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College grads without jobs face decision about health coverage

*By Matt Kadosh
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College seniors, who are less than two months from graduation, will face the worst job market since the Great Depression and a decision on what to do about health care.

The lucky ones will get jobs that have health benefits, and others will be able to utilize their parents' health care plans while they look for work, but many will face tough choices about money and their plans.

Dave Hannon, a 22-year-old senior at Centenary College majoring in criminal justice and minoring in equine studies, plans to go to Ireland to work on a horse farm after graduation.

The job is dangerous, and it doesn't come with a health care plan.

"You never know what happens," Hannon said. "When a horse gets upset, he can definitely inflict some damage."

Despite the danger, Hannon is forging ahead with his plan and will figure out what to do about health insurance later.

"It's definitely an important thing, but when you have an opportunity you take it and worry about the rest later," he said.

Most schools will carry a student on their health care plan through August, but after that former students are on their own.

The National Association of Colleges and Employers reported in its Fall 2008 Salary Survey that most industries expect a decrease in hiring for the Class of 2009. The Bureau of Labor and Statistics puts the state's unemployment rate at 8.2 percent while the national rate is 8.1 percent.

Wardell Sanders, president of the New Jersey Association of Health Plans, said there are three basic options open to recent college graduates in New Jersey.

- Temporary coverage is available under the rules of the Consolidated Omnibus Budget Reconciliation Act, known as COBRA, which provides that private-sector employers with 20 or more employees as well as state and local governments, must allow plan participants to continue their coverage if they pay a larger portion of the premium.

COBRA coverage may apply to individuals who exceed the age limit under which their parents plans cover them. They do not apply to typical college plans. The price of the premium depends on the particular plan. However individuals often pay double or more what they paid under the original plan to keep the same coverage, according to Aetna insurance company.

- State continuation, which is a New Jersey law that is similar to COBRA, but applies to employers with under 50 employees that are not subject to COBRA. This usually includes employers who have between two and 19 employees.

- Dependent Up to 31 Coverage is a continuation right for certain dependents, but it comes with

certain requirements such as that the health benefits plan is issued in New Jersey and that it allows for the enrollment of dependents.

Any state resident can also be covered through an individual plan offered by private companies.

Sanders said that most young people can best be covered under the "Basic and Essential" health plans, which are the least expensive plans.

Aetna Life Insurance Co., AmeriHealth HMO, Inc., Oxford Health Insurance Co. and CIGNA Healthcare all carry Basic and Essential plans.

However they do not provide as comprehensive coverage as do the standard plans, according to the State Department of Banking and Insurance.

The department's rate sheets, which are posted on its Web site, indicated that Basic and Essential health plans range in cost from \$123 per month for a male who is 25 or under and covered under Oxford Health Insurance to \$1,101 per month for a female who is 25 or younger and covered under Celtic Insurance.

"Standard plans," which are non-age-rated, provide more comprehensive coverage although they can be considerably more expensive, with monthly premiums that range into the thousands of dollars.

John Selby, director of consumer and senior markets for Horizon Blue Cross and Blue Shield, said these are not typically plans that recent college grads would need.

Sanders said his best recommendation was for consumers to look at the Department of Banking and Insurance Web site: www.state.nj.us/dobi/division_insurance/ihcseh/

Joyce Maglione, director for Health Services at Drew University, recommends students explore COBRA plans after graduation. COBRA plans would be available to certain individuals who were covered under their parents' plans.

Susan Millerick, a spokeswoman for Aetna, said that COBRA plans are not available to individuals who were covered under Aetna's school plans. COBRA plans, however, would be available to certain individuals who are covered under and no longer qualify for their parents' plans.

William S. Holman, public relations manager for United Healthcare, recommended that graduating students research their options for lower-cost individual coverage until they find employment that provides health benefits or see if they can remain on their parents' health plans.

"They can obtain quotes through Internet brokers like www.healthplanone.com and www.ehealthinsurance.com, who will provide a variety of plan options," Holman said.

"The most important thing is not to have any gaps in their health care coverage while they are searching for full-time employment," Holman said. "It's the time they could least afford a costly illness or injury that could set them back financially before they get their first paycheck."

Brian Singleton, a 22-year-old senior and biology major at Fairleigh Dickinson University, said he plans to take a year off and then go to law school where he would be covered through the school's plan.

In the interim, he can be covered under his parents' health insurance, Blue Cross and Blue Shield, and he said he's glad for the coverage.

"Even though this may be the most healthy time of my life, there's a lot involved," Singleton said, listing dental, eye care, chiropractic and any emergencies that could come up.

"My general health is pretty good," Singleton said, while knocking on a wooden desk.

Additional Facts

More information

The following are Web sites where graduating seniors can check out the costs of various independent

health care plans:

www.healthplanone.com

www.ehealthinsurance.com

www.state.nj.us/dobi/division_insurance/ihcseh/

http://www.state.nj.us/dobi/division_consumers/du31.html

www.allaboutthebenefits.com

www.planforyourhealth.com
