

MEDICA®

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Medica Launches Public Information Campaign for Unemployed, Uninsured

Effort Confronts High Cost of COBRA

MINNETONKA – Medica has developed a program to help laid-off Minnesotans understand the health insurance options available to them. The Minnesota unemployed rate stands at 6.9 percent as of December 2008, with additional rounds of layoffs being announced almost daily. Most workers being laid off have had health coverage through their employers and many of them are offered COBRA, short for the Consolidated Omnibus Budget Reconciliation Act, which generally covers group health plans of private and government employers with 20 or more workers. It allows laid off workers to continue that coverage at their own expense. Medica's public information campaign is designed to inform workers impacted by layoffs that there are other options available to them besides COBRA.

For many workers, the costs of COBRA are too expensive, although nearly two-thirds of them qualify for the coverage. According to a study released earlier this month by Families USA, COBRA coverage in Minnesota averages about \$375 per month for an individual and consumes about 25 percent of monthly unemployment benefits; for family coverage, the cost is nearly 70 percent of monthly unemployment benefits. Nationally, just 9 percent of jobless workers take the COBRA health insurance option, with some deciding to go without coverage.

Medica's public information campaign uses an advertising component to draw attention to the high cost of COBRA with online tools, educational seminars and phone counselors to help people understand the less expensive alternatives available.

"Our analysis suggests that the most important element is to use Medica's knowledge and experience to help guide people to the appropriate options based on a person's needs," said John Chomeau, Medica vice president. "Those options may include individual coverage, health coverage programs offered through the state and federal government and the Minnesota Comprehensive Health Association - a high-risk pool for people who cannot qualify for health care coverage elsewhere."

Information will be placed in local newspapers, Internet job search sites and social networking sites, out-of-home locations like billboards and coffee cup sleeves at some metro area coffee shops, and radio spots. The advertising copy is designed to not only get attention but also convey an appreciation of the emotions felt during a period of unemployment. For example, an online ad says (the link is active and will lead a viewer to a site with more information about health care coverage options):

JustCauseIGotDownsizedDoesn'tMeanMyKidsWon'tGetSickOrHurtAndHealthInsuranceCostsAreTooHighButIHeardThatMedicaHasSomethingLessExpensive.com
Something better is just a click away or call 1-866-633-8285.

"Medica thought long and hard about launching this information and advocacy campaign," said Chomeau, "Born of our own personal experiences, we understand that this is a difficult time for the growing number of people who suddenly find themselves without a job and facing the expensive COBRA health plan option. We wanted those people to know that we understand their pain while letting them know that there are options available at a fraction of the cost of COBRA. We really do see this as a form of community service."

About Medica

Serving more than 1.3 million members, Medica is a health insurance company headquartered in Minneapolis and active in the Upper Midwest. The non-profit company provides health care coverage in the employer, individual, Medicaid, Medicare and Medicare Part D markets in Minnesota and a growing number of counties in North Dakota, South Dakota and Wisconsin. Medica also offers national network coverage to employers who also have employees outside the Medica regional network.

Medica has the highest accreditation status, Excellent, from the National Committee for Quality Assurance (NCQA®) for its Minnesota Medicaid HMO plans and commercial health plans in Minnesota and North Dakota. Medica's vision is to become the community's health plan of choice, trusted for its integrity, respected for its service, and admired for its commitment to innovation and efficiency.

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