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SHIFTING CAREERS

Finding Health Insurance if You Are Self-Employed

By MARCI ALBOHER

If there is one thing that separates the self-employed from those employed by others, it is their preoccupation with [health insurance](#).

I was reminded of this on Feb. 14, when I wrote a post on the [Shifting Careers blog](#) asking small-business owners and would-be entrepreneurs what they were doing about health insurance. Within hours, scores of people posted comments about their own experiences and, if they had managed to find good resources, shared those. I have been reading e-mail messages and trying to make sense of the subject ever since. In short, it is not pretty out there.

A 43-year-old woman wrote about going without insurance in the first year of her business. "I lived in terror of needing a doctor visit or worse yet, lab tests or something more," she said. She then moved to an H.M.O. for sole proprietors through a local chamber of commerce. The cost of that plan, which she said was \$171 a month in 2001, has now risen to \$500 a month. At the same time, she wrote, co-payments have increased and services have been cut.

That woman's experience reflected the exasperated tone of several of the other writers. Many entrepreneurs seem to find health insurance after doing a lot of research, though they generally pay more than they think they should. Some who are in good health bet on remaining that way and forgo health insurance or get policies with low premiums and high deductibles, choosing to insure themselves for mostly catastrophic illness. Some are lucky enough to have a well-insured partner.

The unluckiest are those with chronic illnesses or the dreaded pre-existing condition that results in a denial of coverage. Many of these people abandon dreams of entrepreneurship altogether because they need jobs that come with a health plan and they cannot find a way to self-insure.

The comments also revealed that the health care system is a state-by-state patchwork, with options varying based on where you live. A 60-year-old owner of a mail order business from Illinois wrote that she was unable to get insurance until about 10 years ago when Illinois started a high-risk pool with Blue Cross Blue Shield.

A woman in business with her 57-year-old husband wrote to say that her husband is presently uninsured because, as a diabetic with [high blood pressure](#), she cannot find an insurance company in Florida that will cover him. The stories go on. There were reports from Americans happily insured while living in Europe and Canada. And, of course, there were numerous pleas to Washington.

Jennifer Jaff, a reader who happens to be an expert on health insurance issues, shared a valuable tool, [healthinsuranceinfo.net](#). The site, maintained by the Georgetown Health Policy Institute, shows a map of the country and after clicking on a state, a document is downloaded that covers everything from what kinds of programs are available to small-business owners to whether there is a high-risk pool available for those who have been rejected by insurance providers. These primers are comprehensive and frequently updated, and they are a great place to start, especially if you have been wondering about the meaning of jargon that peppers insurance providers' descriptions of their offerings.

Many readers shared recommendations based on where they buy their insurance. Popular sources were local chambers of commerce, the Small Business Service Bureau ([sbsb.com](#)), [AARP](#) ([aarp.org](#)) (for those over 50), industry-specific trade associations like a bar association or the Institute of Electrical and Electronics Engineers. In states that permit it, small-business owners can also start a group with as little as one member. In that case, a good insurance agent comes in handy.

For the reasonably healthy who know what they are looking for, [ehealthinsurance.com](#) got fairly good reviews. The site, which has the feel of an [Expedia](#) or Orbitz for purchasing health insurance, allows you to compare a variety of policies offered through about 70 insurance providers. One caveat, pointed out by several readers, is that [ehealthinsurance.com](#) does not serve consumers in all states. Rhode Island, Vermont, Massachusetts, Maine and North Dakota are excluded. The company also covers only individuals. So if your company has employees, you will need to explore other options, like starting a group if your state permits that.

Another possibility for consultants and independent workers is the Freelancers Union, which won consistently good reviews in the reader comments. But the union also has some limitations. It operates in only 30 states, and you have to work in one of the industries or occupations it serves.

While healthy business owners have to incur high costs and navigate a maze of choices, the truly unhealthy face the biggest challenges.

To learn more about options for those whose health is getting in the way of their self-employment, I spoke with Ms. Jaff, the woman who directed me to [healthinsuranceinfo.net](#). Ms. Jaff, a lawyer who has worked on legal issues

surrounding health care in both the public and private sector, now runs Advocacy for Patients With Chronic Illness (advocacyforpatients.org), a nonprofit organization in Farmington, Conn., that advises and advocates on behalf of the chronically ill. She says she works with about 1,000 patients a year, handling everything from battles to get insurance companies to pay for treatments prescribed by patients' doctors to helping people figure out the best coverage.

Ms. Jaff speaks from experience. She suffers from [Crohn's disease](#), a condition so severe that she does not leave her house during flare-ups except to get to a doctor's appointment or to the hospital. She wanted to find something she could do out of her home and as she went through the challenge of finding her own health insurance, she discovered what she calls "a community of patients in desperate need of help."

Ms. Jaff qualified for the Municipal Employees Health Insurance Program, offered by Connecticut to cover small-business owners as part of a plan for state employees. She knew about the plan, which she recommends to all small-business owners in Connecticut, from her days as a lawyer in the attorney general's office. Even with her extensive experience, Ms. Jaff has not been able to find the holy grail — good coverage at a great price. When she started on this insurance, her premium was \$400 a month. Last year, the monthly payment went up to \$800.

"I don't know if people who don't have chronic illnesses can really understand this," she said. "But I have worked full time my entire adult life — generally 15 to 18 hours a day. I have paid into the system for all those years. And there is only one thing that could bankrupt me, and it is my health. I could lose every penny I own from one serious hospitalization without insurance. So I chose the plan that would give me the most possible coverage because the year I don't is going to be the year I get really sick."