

## CoverTN - The Basics

"America enjoys the best health care in the world, but the best is no good if folks can't afford it, access it, and doctors can't provide it."

-- former U.S. Senator Bill Frist, M.D.

"A man too busy to take care of his health is like a mechanic too busy to take care of his tools."

-- Spanish proverb

As of 2006, more than 705,000 adult Tennesseans and 127,000 children had no health insurance. Most of these uninsured adults worked for small businesses with 25 or fewer employees.

In March 2007, Tennessee launched a program called "CoverTN" to provide basic health insurance for eligible adults.

### Q. What exactly is "CoverTN"?

CoverTN (pronounced "cover-T-N") provides affordable, portable, basic health coverage for small business employees. Premiums average about \$150 per month and are shared by the state, employer, and employee. Premiums increase for age, obesity, and tobacco use. BlueCross BlueShield of Tennessee provides CoverTN under state contract.

CoverTN covers individual employees and self-employed persons. There is no family policy under CoverTN. Minor children may be eligible under TennCare or under the separate CoverKids program.

### Q. What does CoverTN include?

CoverTN provides low-cost coverage for basic medical services in order to encourage regular doctor visits and preventive screenings. There is no deductible, so members only are charged a co-pay to obtain medical services such as doctor's office visits, emergency room visits and ground ambulance, inpatient and outpatient hospital services, surgery and pharmacy benefits.

Maternity coverage is not included. CoverTN members who become pregnant will remain enrolled in CoverTN but will receive maternity benefits and pregnancy-related services through CoverKids.

### Q. How is CoverTN different from traditional health insurance?

CoverTN plan benefits have no out-of-pocket maximum, and therefore do not protect against possible catastrophic medical costs. In other words, there is

no limit to the amount of co-pays an employee under CoverTN might have to pay for a major illness or injury or for injuries sustained in an automobile accident. Therefore, CoverTN is not a low-cost alternative to traditional insurance coverage.

### Q. What are the employer eligibility requirements?

A small business employer is eligible if:

- It is located in Tennessee;
- It has 25 or fewer full-time employees or the equivalent;
- At least half of its employees earn \$41,000 or less;
- It offers CoverTN to all of its employees;
- It pays at least one-third of the premiums; and
- It has not offered employer-sponsored insurance for 6 months, or if offered, it paid less than half of the premiums.

A self-employed person is eligible if she or he has income from the business equal to at least 20 hours per week at minimum wage, or about \$5,400 per year. During its second year (in 2008), CoverTN will expand to include employers with up to 50 employees, plus employees who work for qualifying businesses that are not participating.

### Q. What are the employee eligibility requirements?

Employees are eligible if they:

- Have been Tennessee residents for 6 months;
- Work an average of at least 20 hours per week;
- Are U.S. citizens or qualified legal aliens;
- Have not voluntarily stopped health insurance in the last 6 months; and
- Commit to pay one-third of the monthly premium.

### Q. How can I get enrollment information?

Employers must apply first, then employees may apply. Go to [www.CoverTN.gov](http://www.CoverTN.gov) or call toll-free "1-866-CoverTN."

by Jim Hawkins, Managing Attorney, Gallatin office, Legal Aid Society

**Note:** This column is not intended to take the place of legal advice. All cases are different and need individual attention. Consult with a private attorney of your choice to review the facts and law specific to your case.

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