



NEWS RELEASE

Embargoed For Release:
12:01 A.M., Friday,
January 23, 2009

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Unemployed Workers Need Assistance Paying for Health Insurance; Only About One of Ten Obtain COBRA Coverage

Low-Income Unemployed Need New Coverage Options and Financial Assistance to Keep Health Insurance

New York, NY, January 23, 2009—As unemployment rates reach the highest levels in 16 years, a new analysis from The Commonwealth Fund finds that few laid-off workers—only 9 percent—took up coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) in 2006. Unemployed workers who also lose their health insurance would need substantial financial assistance, covering 75 to 85 percent of their health insurance premiums, for their premium contributions to remain at the levels they paid while they were working, according to the report, [*Maintaining Health Insurance During a Recession: Likely COBRA Eligibility*](#), by Michelle M. Doty, director of survey research at The Commonwealth Fund and colleagues.

The report also finds that low-wage workers are at a particular disadvantage—with only 38 percent eligible to receive COBRA benefits—because they don't receive health insurance through their jobs, work for small firms that aren't required to offer COBRA, or are uninsured to begin with. Coverage options for low-income workers remain limited especially for childless adults because most lack a public coverage option. The authors say that policymakers should consider temporarily expanding Medicaid and SCHIP eligibility to unemployed adults with low incomes, with assistance for premium shares, to provide critical support to families.

Sixty-six percent of all current workers, if laid off, would be eligible to extend their health insurance under COBRA. But for most people, COBRA payments are unaffordable, about four to six times higher than the amount of money they contributed to their health insurance when they were employed. According to the report, millions of the eligible could keep their coverage if they could get assistance with their premiums, which average \$4,704 per year for an individual and \$12,680 a year for a family.

“Americans are losing their jobs at an alarming pace and this report clearly shows that many people cannot afford to take on the expense of COBRA just as they lose their income,” said Commonwealth Fund President Karen Davis. “The number of uninsured Americans could grow markedly during this recession unless we take action to help unemployed Americans keep their health care coverage.”

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The Commonwealth Fund is a private foundation supporting independent research on health policy reform and a high performance health system.