

Job Tips for 50+ Workers

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HIPAA: Protecting Your Right to Health Insurance

Lesley is 58 years old and has been offered a great job at another company. She is worried that leaving her current job means losing her health insurance. That's really important because she has a serious medical problem that requires a lot of care. If the new job offers group health insurance, will her medical problem be covered? If her new job does not offer group health insurance, will she be able to get an individual policy?

Many people who change jobs face the same questions about health insurance. HIPAA, the Health Insurance Portability and Accountability Act, may help. HIPAA is a federal law that gives you and your family certain protections when you are changing from one group health plan to another or from a group plan to an individual insurance plan.

Changing from One Group Plan to Another Group Plan

HIPAA provides protections to people who are changing from one group plan to another and who meet the following conditions:

- Are in a group plan that is covered by HIPAA. Most plans are covered. Check with your employer ' s benefits manager to make sure your plan is covered by HIPAA.
- Have had health insurance through a group health plan, a health maintenance organization (HMO), an individual insurance policy, Medicaid or Medicare.
- Have a new job that offers group health insurance.
- Have not gone without health insurance coverage for more than 63 days after losing their previous insurance coverage.

How HIPAA protects you

If you meet the conditions above and are changing from one group plan to another, HIPAA protects you in the following ways:

- **Limits how long you need to wait to get care for a pre-existing medical problem.** A pre-existing medical condition is one that was diagnosed or treated during the six month period before you joined the new health plan. (This six month period is called the "look back" time.) *FYI: Some states shortened the time a medical problem is considered pre-existing. Check with your state insurance department.*

Under HIPAA, your new group health plan can't make you wait more than 12 months before covering your care for a pre-existing medical problem. (If you did not sign up for the new health plan as soon as you could have, you may have to wait 18 months.)

Your new group health plan must also reduce this waiting period if you had previous health insurance coverage that met criteria set by HIPAA. You get "credit" for the time you were covered by your previous insurance. You can get this "credit" as long as you don't go more than 63 days without group insurance.

Example: John took a job at a new company one month after losing his old job. He signed up for his new employer's health plan right away. Since John had been treated for arthritis four months earlier, he found out his arthritis is considered a pre-existing condition. His new plan has a nine-month waiting period for pre-existing conditions.

However, since John was in a group health plan at his old job for two years, he gets 'credit' for the two years he was covered by his group plan. This credit reduces the waiting period. Since he had health insurance from his old job (two years) longer than the waiting period in his new plan (nine months), John will not have a waiting period for arthritis care.

FYI: If your new plan has benefits that you did not have under your old plan, you could have a waiting period for those new benefits.

- **Protects you from being denied or charged more because of past or present health problems**

Your new group health plan can't turn you down or charge you higher monthly premiums just because of any past or present health problems or pre-existing conditions.

- **Allows you to join a new health plan during a special enrollment period**

HIPAA requires group health plans to allow you and your family to enroll without having to wait until the plan's regular enrollment period. This is called a special enrollment period. You can get join the new health plan during this special period if you:

- lost the health insurance you did have and now want to join the group plan. For example, if you were getting your health coverage through your spouse's employer and he or she lost their job, died or you are now divorced or separated.
- got married and want your spouse to be covered under your plan, or
- have a new dependent whom you want to be covered under your plan

You must ask the group plan for special enrollment within 30 days after these changes have taken place.

Changing from a Group Plan to an Individual Plan

When changing from a group to an individual plan, you must meet the following conditions before HIPAA applies:

- You must have had at least 18 months of health insurance coverage. Your most recent coverage must have been part of a group plan from an employer, union, or government plan.
- You must not be able to get Medicare, Medicaid, or be able to join a group plan.
- You must not have other health insurance.
- You must apply for new health insurance within 63 days of losing your previous coverage.
- You must have accepted and used up any extension of group insurance you were able to get under COBRA or state law.

If you meet these conditions:

- You are guaranteed the right to buy individual insurance, even if you have had past or present health problems
- You do not have to wait to be treated for any pre-existing conditions
- You usually can renew your individual insurance coverage.

What HIPAA Doesn't Do

HIPAA provides a number of needed protections for people who are changing their health insurance coverage. However, it is important to also know what HIPAA doesn't do. HIPAA does not:

- Require employers to offer health insurance
- Limit how much your health insurance will cost
- Require which health benefits are offered
- Protect you when you are changing from one individual health insurance policy to another
- Protect you if you don't currently have health insurance

Source: AARP.org

