



HEALTH AND FINANCIAL LITERACY: Deciding Between COBRA and Marketplace Insurance

If your job offered coverage ends because you have lost your job, you have a 60-day window to decide whether to:

- a) continue your job coverage through COBRA,
- b) enroll in a Marketplace Insurance plan, or
- c) remain uninsured.

Because each person's health and financial circumstances are unique, the Prosper Health Coverage team assists with investigating and understanding your individual options. We highly recommend that you compare costs, covered benefits, and provider networks of your job coverage to your Marketplace options before you decide.

BE AWARE: If you elect to continue your benefits via COBRA, you may NOT be able to switch to a Marketplace plan until the next Open Enrollment Period or until your COBRA ends after 18 months. Deciding COBRA is too expensive and terming or not paying for your plan is NOT an event that will let you enroll in new coverage.

COBRA

COBRA is a law that allows an employee who has left or lost their job to maintain their job offered health coverage for up to 18 months or longer, in certain circumstances.

Signing Up for COBRA:

- Your employer should notify you about your right to elect COBRA continuation.
- You have 60 days after your last day of employer coverage to elect COBRA continuation.
- You have another 45 days to pay the first premium (covering the period dating back to your coverage loss).

The Cost of COBRA: According to the Kasier Family Foundation, most people don't end up taking COBRA due to cost. On average, the cost of job-based plans in 2019 was \$7,188 per individual and \$20,576 for family coverage.

Why COBRA (instead of the Marketplace?):

Though expensive, some people take COBRA due to ongoing health needs. COBRA coverage is seamless and you keep access to the same network of doctors and hospitals, and don't have to restart your plan's deductible or out-of-pocket-max mid-year.

Marketplace Insurance Plans

Marketplace Insurance (MP) are private health coverage plans, available through the Affordable Care Act created Marketplace. Eligible individuals may also access financial assistance.

Signing up for Marketplace Insurance:

- Outside Open Enrollment (Nov 1— Dec 15th), you can only sign up for the Marketplace within 60 days of a qualifying life event, i.e loss of coverage.
- Citizens and certain immigrants are eligible for the Marketplace
- Additional criteria exists for Marketplace financial assistance

The Cost of Marketplace Insurance: For 2020, Central Texans had more than 50 MP options, each with different costs. Financial Assistance is available for tax filers with an estimated 2020 income between: \$12,490-\$49,960 per individual and \$25,750-\$103,000 for a family of 4.

Why the Marketplace (instead of COBRA)?

The high monthly cost of COBRA tends to motivate individuals who have recently lost job coverage to choose a Marketplace plan, especially given the recent decrease in income usually associated with job loss.