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FIVE FOR THE MONEY

By Alex Halperin

# How to Get Your Health-Care Coverage

**Not getting insurance through your employer? Here are some tips on alternative methods to help you lower the expense**

In his Jan. 31 State of the Union address, one of the items on President Bush's lengthy wish list was improved access to health care for all Americans. But like the other lofty goals set out in the speech, that would be no small trick (see BW Online, 2/1/06, "[Bush's Health-Care Scheme Needs a Dr.](#)") The world's largest health-care system is unwieldy, and notoriously slow to incorporate technologies and innovations that could make it better, especially the antiquated back-office practices of many health-care providers that add so much to the cost of care.

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And rapidly rising health-care costs present a vexing problem, making it ever more difficult for many Americans to get insurance. According to the Census Bureau, in 2004 45.8 million Americans (15.7% of the population) lacked health insurance.

**STAY INSURED.** It's not just the less well off. Too many people lack coverage for them to all fall within any one demographic or earnings range. Even affluent Americans can find themselves without a net, perhaps when they leave a large organization to start a new business or seek early retirement before they qualify for Medicare.

The Consolidated Omnibus Budget Reconciliation Act (COBRA) program provides an insurance option for 18 months or more after leaving a job, but premiums can be expensive and stints between jobs with benefits can last longer. Letting insurance expire isn't an attractive option either. Among other problems, it can make subsequent attempts to enroll more difficult. Carolyn McCalahan, a Jacksonville (Fla.)-based doctor and financial adviser, says, "The day people let their insurance lapse is when they break an ankle."

Especially for the young and healthy, the prospect of ducking premiums (perhaps vowing to spend a portion of the savings on healthy living) and going without any sort of coverage might be a tempting option. By all accounts it's not a good idea. So, in the interest of keeping our readers healthy, *Five for the Money* offers strategies for getting health insurance --

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BW Video	<p><b>1. Buy insurance through Sam's Club.</b> Wal-Mart Stores (<a href="#">WMT</a>) has taken heat for not providing enough of its hourly employees with health coverage, but a program offered through its Sam's Club warehouse stores could potentially change how Americans buy insurance. Sam's Club members -- the people who pay to shop at the cavernous discount stores -- can now also buy their health insurance through the retailer.</p> <p>Offered with Salt Lake City benefit management outfit Extend Benefits Group, the program is designed to allow Sam's Club members to choose between plans based on their family's needs and budget. For example, a 30-year-old man in Los Angeles could choose from more than 40 plans with monthly premiums ranging from \$50 to about \$400.</p> <p>Employers can also sign up to get their employees into the program. A Sam's Club spokesman declined to say how many people have signed up for health insurance since the program kicked off in early January, but the store says it has 46 million members.</p> <p><b>2. Use a Health Savings Account.</b> For those who can afford it, combining a Health Savings Account (HSA) into medical costs can be an attractive option. Signed into law by President Bush in 2003, the accounts enable people to set aside funds, tax free, to be used for future health care.</p> <p>The money can also be used to fund retirement. The accounts must be paired with an eligible "high-deductible health plan," according to the Treasury Dept.</p> <p>Because they are often coupled with relatively inexpensive insurance policies, HSA users can save money, "especially if they're healthy," says financial adviser Donald Whalen of Alpharetta, Ga. The program provides protection from the costs associated with disastrous medical problems, but not, typically, a family's routine medical expenses. "Insurance is supposed to protect you against catastrophes, it's not supposed to subsidize your doctor's visits," Whalen adds.</p> <p><b>3. Work part-time.</b> In addition to placing enormous burdens on individuals, the price of health insurance has forced many employers to reel in their offerings. Nonetheless, part-time employees at a few companies qualify for attractive benefits. For example, Starbucks (<a href="#">SBUX</a>) employees who clock at least 20 hours a week are eligible for health insurance.</p> <p>Start slinging lattes and you'll also be eligible for a 401(k) and stock options. These days, that looks like a bona fide retirement plan, particularly by the flinty standards of the service sector. For many freelancers, the part-time jobs can also be an attractive option because they often offer a degree of flexibility along with the benefits.</p> <p><b>4. Find an independent insurance broker.</b> If you're too busy for a part-time job, there are still other avenues available. Whalen says the uninsured often flock to Web sites such as <a href="#">eHealthInsurance.com</a> and <a href="#">INSweb.com</a>, which allow consumers to compare the offerings of different private health insurers. He says it may be smarter to meet with an independent broker first.</p> <p>"Being turned down for health insurance is kind of like being declined for credit," Whalen says, in that it can affect how future potential insurers will evaluate you. "It's much better to have someone work with you from the start," to ensure a good fit. He suggests starting the search with the National Association of Health Underwriters, which represents brokers and offers listings on its Web site.</p> <p><b>5. Broaden your search.</b> Large employers aren't the only ones offering group plans. A surprising number of professional and independent organizations offer health insurance. In a search for insurance options it's a good idea to check with</p>	Mittal: Blood, Steel, and Empire	
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bar associations, chambers of commerce, and similar groups. A Brooklyn (N.Y.)-based group called Working Today offers a health insurance program to qualifying freelancers.

In addition to these outfits, states offer health insurance of widely divergent price and quality. Financial advisers say that in some cases it's a last resort for those rejected by private insurers, but other states have made an effort to provide more attractive packages. Maine, for example, has instituted Dirigo Health, a program designed to provide coverage to everyone in the state, using mechanisms like subsidized premiums to include those in lower income brackets.

Tom Rogers, a financial adviser based in Portland, Me., says the Dirigo program has been only "partially successful" as it smoothes out growing pains, but has nonetheless provided a model that other states may follow. As the ranks of the uninsured grow, the expansion of public and private plan options may be the best medicine.

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**Halperin** is a reporter for BusinessWeek Online in New York

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