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Consumers Support Gov.'s Plan to Help Insure Laid-off Mainers One Woman Sharing Her Story Can Make a Difference

(Augusta) Consumers for Affordable Health Care (CAHC) is thrilled with Governor John Baldacci's new efforts to use some federal stimulus money to make health insurance more affordable to Maine people who recently lost their jobs and with that their health insurance. We are hoping the Maine Legislature passes this new plan, and does so quickly! With deadlines on how long laid-off workers have to apply for federal assistance, getting this extra state help into place immediately is crucial for thousands of hard-working Maine families.

A new national plan is allowing Americans who lost their jobs and health insurance between September 1, 2008 and December 31, 2009 to get COBRA (Consolidated Omnibus Budget Reconciliation Act) insurance coverage at a 65% discount. The unemployed workers will be responsible for paying the remaining 35%.

This is a great help, but the remaining 35% is still unaffordable for Maine families already struggling to put food on the table. The Governor's Office is working on a plan to help those families pay that remaining 35%. But the plan still needs approval from the Legislature. That's where Maine people speaking up and telling their stories can make a difference.

When the Governor's Office saw Roberta Mason's story in local media, they say it highlighted perfectly why this plan is needed. Roberta is one of thousands of Mainers who call CAHC's health care HelpLine every year. She recently lost her job at a local factory, "At 62 years old, who is going to hire me? Never mind a job with health insurance. I didn't know what I was going to do...that's why I spoke up and shared my story. Someone has to. I'm going to be calling my legislators. Something needs to be done."

With unemployment paying her about \$700 a month after taxes, there was no way Roberta could afford her \$550 COBRA insurance. Even with the federal 65% COBRA subsidy, Roberta's cost would be nearly \$200 a month. On top of the cost for some needed expensive medicines, getting back her health insurance was not possible.

The Governor's plan calls for using federal stimulus dollars to help up to 8,000 low and moderate income Maine people obtain the health insurance they need. "The Governor worked closely with Maine's Congressional delegation as they deliberated the COBRA provisions. We were concerned that the discounts were not deep enough to make coverage affordable for people like Roberta Mason and that COBRA was not available for those laid off from small businesses. To help laid-off Mainers, the Governor has proposed maximizing the federal money by providing a short term policy through Harvard

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Pilgrim for those who don't qualify for the federal program, and by providing vouchers to subsidize the remaining portion for laid-off workers on a sliding scale for those who do qualify for COBRA," says Trish Riley, Director of the Governor's Office of Health Policy & Finance.

As Maine's largest consumer health care coalition, collectively representing nearly 200,000 Maine people, CAHC feels it is vital to make sure that this new plan to provide additional support to families in need is approved by our State Legislature-and fast! Otherwise, people who need the help most may lose their window of opportunity to enroll in the Federal program that provides the first 65% off the cost. Many laid-off Mainers didn't sign up for their COBRA plan because they couldn't afford it with just the 65% Federal subsidy. And, for some people, if they don't sign up by May 1, 2009 they could lose their chance to access the Federal assistance, and Maine's proposed additional help. The longer the State takes to pass this additional assistance, the more likely that window will close and many hard working Mainers will not get this much needed insurance at a rate they can afford.

How the Governor's Plan Would Work

PART ONE- Laid off from a Large Employer

If you are eligible for the Federal 65% COBRA discount, and your previous employer has MORE than 20 employees: As long as your household makes at or less than 300% of the poverty level (about \$32,500 a year for an individual, \$43,710 for a family of two and \$66,150 for a family of four) you would be able to receive a voucher that will provide an additional 20%-80% subsidy for the remainder of your COBRA coverage bill for up to nine months.

Examples: If your COBRA coverage was going to cost you \$500 a month, after subtracting the 65% federal subsidy, your cost would be \$175 a month. The State plan for additional assistance could lower your monthly payment to between \$35 to \$140 a month, depending on your household income. A \$1200 family plan payment could be reduced to between \$84 to \$336 a month, depending on your household income.

PART TWO- Laid off from a Small Employer

If you are eligible for the Federal 65% COBRA discount, but your employer has 20 employees or fewer so is not required to provide that benefit: As long as your household makes at or less than 300% of the poverty level, and you lost health coverage when you lost your job between September 1, 2008 and December 31, 2009, the new Maine plan could provide you with 20%-80% subsidies to obtain coverage for up to nine months through Harvard Pilgrim Health Care and the Dirigo Health Agency.

For more information on the Federal 65% COBRA assistance call the New England Department of Labor at 1-866-444-3272. For more information on Maine's plan to provide additional help call CAHC's HelpLine at 1-800-965-7476.

Consumers for Affordable Health Care is a non-profit, non-partisan organization that has been helping Maine people get quality, affordable health care for more than 20 years.

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