



**Paul Breslau**

## A Charmed Friend or a Dangerous Threat

If you are not “handy” and you try to fix the plumbing, what happens? If you are not “technically oriented” and you try to fix

your computer, what happens? If state and federal politicians try to fix health insurance over a period of five decades, what happens?

- A. COBRA, HIPAA and other regulations
- B. Millions of uninsured people
- C. Sometimes unaffordable health insurance
- D. All of the above

Read on if you want to better navigate your oftentimes complex health insurance options and possibly improve your situation. The quick and dirty understanding you may get here, however, is not a substitute for the professional help you should engage.

Like the snake, COBRA can be a charmed friend or a dangerous threat. In Arizona, the totally simple version of COBRA is that if you worked for an employer with 20 or more employees, you can keep your group health insurance at your own expense for a period of time after your employment ends. If you are old and sick and you formerly worked with young healthy people, the low rates you will enjoy may be spectacular for you. If you are young and healthy and worked with a bunch of old sick people, this may be expensive compared to an individual/family policy you can buy. The range of outcomes is great, and the only way to determine what is best for you is to dig into the details. Find the person at your former employer who handles the group health insurance and find a competent health insurance agent to get you some quotes. Compare.

Businesses with 20 employees must diligently attend to COBRA or it is a dangerous threat. Each former employee has a small potential of suffering a dread disease and needing expensive treatment, such as an organ transplant. If the employer did not pay attention to all of the COBRA rules and regulations, and there are many, their potential liability is enormous. Solutions for business people include hiring competent HR professionals, specialized software and outsourcing. A knowledgeable health insurance agent can help guide you.

For Arizona employees HIPAA means that if you exhaust your ability to have group insurance to the very end, including COBRA, you are guaranteed the right to purchase an individual policy from any health insurance company offering individual insurance in the state. You have 63 days to do this. That is the good news part. The bad news is the health insurance companies can charge according to the risk, and the risk is great. HIPAA premiums are outrageous. HIPAA works for those being wheeled into the operating room. Everyone else should consult a health insurance agent for possible alternatives.

One final note is that if you are healthy and you take COBRA but become unhealthy and uninsurable while on COBRA, you have lost an opportunity. You may be stuck with HIPAA guarantee issues. Most people should arrange private insurance and not wait even though COBRA may be less expensive.

The 40+ million uninsured people and unaffordable health insurance are one issue. There are now some new “old” health insurance programs that will help. Turning back the clock 50 years, insurance companies are rolling out low cost programs with limited first dollar benefits and low catastrophic limits. These are the former “Basic Medical” plans. Other insurance companies are rolling out low cost catastrophic policies with limited or no first dollar benefits. These are the former “Major Medical” plans. Health Savings Accounts combine a lower cost “Major Medical” type plan with a tax qualified savings account.

Please contact me or another health insurance agent if you have questions or need guidance. Here are some additional Arizona based specialized resources:

- Insurance attorney, Kathryn Busby, (602) 954-0475
- Software, COBRA Solutions Inc., Scott Beaver, (800) 325-1957
- Outsourcing, BASIC, Linda Wurzelbacher, (866) 259-3200

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