

## **Options When the Uninsured Have a Health Crisis**

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The following is a brief summary of possible options if you have no health insurance (or inadequate insurance) and have an illness or accident resulting in substantial medical expenses.

### **Medicare**

Medicare is health insurance available to people who are either 65 or older, or under the age of 65 and meet the Social Security Administration definition of “disabled”. You must have paid into the Social Security system for at least 40 quarters, with twenty being in the prior ten years. (There are some exceptions to the 40 quarter requirement if you are under age 31). There is no asset or income test to qualify for Medicare.

There are two problems with relying upon Medicare if you have a sudden illness or accident. First, the definition of “disabled” to qualify for Medicare can be difficult to meet. The Social Security Administration must agree that you are unable to work in what is called “substantial gainful activity” for the at least the next 12 months (or determine that you are terminally ill). Many people who are too ill or injured to return to work immediately cannot meet this 12 month requirement and therefore do not qualify for Medicare.

The second drawback to Medicare is that, even if you meet the disability test, you will not qualify for Medicare for 29 months from the onset of the disability. That 29 month waiting period leaves a substantial gap in coverage with no health insurance.

### **Medicaid**

To qualify for Medicaid you must be over age 65 or meet the same disability test described above (unable to work for the next 12 months). In addition, your countable assets must be below \$2,000 (\$3,000 if married). The home, household furnishings and a car with a value below \$5,000 are exempt assets. Unlike Medicare there is no 29 month waiting period if you qualify for Medicaid.

Depending upon which Medicaid program you are applying for it may be possible to transfer assets to come below the \$2,000 asset limit. The transfer of asset rules for the Medicaid program are complicated, however, so you should get legal advice specific to your circumstances to determine if it is advisable to transfer assets.

If your income exceeds \$599, the income above this amount must be applied towards medical expenses as a co-payment before Medicaid will kick in. So, for example, if you receive \$1,000 of monthly income, you will have to pay the first \$401 of medical expenses each month before Medicaid will pay the balance. This co-payment is referred to as “spenddown”. Even with the required co-payment or spenddown, Medicaid can be very helpful to people with very high medical expenses and no other health insurance.

Applications for Medicaid are submitted to the Department of Social and Health Services.

### **General Assistance Unemployable (GAU)**

GAU is a benefit program for disabled people who are under the age of 65, unable to work because of a disability and who are not receiving Supplemental Security Income (SSI) or Social Security Disability (SSDI) income.

The disability standard for GAU is less strict than Medicaid/Medicare so some people who cannot meet the 12 month disability standard may still be able to qualify for GAU. The disability standard for GAU is that you are unable to work for at least the next 90 days. The medical coverage that comes with GAU is referred to as GAX.

The GAU/GAX program has asset limits that are similar to the Medicaid asset rules. Your countable assets must be below \$1,000. The home and a car with a value of less than \$5,000 are not included in the \$1,000 asset limit. There is a two year transfer of asset penalty if you transfer assets to qualify for this program. To qualify for GAU your monthly income must be below \$339 per month. Applications for GAU/GAX are submitted to the Department of Social and Health Services.

### **Basic Health**

Basic Health (BH) is a state sponsored health insurance plan for low income families. Enrollment will depend upon whether there enrollment spaces available. The premium is subsidized depending upon income. There is no asset requirement for BH.

To get more information on BH check their web site at [www.basichealth.hca.wa.gov](http://www.basichealth.hca.wa.gov). There will be a nine month pre-existing condition waiting period for any health condition that occurred in the prior six months.

### **Private Health Insurance**

To qualify for private health insurance you must pass a health screening questionnaire. This will be problematic in the case where you have just had a major illness or accident. Even if you passed the questionnaire there will still be the nine month pre-existing condition waiting period for any health condition that occurred in the prior six months.

### **Washington State Health Insurance Pool (WSHIP)**

The Washington State Health Insurance Pool (WSHIP) provides health insurance to individuals who do not pass the health screening questionnaire for private health insurance. The premium depends upon income, the plan selected, the deductible selected and geographic location.

You must first get a denial of coverage from the private health insurance plan in order to qualify for WSHIP. There will still be a nine month pre-existing condition waiting period but this can be waived if you were under-insured under another health insurance plan at the time the pre-existing condition occurred. To get more information on WSHIP check their web site at [www.wship.org](http://www.wship.org).

### **Charity Care**

Many hospitals have programs referred to as “charity care” to write off all or a portion of hospital bills for low income patients with no health insurance. The hospital will provide an application for you to fill out, requesting financial information about your family and then make a determination as to whether any portion of the hospital bills will be written off. This program does not apply to out-patient doctor expenses or pharmacy expenses.