapable of self-sustaining employment by reason of the disability and remain dependent on you for support. Proof of incapacity must be furnished to the plan within 31 days of the child reaching the age at which dependent coverage would normally end.*
- *If you have to take leave from your job due to illness, the birth or adoption of a child, or to care for a seriously ill family member, you may be able to keep your group health coverage for a limited time. A federal law known as a **Family and Medical Leave Act (FMLA)** guarantees you up to 12 weeks of job protected leave in these circumstances. If you qualify for leave under FMLA, your employer must continue your health benefits. You will have to continue paying your share of the premium.*

The FMLA applies to you if you work at a company with 50 or more employees.

If you qualify for leave under FMLA, your employer must continue your health benefits. You will have to continue paying your share of the premium.

If you decide not to return to work at the end of the leave period, your employer may require you to pay back the employer's share of the health insurance premium. However, if you don't return to work because of factors outside your control (such as a need to continue caring for a sick family member, or because your spouse is transferred to a job in a distant city) you will not have to repay the premium.

For more information about your rights under FMLA, contact the U.S. Department of Labor.

- *If you work for a company with 21 or more employees, you may have family leave protection for the birth or adoption of a child under the Minnesota Parental Leave Act. While health insurance must be confirmed during such leave, the employer is not*

required to pay for coverage. For more information about the law, contact The Minnesota Department of Labor and Industry at 651-284-5005.

CAN A GROUP HEALTH PLAN LIMIT MY COVERAGE FOR PRE-EXISTING CONDITIONS?

When you first enroll in a group health plan, the employer or insurance company may ask if you have any pre-existing conditions. Or, if you make a claim during the first year of coverage, the plan may look back to see whether it was for such a condition. If so, it may seek to exclude coverage for services related to that condition for a certain length of time. However, federal and state law protects you by placing limits on these pre-existing condition exclusion periods under group health plans.

- *A group health plan can count as pre-existing conditions only those for which you actually received (or were recommended to receive) a diagnosis or treatment during the 6-month period immediately before you joined that plan. This period is called a **look back** period.*
- *Group health plans cannot apply a pre-existing condition exclusion period for pregnancy, newborns or newly adopted children, children placed for adoption, or **genetic information**.*
- *Under group health plans, coverage for pre-existing conditions can generally be excluded only for no longer than 12 months. However, if you enroll late in your group plan (after you were hired and not during a regular or special enrollment period), you may have an 18 month pre-existing condition exclusion period.*
- *Group health plans that impose pre-existing condition exclusion periods must give you credit for any previous continuous **creditable coverage** that you've had. Most types of private and government sponsored health coverage are considered creditable coverage.*

What is creditable coverage?

Most health insurance counts as creditable coverage, including:

Federal Employees Health Benefits(FEHBP)	Medicare
Group health insurance (including COBRA)	Military health coverage
Indian Health Service	(CHAMPUS)
Individual health insurance	State health insurance high
Medicaid	risk pools
MinnesotaCare	Student accident insurance

In most cases, you should get a **certificate of creditable coverage** when you leave a health plan. You also can request certificates at other times. If you cannot get one, you can submit other proof, such as old health plan ID cards or statements from your doctor showing bills paid by your health insurance plan.

Coverage counts as continuous if it is not interrupted by a significant break. In the large group market, coverage counts as continuous if it is not interrupted by a break of 63 or more days in a row.

What is continuous coverage?

You can get **continuous coverage** under one plan, or under several plans as long as you don't have a lapse of 63 or more consecutive days.

Take Art, who has diabetes. Ajax Company covered him under its group health plan for 9 months, but he lost his job and health coverage. Then, *45 days later*, Art found a new job at Beta Corporation and had health coverage for 9 more months. Art changed jobs again. His new company, Charter, has a health plan that covers care for diabetes but excludes pre-existing conditions for 12 months. Charter must cover Art's diabetes care immediately, because his 18 months of prior continuous coverage are credited against the 12-month exclusion.

Now consider a slightly different situation. Assume Art was uninsured for *90 days* between his jobs at Ajax and Beta. In this case, Charter will credit coverage only under Beta's plan toward the 12-month pre-existing condition exclusion period. Charter's plan will begin paying for Art's diabetes care in 3 months (1 year minus 9 months). Art does not get credit for his coverage at Ajax since he had a break of *more than 63 consecutive days*.

In determining continuous coverage, employer-imposed waiting periods do not count as a break in coverage. If your new plan imposes a pre-existing condition exclusion period, you can credit time under your prior continuous coverage toward it. If your employer requires a waiting period, the pre-existing condition exclusion period begins on the first day of the waiting period.

- *No pre-existing condition exclusion period can be applied without appropriate notice.* Your group health plan must inform you, in writing, if it intends to impose such a period. Also, if needed, it must help you get a certificate of creditable coverage from your old health plan.

LIMITS TO PROTECTIONS FOR CERTAIN GOVERNMENT WORKERS

Federal law permits state, county, and local governments to exempt their employees in self-insured plans from some of the protections discussed previously in this chapter. Public employers must make this choice annually. When they do so, they are required to notify the federal government and specify which health insurance protections will not apply to their plan.

According to the latest list available from the federal government, no public employers in Minnesota have decided that certain health insurance protections will not apply to their employees. Other non-federal public employers in Minnesota may have made this choice after this guide was written. If you are not sure about your protections under your public employee health plan, you should contact your employer.

AS YOU ARE LEAVING GROUP COVERAGE...

- *If you are leaving your job or otherwise losing access to your group health coverage, you may be able to remain covered under the group health plan for a limited time. In addition, you may have special protections when buying certain kinds of individual health coverage. See Chapter 3 for more information about COBRA continuation coverage, state continuation coverage, conversion coverage and MCHA coverage.*
- *If you lost your health insurance and are receiving benefits from the Trade Adjustment Assistance (TAA) Program, you may be eligible for a federal income tax credit to help you pay for new health coverage. This credit is called the Health Coverage Tax Credit (HCTC), and is equal to 65% of the cost of qualified coverage, including COBRA and coverage offered through the Minnesota Comprehensive Health Association. (See page 26).*
- *If you are a retiree aged 55-65 and receiving benefits from Pension Benefit Guarantee Corporation (PBGC), then you may be eligible for the HCTC (See page 26).*

CHAPTER 3

YOUR PROTECTIONS WHEN BUYING INDIVIDUAL HEALTH INSURANCE

If you do not have access to employer-sponsored group insurance, you may want to buy an individual health insurance policy from a private health insurance company. However, in Minnesota – as in most other states – you have limited guaranteed access to individual health insurance. Whether you can buy an individual health policy may depend on your health status, the kind of coverage you want to buy, and other circumstances. Also, there are some alternatives to individual health insurance such as COBRA and state continuation coverage, conversion coverage, and the Minnesota Comprehensive Health Association (MCHA). This chapter summarizes your protections under different kinds of health plan coverage.

INDIVIDUAL HEALTH INSURANCE SOLD BY PRIVATE INSURERS

WHEN DO INDIVIDUAL HEALTH INSURERS HAVE TO SELL ME A POLICY?

In Minnesota, your ability to buy individual health insurance may depend on your health status.

- *In general, companies that sell individual health insurance in Minnesota are free to turn you down because of your health status and other factors.* When applying for individual health insurance, you may be asked questions about health conditions you have now or had in the past. Depending on your health status, insurers might refuse to sell you coverage or offer to sell you a policy that has special limitations on what it covers.
- *Under Minnesota law, newborns (including dependent grandchildren) are automatically covered under the parents' individual health insurance policy, if the plan covers dependents.* However, the insurer may withhold payment of any health benefits for the new dependent until premiums for the new premiums have been paid.
- *Under Minnesota law, disabled adult children can remain on their parent's individual health insurance policy after reaching the age at which dependent coverage is usually terminated, if they meet certain requirements.* Your adult child must be incapable of self-sustaining employment by reason of the disability and remain dependent on you for support. Proof of incapacity must be furnished to the plan within 31 days of the child reaching the age at which dependent coverage would normally end.

WHAT WILL MY INDIVIDUAL HEALTH INSURANCE POLICY COVER?

- *It depends on what you buy.* Minnesota does not require health insurers in the individual market to sell standardized policies. Health plans can design different

policies and you will have to read and compare them carefully. However, Minnesota does require all health plans to cover certain benefits – such as mammograms and prostate cancer screening. Check with the Minnesota Department of Commerce for more information about mandated benefits.

WHAT ABOUT COVERAGE FOR MY PRE-EXISTING CONDITION?

- *There are limits on pre-existing condition exclusion periods under individual health plans in Minnesota.* Insurers can impose pre-existing condition exclusion periods of up to 12 months. A health plan can count as preexisting conditions only those for which you actually received treatment, medical advice or diagnosis during the 6 months before enrolling in that plan. No exclusion period can be imposed for pregnancy, genetic information, newborns, or newly adopted children. Prior coverage must be credited against a preexisting condition exclusion period, provided it was not interrupted by a break of 63 or more days in a row.
- *In Minnesota, insurers are not allowed to impose **elimination riders**, which are amendments to the insurance contract that permanently exclude coverage for a health condition, body part, or body system.*

WHAT CAN I BE CHARGED FOR INDIVIDUAL HEALTH INSURANCE?

- *If you have an expensive health condition, your individual health insurance premiums may be very high.* Insurers can charge you more because of your health status, age, occupation, or where you live. They cannot charge you more, however, because of your gender.

In addition, when you renew your individual coverage, your premiums can increase substantially as you age or if your health declines.

CAN MY INDIVIDUAL HEALTH INSURANCE POLICY BE CANCELLED?

- *If you have an individual health insurance policy, your coverage cannot be canceled because you get sick.* This is called guaranteed renewability. You have this protection provided that you pay the premiums, do not defraud the company, and, in the case of managed care plans, continue to live in the plan service area.
- *Some insurance companies sell temporary health insurance policies.* Temporary policies are not guaranteed renewable. They will only cover you for a limited time, such as six months. If you want to renew coverage under a temporary policy after it expires you will have to reapply and there is no guarantee that coverage will be re-issued at all or at the same price.

COBRA CONTINUATION COVERAGE

WHEN DO I HAVE TO BE OFFERED COBRA COVERAGE?

If you are leaving your job and you had group coverage, you may be able to stay in your group plan for an extended time through COBRA or state continuation coverage. The information presented below was taken from publications prepared by the **U.S. Department of Labor**. You should contact the department for more information about your rights under COBRA.

- *To qualify for COBRA continuation coverage, you must meet 3 criteria:*

First, you must work for an employer with 20 or more employees. If you work for an employer with 2-19 employees, you may qualify for state continuation coverage. (See below.)

Second, you must be covered under the employer's group health plan as an employee or as the spouse or dependent child of an employee.

Finally, you must have a qualifying event that would cause you to lose your group health coverage.

COBRA QUALIFYING EVENTS

For employees

- Voluntary or involuntary termination of employment for reasons other than gross misconduct
- Reduction in numbers of hours worked

For spouses

- Loss of coverage by the employee because of one of the qualifying events listed above
- Covered employee becomes eligible for Medicare
- Divorce or legal separation of the covered employee
- Death of the covered employee

For dependent children

- Loss of coverage because of any of the qualifying events listed for spouses
- Loss of status as a dependent child under the plan rules

- *Each person who is eligible for COBRA continuation can make their own decision. If your dependents were covered under your employer plan, they may independently elect COBRA coverage as well.*
- *To qualify as, you must choose and use up any COBRA or state continuation coverage available to you.*

- *You must be notified of your COBRA rights when you join the group health plan, and again if you qualify for COBRA coverage.* The notice rules are somewhat complicated and you should contact the U.S. Department of Labor for more information.

In general, if the event that qualifies you for COBRA coverage involves the death, termination, reduction in hours worked, or Medicare eligibility of a covered worker, the employer has 30 days to notify the group health plan of this event. However, if the qualifying event involves divorce or legal separation or loss of dependent status, YOU have 60 days to notify the group health plan. Once it has been notified of the qualifying event, the group health plan has 14 days to send you a notice about how to elect COBRA coverage. Each member of your family eligible for COBRA coverage then has 60 days to make this election.

Once you elect COBRA, coverage will begin retroactive to the qualifying event. You will have to pay premiums dating back to this period.

SPECIAL SECOND CHANCE TO ELECT COBRA FOR TRADE-DISLOCATED WORKERS

- *A second COBRA election period may be available for TAA eligible people who did not elect cobra when it was first offered.* The second election period can be exercised 60 days from the 1st day of TAA eligibility, but in no case later than 6 months following loss of coverage. Coverage elected during this second election begins retroactive to the beginning of the special election period – not back to qualifying event.
- *Certain people who lost their job-based health coverage because of the impact of imports on their employers have a limited second chance to elect COBRA.* People who are receiving benefits from the Trade Adjustment Assistance (TAA) Program are eligible for a federal income tax credit (the Health Coverage Tax Credit, or HCTC) that will pay 65% of their premiums.
- *For some laid off workers, TAA benefits begin after their 60-day period to elect COBRA continuation coverage has expired.* In this circumstance, TAA-eligible people have a second 60-day period, starting on the date of their TAA eligibility, to elect COBRA. (However, in no case can COBRA be elected more than 6-months following the original qualifying event (i.e. layoff) that caused the loss of group health plan coverage.)
- *When COBRA is elected during this special, second election period, coverage starts on the first date of the special election period.* Any time that has elapsed between the original qualifying event and the first date of the special election period is not counted as a lapse in coverage in determining continuous coverage history.

WHAT WILL COBRA COVER?

- *Your covered health benefits under COBRA will be the same as those you had before you qualified for COBRA.* For example, if you had coverage for medical, hospitalization, dental, vision, and prescription drug benefits before COBRA, you can continue coverage for all of these benefits under COBRA. If these benefits were covered under more than one plan (for example, a separate health insurance and dental insurance plan) you can choose to continue coverage under any or all of the plans. Life insurance is not covered by COBRA.

If your employer changes the health benefits package after your qualifying event, you must be offered coverage identical to that available to other active employees who are covered under the plan.

WHAT ABOUT COVERAGE FOR MY PRE-EXISTING CONDITION?

- *Because your group coverage is continuing, you will not be faced with a new pre-existing condition exclusion period under COBRA.* However, if you were in the middle of a pre-existing condition exclusion period when your qualifying event occurred, you will have to finish it.

WHAT CAN I BE CHARGED FOR COBRA COVERAGE?

- *You must pay the entire premium (employer and employee share, plus a 2% administrative fee) for COBRA continuation coverage.* The first premium must be paid within 45 days of electing COBRA coverage.
- *If you elect the 11-month disability extension, the premium will increase to 150% of the total cost of coverage.* See below for more information about the disability extension.
- *If you lost your health insurance and are receiving benefits from the Trade Adjustment Assistance (TAA) Program, you may be eligible for a federal income tax credit to help you pay for new health coverage.* This credit is called the Health Coverage Tax Credit (HCTC), and is equal to 65% of the cost of qualified coverage, including COBRA and coverage offered through the Minnesota Comprehensive Health Association. (See page 26).
- *If you are a retiree aged 55-65 and receiving benefits from Pension Benefit Guarantee Corporation (PBGC), then you may be eligible for the HCTC.* (See page 26).

HOW LONG DOES COBRA COVERAGE LAST?

- *COBRA coverage generally lasts up to 18 months and cannot be renewed.* However, dependents are sometimes eligible for up to 36 months of COBRA continuation

coverage, depending on their qualifying event. In addition, special rules for disabled individuals may extend the maximum period of coverage to 29 months. To qualify for the disability extension, you must have been disabled at the time of your COBRA qualifying event (such as termination of employment or reduction in hours) or be determined to have become disabled within 60 days of that qualifying event. You must obtain this disability determination from the Social Security Administration, and you must notify your group health plan within 60 days of this disability determination.

LENGTH OF COBRA COVERAGE

<u>Qualifying event(s)</u>	<u>Eligible person(s)</u>	<u>Coverage</u>
Termination Reduced hours	Employee Spouse Dependent child	18 months *
Employee enrolls in Medicare Divorce or legal separation Death of covered employee	Spouse Dependent child	36 months
Loss of dependent child status	Dependent child	36 months

* Certain disabled persons and their eligible family members can extend coverage an additional 11 months, for a total of up to 29 months.

- *Usually, COBRA continuation coverage ends when you join a new health plan. However, if your new plan has a waiting period or a pre-existing condition exclusion period, you can keep whatever COBRA continuation coverage you have left during that period. For specifics, ask your former employer or contact the U.S. Department of Labor.*
- *COBRA coverage also ends if your employer stops offering health benefits to other employees.*
- *COBRA coverage might end if you are in a managed care plan that is available only to people living in a limited geographic area and you move out of that area. However, if you are eligible for COBRA and are moving out of your current health plan's service area, your employer must provide you with the opportunity to switch to a different plan, but only if the employer already offers other plans to its employees. Some examples of the other plans your employer may offer you are a managed care plan whose service area includes the area you are moving to, or another plan that does not have a limited service area.*

WHAT ABOUT MINNESOTA CONTINUATION COVERAGE?

Minnesota permits certain individuals to continue coverage under their individual health plan and fully insured group health plan (if the employer has 2 or more employees), even after they lose eligibility as a member of that group.

- *If you have individual health insurance coverage or your employer offers fully insured health benefits, you may be eligible for continuation coverage under a Minnesota law that is similar to COBRA. In some instances, such as divorce, death and disability, Minnesota law may provide for longer periods of continuation coverage. Ask your former employer or the Minnesota Department of Commerce about state continuation coverage if you think it applies to you.*
- *Minnesota Comprehensive Health Association (MCHA)*

Minnesota has a high risk pool called the Minnesota Comprehensive Health Association (MCHA). MCHA provides insurance for people who cannot get individual health insurance or because they have expensive health conditions.

WHEN AM I ELIGIBLE FOR MCHA?

- *In general, you can buy coverage from MCHA if you have lived in Minnesota for at least 6 months and can demonstrate proof of uninsurability. You are considered uninsurable in Minnesota if you have been turned down for individual health insurance within 6 month of application, the insurer excludes coverage for your pre-existing condition, you are diagnosed with one of a list of serious health conditions or are unable to find private health insurance coverage that is cheaper than MCHA health insurance. You can also buy coverage from MCHA when your individual health insurance ends through no fault of your own.*
- *You can also buy coverage from MCHA if you are HIPAA eligible. HIPAA eligible applicants do not have to meet the 6 month residency requirement or prove they are uninsurable.*
- *MCHA offers family coverage. Adults eligible for MCHA can also buy coverage for their spouses and dependents.*

To be HIPAA eligible, you must meet certain criteria

No matter where you live in the U.S., if you are HIPAA eligible you are guaranteed the right to buy individual health coverage of some kind with no pre-existing condition exclusion periods. In Minnesota, you are guaranteed the right to buy coverage only from MCHA. To be HIPAA eligible, you must meet all of the following:

- You must have had 18 months of continuous creditable coverage, *at least the last day of which was under a group health plan.*
- You also must have used up any COBRA or state continuation coverage for which you were eligible.
- You must not be eligible for Medicare, Medicaid, or a group health plan.
- You must not have health insurance. (Note, however, if you know your group coverage is about to end, you can apply for coverage for which you *will* be HIPAA eligible.)
- You must apply for health insurance for which you are HIPAA eligible within 63 days of losing your prior coverage.

Your HIPAA eligible status ends as soon as you enroll in an individual health plan, because the last day of your continuous health coverage must have been in a group plan. You can become HIPAA eligible again by maintaining continuous coverage and rejoining a group health plan.

WHAT DOES MCHA COVER?

- *You can choose from 5 plan options under MCHA.* Covered benefits are the same under all plans, but the annual deductible varies. You have a choice of an annual deductible of \$500, \$1,000, \$2,000, \$5,000 and \$10,000.
- *Covered benefits include hospital and physician care, prescription drugs, home health care, and other services.* There is a lifetime maximum of \$2.8 million per person on covered benefits.

WHAT ABOUT COVERAGE FOR MY PRE-EXISTING CONDITION?

- *If you are not HIPAA eligible, MCHA will exclude coverage for your pre-existing condition for 6 months.* MCHA will credit prior, continuous coverage toward this pre-existing condition exclusion period. The definition of continuous coverage under MCHA depends on the type of coverage you had and the reason it ended.

If your prior coverage was an individual health insurance policy that was terminated and no replacement coverage was provided, you must apply to MCHA within 30 days of that termination for the coverage to be credited toward the MCHA pre-existing condition exclusion period.

If your prior coverage was under a group health plan and you were terminated and you are not HIPAA eligible, you must apply to MCHA within 60 days for prior coverage to be creditable.

You must apply to MCHA within 90 days for your prior coverage to be considered continuous and creditable for any of the following reasons: your previous insurer became insolvent, you reached the maximum lifetime benefit under your prior coverage, you exhausted state or COBRA continuation coverage, are leaving a medical assistance program, your conversion policy or other coverage was terminated.

- *If you are HIPAA eligible, MCHA will not impose a pre-existing condition exclusion period.*

HOW MUCH CAN I BE CHARGED FOR MCHA COVERAGE?

- *Premiums vary based on your age and the plan you choose.* For example, for the 2004 plan year, monthly premiums for the plan with a \$500 deductible range from \$177 for a 24 year old to \$526 for a 64 year old. Monthly premiums for the plan with the \$10,000 deductible range from \$57 for a 24-year old to \$170 for a 64-year old. (Note: Family coverage is available for the adult MCHA policyholder and dependents.)

Contact the Minnesota Department of Commerce or the MCHA plan administrator for information about coverage options and premiums.

HOW LONG DOES MCHA COVERAGE LAST?

- *MCHA policies are renewable as long as you pay your premiums, continue to reside in Minnesota, and meet other eligibility requirements.*

CONVERSION COVERAGE

WHEN AM I ELIGIBLE FOR CONVERSION COVERAGE?

- *In Minnesota, if you have coverage through an employer's fully insured group health plan and you leave that job, you are eligible to buy conversion coverage.* This is an individual health insurance policy you get from the company that insured your employer's group plan. If you had family coverage under your prior group plan, your dependents can elect conversion coverage, as well.
- *To qualify for conversion coverage, you first must have used up any COBRA or state continuation coverage.*
- *You do not need to be HIPAA eligible to buy conversion coverage.*

WHAT DOES CONVERSION COVERAGE COVER?

- *You must be offered conversion coverage that covers standard health benefits required by Minnesota law. These include hospital and physician care, diagnostic tests, maternity care, preventive care and prescription drugs. The standard conversion policy coverage is very similar to that offered by the Minnesota Comprehensive Health Association (see below). The insurance company also can offer you a policy covering fewer benefits for a reduced premium.*

WHAT ABOUT COVERAGE FOR MY PRE-EXISTING CONDITION?

- *You will not face a new pre-existing condition exclusion period under conversion coverage. You may, however, be required to fulfill any remaining time required under your prior coverage.*

HOW MUCH CAN I BE CHARGED FOR CONVERSION COVERAGE?

- *Premiums for a standard conversion policy must be 10% less than the premiums charged by the Minnesota Comprehensive Health Association for similar coverage. Contact the Minnesota Department of Commerce if you have questions about conversion policy premiums.*

CAN MY POLICY BE CANCELLED?

Conversion policies, like other individual health insurance policies, are guaranteed renewable. Your coverage cannot be cancelled because you get sick.

CHAPTER 4

YOUR PROTECTIONS AS A SMALL EMPLOYER OR SELF-EMPLOYED PERSON

Federal law extends certain protections to employers seeking to buy health insurance for themselves and their workers. Minnesota has enacted reforms to expand some of these protections. Generally, small employers are those that employ 2-50 employees. Please note, however, that the definitions of small employer and employee are somewhat different under federal and state law. Check with the Minnesota Department of Commerce to be sure that you know which protections apply to your group.

DO INSURANCE COMPANIES HAVE TO SELL ME HEALTH INSURANCE?

- *With few exceptions, small employers cannot be turned down.* This is called guaranteed issue. If you employ at least 2 but not more than 50 people eligible for health benefits, health insurance companies must sell you any **small group health plan** they sell to small employers. However they can require that a minimum percentage of your eligible employees sign up for coverage. They can also require you to pay a minimum share of your workers' premiums. If you are buying a **large group health plan** for 51 or more eligible employees, your group can be turned down.
- *Your insurance cannot be canceled because someone in your group becomes seriously ill.* This is called guaranteed renewability and it applies to group plans of all sizes. Insurers can impose other conditions, however. They can require you to meet minimum participation and contribution rates in order to renew your coverage. Additionally, they can refuse to renew your coverage for nonpayment of premiums or if you commit fraud, or if they are discontinuing that insurance product. In the latter case, they must give you a chance to buy other plans they sell to groups of your size.

CAN I BE CHARGED MORE BECAUSE OF MY GROUP'S HEALTH STATUS?

- *Within limits, you may be charged higher premiums based on the group's health status, claims experience, occupation and geographical location of your group.* However, you cannot be charged more because of your gender.
- *If you have questions about your group health insurance premiums, contact the Minnesota Department of Commerce.*

WHAT IF I AM SELF-EMPLOYED?

- *If you are self-employed with no other workers, you are not eligible to buy a group health plan on your own (though you may be able to join another group health plan through a family member). Therefore, the laws that protect employers' access to group health plans do not apply to you. Your access to health insurance is protected by the laws that apply to individuals. (See Chapter 3.)*
- *If you are self-employed and buy your own health insurance, you are eligible to deduct 100% of the cost of your premium from your federal income tax. .*

A WORD ABOUT ASSOCIATION PLANS

- *Some small employers, self-employed people, and other individuals buy health insurance through professional or trade associations. The laws applying to association health coverage can be different than those for other health plans. Check with the Minnesota Department of Commerce about your protections in association health plans.*

CHAPTER 5 FINANCIAL ASSISTANCE

Help is available to certain low-income residents of Minnesota who cannot afford to buy health insurance. Medicaid, MinnesotaCare, Sage Screening Program and other state programs offer free or subsidized health insurance coverage, direct medical services or other help. This chapter provides summary information about these programs and contact information for further assistance.

In addition, the federal government, under the Trade Adjustment Assistance (TAA) Program, provides tax credits to some workers who lose their jobs or whose work hours and wages are reduced as a result of increased imports. This chapter provides summary information about this program and contact information for further assistance.

MEDICAID

Medicaid is a program that provides health coverage to some low-income Minnesota residents. Medicaid covers families with children and pregnant women, medically needy individuals, the elderly, and people with disabilities, if state and federal guidelines are met. Legal residents who are not U.S. citizens may be eligible for Medicaid. Non-citizens who do not have immigration documents cannot enroll in Medicaid.

- *For certain categories of people, eligibility for Medicaid is based on the amount of your household income.*

In Minnesota you may be eligible for Medicaid if you are an infant, a child, a parent of a child, or pregnant, and your family income meets the Medicaid income standards.

Income eligibility levels for these categories are described below. Your assets and some expenses also may be taken into account, so you should contact your county human services agency for more information.

Low income persons eligible for Medicaid in Minnesota*

<u>Category</u>	<u>Income eligibility</u> (as percent of federal poverty level)
Infant	280% (monthly income of about \$3,656 for family of 3)
Child 2-5	275%
Child 6-18	275%
Parent	270%
Pregnant woman	275%
Medically Needy	
Individual	67%
Couple	62%

*Eligibility information was compiled from *State Health Facts Online*, the Henry J. Kaiser Family Foundation, and may have changed since this guide was published. Contact your state Medicaid program for the most up to date information and for other eligibility requirements that may apply.

To get an idea of how your income compares to the federal poverty level, use the federal poverty guideline issued by the U.S. Department of Health and Human Services for the year 2001:

<u>Size of Family Unit</u>	<u>Poverty Guideline (annual income)</u>
1	\$ 9,310
2	\$12,490
3	\$15,670

For larger families add \$3,020 for each additional person

So, for example, using this guideline, 200% of the federal poverty level for a family of 3 would be an annual income of \$31,340, or a monthly income of \$2,612.

Contact your state Medicaid program for the most up to date information and for other eligibility requirements that may apply.

- *Families who get cash benefits from **TANF** (also known as Minnesota Family Investment Program) can get Medicaid.*

Parents should know that when you get a job and your TANF benefits end, you generally can stay on Medicaid for a 12-month transitional period.

Children should know that when your family's TANF benefits end, you may also qualify for transitional Medicaid coverage for 12 months. Or, you may qualify for Medicaid yourself if your family's income meets the Medicaid income standards (see below.)

- *Very poor elderly or disabled people who get **Supplemental Security Income (SSI)** benefits can also qualify for Medicaid.*

Disabled individuals should know that if your income earned from a job increases so that you no longer qualify for SSI, you may be able to continue your Medicaid coverage at least for a limited time.

- *People who have high medical expenses may also qualify for Medicaid.* You may qualify as medically needy if you are a child, parent of a dependent child, pregnant, elderly, or disabled and have high medical expenses that, when subtracted from your income, would make you eligible for Medicaid coverage. For example, people who have to pay a lot for prescription drugs, nursing home care, or other long term care services sometimes qualify as medically needy if they do not have health insurance that covers these services.
- *Retired or disabled people who have low incomes and are enrolled in Medicare may also qualify for help from Medicaid.* Even though your income may be too high to qualify for Medicaid insurance coverage, there may be other ways Medicaid can help you.

If your household income is below the poverty level, Medicaid will pay your Medicare monthly premium and your Medicare deductibles and coinsurance. This is called the Qualified Medicare Beneficiary (QMB) program.

If your household income is below 120% of the poverty level, Medicaid will pay for your monthly Medicare premiums only. This is called the Specified Low-Income Medicare Beneficiary (SLMB) program.

Contact your county human services agency for more information about other eligibility requirements.

There may be other ways that Medicaid can help. To apply or find out if you or other members of your family qualify for Medicaid, contact the Minnesota Department of Human Services at (651) 297-3862 or (800) 657-3672 or at http://www.dhs.state.mn.us/main/groups/healthcare/documents/pub/dhs_id_006254.hcsp

MINNESOTACARE

MinnesotaCare is a state-designed program that subsidizes health coverage to low-income residents who have limited or no health insurance. MinnesotaCare is a program to provide health insurance to residents who cannot afford coverage.

- *To be eligible for coverage under MinnesotaCare, you must qualify. You must have been without health insurance for at least 4 months.* You also must not have access to an employer provided group health plan, or, if your employer offers coverage, you must be required to pay more than half of the premium. Children do not have to meet these requirements.

- *If you are an adult age 21 or older and are pregnant or have children, your family income must be less than 275% of the federal poverty level (\$3,591 monthly income for a family of three in 2004). If you are an adult age 21 or older with no children, your family income must be less than 175% of the federal poverty level (\$2,285 monthly income for a family of three in 2004). However, eligibility standards for children under age 21 differ.*
- *In general, MinnesotaCare only covers up to \$10,000 in hospital care per year. However, there is no limit on hospital coverage for adults who have a child under 21 in their home and whose income is no more than 175% of the federal poverty level. MinnesotaCare also covers outpatient visits to the doctor, prescription drugs, and dental, vision, and home health care. All care is provided through managed care plans.*
- *Premiums are charged on a sliding scale, based on your income and family size. For example, for a family of three with a monthly income of \$1,000, the monthly premium may be \$18. For the same family with a monthly income of \$3,000, the monthly premium could be \$264.*
- *For more information, please contact the Minnesota Department of Human Services at (651) 297-3862 or (800) 657-3672 or at http://www.dhs.state.mn.us/main/groups/healthcare/documents/pub/DHS_id_006255.hcsp*

SAGE SCREENING PROGRAM

The Sage Screening Program (formerly the Minnesota Breast and Cervical Cancer Control Program) is a statewide comprehensive breast and cervical cancer screening program that provides free screening and follow-up services to eligible Minnesota residents.

- *To be eligible for the Sage Screening Program, you must be 40 or older, have no insurance or be underinsured, and your income must fall below 250% of the federal poverty line. For example, for a family of three, the monthly income would be \$3,265. There are, however, exceptions to the age requirement. If a woman younger than 40 is determined by a clinician to be at a higher risk for breast cancer, then she may be eligible for a free mammogram and follow-up services, if they are needed.*
- *If you are diagnosed with breast and/or cervical cancer through the screening program, you may be eligible for free health coverage through the Medicaid program. If eligible, Medicaid will cover all your medical costs.*
- *For more information, please contact Minnesota's Department of Health, Sage Screening Program at 1(888)643-2584 or visit <http://www.health.state.mn.us/divs/hpcd/ccs/mbcccp.htm>.*

OTHER STATE PROGRAMS

There may be other financial assistance programs available. Please contact the Minnesota Department of Human Services at (651) 297-3862 or (800) 657-3672 or at <http://www.dhs.state.mn.us>.

THE FEDERAL HEALTH COVERAGE TAX CREDIT (HCTC)

A federal income tax credit is available to help certain trade dislocated workers and early retirees, and their dependents, buy qualified health insurance coverage. The Health Coverage Tax Credit (HCTC) covers 65% of the insurance premium for qualified coverage. Under this program, you can either claim the tax credit at the end of the year on your tax return or you can elect to have the money paid directly to your qualified health plan each month by the Internal Revenue Service.

WHEN AM I ELIGIBLE FOR THE HCTC?

- *To be eligible for the tax credit, you must be receiving Trade Adjustment Assistance (TAA) benefits or retirement benefits from the PBGC. If you are receiving PBGC benefits, you also must be at least 55 years old.*
- *In addition, you must meet other requirements. Specifically, you are not eligible for the HCTC if any of the following apply to you:*
- *You have a health plan maintained by an employer or former employer that pays at least 50% of the cost of your coverage. Any share of your premium that is paid by you or your spouse on a pre-tax basis is considered to have been paid by your employer and must be included as such when determining the percentage of employer coverage.*
- *You are enrolled in Medicare (Part A or B).*
- *You are enrolled in the Federal Employees Health Benefits Program (FEHBP), Medicaid, or State Children's Health Insurance Program (SCHIP).*
- *You are entitled to health coverage through the U.S. military health system (Tricare/CHAMPUS).*
- *You can be claimed as a dependent on someone else's federal tax return.*
- *You received a lump sum payment of your entire PBGC benefit before August 6, 2002.*
- *As of the first day of the current month in which you are otherwise eligible, you are imprisoned under a federal, state or local authority.*

- *HCTC may apply to your family, too.* If you are eligible, you can use the credit to help purchase qualified health coverage for your qualified family members. Qualified family members are your spouse and dependents that you can claim on your federal tax return. Family members are not eligible if they are enrolled in another group health plan where the employer pays at least 50% of the cost of coverage, or in Medicaid, SCHIP, FEHBP, Tricare/CHAMPUS.
- *Eligibility for HCTC is not based on income.* In addition, the HCTC is refundable. This means you can claim the credit even if you do not earn enough income to owe federal income tax.

HOW MUCH OF MY HEALTH COVERAGE COST WILL THE TAX CREDIT COVER?

- *The HCTC is equal to 65% of health insurance premiums for qualified health insurance coverage.*

WHAT HEALTH COVERAGE IS ELIGIBLE FOR THE TAX CREDIT?

- *The HCTC can only be used to help pay for “qualified” health coverage. Qualified health coverage includes:*
 - COBRA continuation coverage, as long as your employer or former employer contributes less than 50% of the total health plan premium. (See Chapter 3 for COBRA and state continuation coverage.)
 - Individual health insurance in which you were enrolled for at least the last 30 days before you were separated from the job that makes you eligible for TAA benefits or for payments from the PBGC.
 - State-qualified health plans. In Minnesota, coverage through the *Minnesota Comprehensive Health Association* is considered the state qualified health plan.
 - Your husband’s or wife’s insurance from work, as long as the employer contributes less than 50% of the total health plan premium. (At this time, you can only claim the credit with this type of coverage when you file your federal tax return and not in advance.)

HOW DO I CLAIM THE HCTC?

- *You can claim the HCTC on your tax return and be reimbursed for 65% of the premium you paid for qualified coverage while you were eligible for the HCTC.* Currently, this is the only way to claim the HCTC if your qualified health plan is provided through a spouse’s employer.

- *Alternatively, you can choose to have your credit sent directly to your qualified health plan each month. To do this, you must register with the HCTC customer service center by calling 1-866-628-HCTC (1-866-628-4282), Monday through Friday between the hours of 7 am and 7 pm, Central time. TDD/TYY callers, please call 1-866-626-HCTC (1-866-626-4282).*
- *You will have to fill out a registration form verifying your eligibility for the HCTC and your enrollment in qualified coverage. You will also fill out a payment invoice. Each month, you will send the HCTC program your 35% share of the premium for qualified coverage. The HCTC program will combine this payment with the tax credit covering the other 65% of the premium and forward the entire payment to your qualified health plan.*
- *You must register in advance to have the HCTC paid directly to your health plan each month. Usually, the direct payments won't begin until at least a month after you register with the HCTC program. Call the HCTC customer service center for more information.*

WHERE CAN I GET MORE INFORMATION?

- *For more information about the HCTC, contact the HCTC customer service center at 1-866-628-HCTC, or see the IRS website at <http://www.irs.gov/individuals/index.html> (click on HCTC)*
- *For more information about TAA benefits contact, http://www.doleta.gov/tradeact/2002act_summary.asp.*
- *For more information about PBGC, contact, <http://www.pbgc.gov> or call 1-202-326-4000 with general inquiries.*

FOR MORE INFORMATION...

As a summary, this guide will not answer every question for every person in every circumstance. In addition, it is not a substitute for legal advice. If you have more questions, contact the agencies listed below or consult an attorney.

For questions about:	Contact:
Individual, fully insured group health plans, state continuation coverage, or conversion policies	Minnesota Department of Commerce (800) 657-3602 (Minnesota calls only) (612) 296-2488 or call Minnesota Department of Health (for HMOs) (800) 657-3916 (Minnesota calls only) (612) 282-5600
Self-insured group health plans COBRA continuation coverage Family and Medical Leave Act	U.S. Department of Labor Kansas City Regional Office, for Minnesota (816) 426-5131 Division of Technical Assistance and Inquiries, Washington, D.C. (202) 219-8776 For Department of Labor publications: (800) 998-7542 http://www.dol.gov/dol/pwba
Minnesota Comprehensive Health Association (MCHA)	MEDICA 1.866.894.8053 http://www.mchamn.com/index.html
Medicaid	Minnesota Department of Human Services (651) 297-3862 (800) 657-3672 http://www.dhs.state.mn.us/main/groups/healthcare/documents/pub/dhs_id_006254.hcsp
MinnesotaCare	Minnesota Department of Human Services (651) 297-3862 (800) 657-3672 http://www.dhs.state.mn.us/main/groups/healthcare/documents/pub/DHS_id_006255.hcsp

For questions about:	Contact:
Sage Screening Program	Minnesota's Department of Health (888)643-2584 http://www.health.state.mn.us/divs/hpcd/ccs/mbccc.htm .
Other Assistance Programs	Minnesota Department of Human Services (651) 297-3862 (800) 657-3672 http://www.dhs.state.mn.us .
The Federal Health Coverage Tax Credit (HCTC)	Internal Revenue Service (IRS) (866) 628-HCTC http://www.irs.gov/individuals/index.html (Click on HCTC); or call HCTC customer service center

Finally, if you would like to obtain a consumer guide for a different state, visit the web at <http://www.healthinsuranceinfo.net>

HELPFUL TERMS

Alternative Trade Adjustment Assistance (ATAA). ATAA is a benefit for workers at least 50 years old who have obtained different, full-time employment within 26 weeks of the termination of adversely-affected employment. These workers may receive 50% of the wage differential (up to \$10,000) during their 2 year eligibility period. To be eligible for the ATAA program, workers may not earn more than \$50,000 per year in their new employment. Also, the firm where the workers worked must meet certain eligibility criteria.

Certificate of Creditable Coverage. A document provided by your health plan that lets you prove you had coverage under that plan. Certificates of creditable coverage will usually be provided automatically when you leave a health plan. You can obtain certificates at other times as well. See also Creditable Coverage.

COBRA. Stands for the Consolidated Omnibus Budget Reconciliation Act, a federal law in effect since 1986. COBRA permits you and your dependents to continue in your employer's group health plan after your job ends. If your employer has 20 or more employees, you may be eligible for COBRA continuation coverage when you retire, quit, are fired, or work reduced hours. Continuation coverage also extends to surviving, divorced or separated spouses; dependent children; and children who lose their dependent status under their parent's plan rules. You may choose to continue in the group health plan for a limited time and pay the full premium (including the share your employer used to pay on your behalf). COBRA continuation coverage generally lasts 18 months, or 36 months for dependents in certain circumstances. See also State Continuation Coverage.

Continuous Coverage. Health insurance coverage that is not interrupted by a break of 63 or more consecutive days. Employer waiting periods do not count as gaps in health insurance coverage for the purpose of determining if coverage is continuous. See also Creditable Coverage, HIPAA eligible.

Conversion. Your right, when leaving a fully insured group health plan in Minnesota, to convert your policy to an individual health insurance policy. Minnesota requires insurance companies to offer conversion coverage that cover standardized benefits. Minnesota also limits premiums that can be charged for conversion policies to 90% of the premium charged by MCHA. See also Fully Insured Group Health Plan.

Creditable Coverage. Health insurance coverage under any of the following: a group health plan; an individual health plan; Medicare; Medicaid; CHAMPUS (health coverage for military personnel, retirees, and dependents); Federal Employees Health Benefits Program (FEHBP); Indian Health Service; Peace Corps; or a state health insurance high risk pool. See also Continuous Coverage, Group Health Plan, Individual Health Insurance.

Elimination Rider. Minnesota prohibits individual health insurers from excluding coverage for a specific health condition, body part or body system.

Enrollment Period. The period during which all employees and their dependents can sign up for coverage under an employer group health plan. Besides permitting workers to elect health benefits when first hired, many employers and group health insurers hold an annual enrollment period, during which all employees can enroll in or change their health coverage. See also Group Health Plan, Special Enrollment Period.

Family and Medical Leave Act (FMLA). A federal law that guarantees up to 12 weeks of job protected leave for certain employees when they need to take time off due to serious illness, to have or adopt a child, or to care for another family member. When you qualify for leave under FMLA, you can continue coverage under your group health plan.

Fully Insured Group Health Plan. Health insurance purchased by an employer from an insurance company. Fully insured group health plans are regulated by the Minnesota Department of Commerce and Minnesota Department of Health. See also Self-Insured Group Health Plans.

Genetic Information. Includes information about family history or genetic test results indicating your risk of developing a health condition. A health plan cannot use information about your family history or require a genetic test to reject your application or exclude coverage for a condition about which you have genetic information.

Group Health Plan. Health insurance (usually sponsored by an employer, union or professional association) that covers at least 2 employees.

Guaranteed Issue. A requirement that health plans must permit you to enroll regardless of your health status, age, gender, or other factors that might predict your use of health services. All health plans sold to small employers in Minnesota are guaranteed issue. Plans that are guaranteed issue can turn you away for other reasons.

Guaranteed Renewability. A feature in health plans that means your coverage cannot be canceled because you get sick. Kassebaum-Kennedy requires all health insurance to be guaranteed renewable. Your coverage can be canceled for other reasons unrelated to your health status.

Health Coverage Tax Credit (HCTC). The Health Coverage Tax Credit (HCTC) is a program that can help pay for nearly two-thirds of eligible individuals' health plan premiums. In general, in order to be eligible for the credit, you must be 1) receiving Trade Readjustment Allowance (TRA) benefits or 2) will receive TRA benefits once your unemployment benefits are exhausted or 3) receiving benefits under the **Alternative Trade Adjustment Assistance (ATAA)** program or 4) aged 55 or older and receiving benefits from the Pension Benefit Guaranty Corporation (PBGC).

Health Insurance or Health Plan. In this guide, the term means benefits consisting of medical care (provided directly or through insurance or reimbursement) under any hospital or medical service policy, plan contract, or HMO contract offered by a health insurance company or a group health plan. It does not mean coverage that is limited to accident or disability insurance, workers' compensation insurance, liability insurance (including automobile insurance) for medical expenses, or coverage for on-site medical clinics. Health insurance also does not mean coverage for limited dental or vision benefits to the extent these are provided under a separate policy.

Health Status. When used in this guide, refers to your medical condition (both physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability (including conditions arising out of acts of domestic violence), and disability. See also Genetic Information.

HIPAA. The Health Insurance Portability and Accountability Act, better known as **Kassebaum-Kennedy**, after the two senators who spearheaded the bill. Passed in 1996 to help people buy and keep health insurance, even when they have serious health conditions, the law sets minimum standards for health insurance reforms. Since states can and have modified and expanded upon these provisions, consumers' protections vary from state to state.

HIPAA Eligible. When you are buying individual health insurance, being HIPAA eligible means you have greater protections than you would otherwise have in Minnesota and in other states. To be HIPAA eligible, you must have had 18 months of continuous creditable health coverage. In addition, you must have used up any COBRA or state continuation coverage available to you; you must not be eligible for Medicare, Medicaid, or a group health plan; you must not have other health insurance; and you must apply for individual health insurance within 63 days of losing your prior creditable coverage. See also COBRA, Continuous Coverage, Creditable Coverage, State Continuation Coverage.

HMO. Health maintenance organization. A kind of health insurance plan. HMOs usually limit coverage to care from doctors who work for or contract with the HMO. They generally do not require deductibles, but often do charge a small fee, called a copayment, for services like doctor visits or prescriptions.

Individual Health Insurance. Policies for people not connected to an employer group. This term also refers to coverage purchased by the self-employed for themselves (or their family members) but for no other employees. Individual health insurance policies are regulated by the Minnesota Insurance Department.

Kassebaum-Kennedy. See HIPAA.

Large Group Health Plan. One with more than 50 eligible employees.

Late Enrollment. Enrollment in a health plan at a time other than the regular or a special enrollment period. Late enrollees can be subject to a longer pre-existing condition exclusion period. See also Special Enrollment Period.

Look Back. The maximum length of time, immediately prior to enrolling in a health plan, that can be examined for evidence of pre-existing conditions. See also Pre-existing Condition.

Medicaid. A program providing comprehensive health insurance coverage and other assistance to certain low-income residents of Minnesota. All other states have Medicaid programs, too, though eligibility levels and covered benefits will vary.

Managed Care Plan. See HMO

MCHA. Minnesota Comprehensive Health Association, the state-run program for people with high health risks (called a high risk pool). MCHA sells individual and family coverage to those who are HIPAA eligible and to others with serious health conditions who cannot buy affordable coverage from private health insurance companies.

MinnesotaCare. A program through which uninsured Minnesota residents can get health insurance at reduced premiums, based on their income.

Nondiscrimination. A requirement that group health plans not discriminate against you based on your health status. Your coverage under a group health plan cannot be denied or restricted, nor can you be charged a higher premium, due to your health status. Group health plans can restrict your coverage based on other factors (such as part time employment) that are unrelated to health status. See also Group Health Plan, Health Status.

Pension Benefit Guaranty Corporation (PBGC). PBGC is a federal government corporation established by Title IV of the Employee Retirement Income Security Act of 1974 (ERISA) to encourage the continuation and maintenance of defined benefit pension plans, provide timely and uninterrupted payment of pension benefits to participants and beneficiaries in plans covered by PBGC. It currently guarantees payment of basic pension benefits earned by American workers and retirees participating in private-sector defined benefit pension plans. The agency receives no funds from general tax revenues. Operations are financed largely by insurance premiums paid by companies that sponsor pension plans and by PBGC's investment returns.

Pre-existing Condition (Group and Individual Health Insurance). Any condition (either physical or mental) for which a diagnosis, care, or treatment was recommended or received within the 6-month period immediately preceding enrollment in a health plan. Pregnancy cannot be counted as a pre-existing condition. Genetic information about your likelihood of developing a disease or condition, without a diagnosis of that disease or condition, cannot be considered a pre-existing condition. Newborns, newly adopted children, or children placed for adoption covered within 31 days cannot be subject to pre-existing condition exclusions.

Pre-existing Condition Exclusion Period. The time during which a health plan will not pay for covered care relating to a pre-existing condition. See also Pre-existing Condition.

Sage Screening Program. The Sage Screening Program is a program which provides free screening for breast and cervical cancer to eligible residents of Minnesota. Eligible women diagnosed with breast or cervical cancer may be eligible for free health coverage through Medicaid for treatment of their condition.

Self-Insured Group Health Plans. Plans set up by employers who set aside funds to pay their employees' health claims. Because employers often hire insurance companies to run these plans, they may look to you just like fully insured plans. Employers must disclose in your benefits information whether an insurer is responsible for funding, or for only administering the plan. If the insurer is only administering the plan, it is self-insured. Self-insured plans are regulated by the U.S. Department of Labor, not by the Minnesota Insurance Department.

Small Group Health Plans. Plans with at least 2 but not more than 50 eligible employees.

Special Enrollment Period. A time, triggered by certain specific events, during which you and your dependents must be permitted to sign up for coverage under a group health plan. Employers and group health insurers must make such a period available to employees and their dependents when their family status changes or when their health insurance status changes. Special enrollment periods must last at least 30 days. Enrollment in a health plan during a special enrollment period is not considered late enrollment. See also Late Enrollment.

State Continuation Coverage. A program similar to COBRA for small employers. In Minnesota, if you are in a fully insured group health plan with 2 or more employees, you also have rights to continue your health coverage for up to 18 months when your job ends. See also COBRA.

Supplemental Security Income (SSI). A program providing cash benefits to certain very low income disabled and elderly individuals. When you qualify for SSI, you generally also qualify for Medicaid. In addition, Medicaid coverage often continues for a limited time if your income increases so that you no longer qualify for SSI. See also Medicaid.

Temporary Assistance for Needy Families (TANF). A program that provides cash benefits to low income families with children. When you qualify for TANF, you generally also qualify for Medicaid. In addition, Medicaid coverage often continues for a limited time or longer if you no longer qualify for TANF. See also Medicaid.

Trade Adjustment Assistance (TAA) Program. A program authorized by the Trade Adjustment Assistance Reform Act of 2002. This program provides aid to workers who lose their job or whose hours of work and wages are reduced as a result of increased imports. The TAA Program offers six benefits and reemployment services to assist unemployed workers prepare for and obtain new suitable employment. In addition, TAA offers a significant tax credit that covers 65% of health insurance premiums for certain plans.

U.S. Department of Labor. A department of the federal government that regulates employer provided health benefit plans. You may need to contact the Department of Labor if you are in a self-insured group health plan, or if you have questions about COBRA or the Family and Medical Leave Act. See also COBRA, Family and Medical Leave Act.

Waiting Period. The time you may be required to work for an employer before you are eligible for health benefits. Not all employers require waiting periods. Waiting periods do not count as gaps in health insurance for purposes of determining whether coverage is continuous. If your employer requires a waiting period, your pre-existing condition exclusion period begins on the first day of the waiting period.