

# Medical insurance a burden for laid-off H-1B workers

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BENGALURU: Employees on H-1B visas in the US who have lost their jobs will have to pay steep sums for medical insurance for themselves and their families if they opt to continue with the employer-sponsored health cover. But experts also advise that it's often best to continue with these employer schemes.

Many employees on H-1B are said to be losing jobs or are seen to be at risk of losing jobs. The Consolidated Omnibus Budget Reconciliation Act of 1985, which goes by the acronym COBRA, gives these workers and their families the right to choose to continue health benefits. Cyrus D Mehta, managing attorney at the New York-based law firm Cyrus D Mehta & Partners, said if the employer offers health insurance, then under

COBRA, the employer must offer the option of continuing coverage to individuals who lose their benefits due to termination of employment.

“Employer plans are generally of a higher quality, and employers are able to purchase these higher quality plans at a discounted group rate from the insurance company. In most cases, the employer pays most of the premium and the employee pays a smaller percentage. When the employee is terminated, the employee pays the whole cost of the insurance and the employer generally does not pay,” he said.

Mehta said the advantage of continuing with the employer plan is that the H-1B worker and family can get the same coverage without any interruption, and this is important for some who have ongoing medical needs.

Ashwin Sharma, attorney in the US-based law firm The Sharma Law Office, said H-1B employees, on an average, earn between \$70,000 to \$120,000 per year. “A terminated employee is immediately offered COBRA of which the employee is responsible for 100% of the premium, and can be eligible for up to 18 months. Insurance for a single employee can cost approximately \$200-\$300/month if they are in their 20s, and if in their 30s \$350-\$450; if they are in their 40s or 50s, then perhaps it’s \$500-\$600.” For a family of four, this can turn really expensive.

US non-profit The Kaiser Family Foundation's recent survey showed that many people who lose their job-based insurance can continue that coverage through COBRA, although it is typically quite expensive since unemployed workers generally have to pay the entire premium – employer premiums average \$7,188 for a single person and \$20,576 for a family of four – plus an additional 2%.

Stephen Yale-Loehr, professor of immigration law practice at Cornell Law School, said many laid-off H-1B workers don’t know about COBRA benefits, or may be afraid to ask. “They should consult an experienced insurance agent to understand their rights. And many employers may not realise they need to provide COBRA continuation coverage to a terminated H-1B worker,” he said.

Vikram Shroff, head of the HR Law practice at law firm Nishith Desai Associates, said if health insurance coverage is not available through the employer, the H-1B visa holder should evaluate supplemental short-term or visitor insurance coverage. The premium and coverage may vary if the terminated employee or their family members have a pre-existing condition.

Sharma also said H-1B employees face another challenge. The inability of an employee to continue working and retaining insurance benefits because of USCIS’s historic delays in adjudicating extensions (again, for the H-1B in particular, the present unavailability of the premium processing option leaves H-1B employers and employees in a very difficult predicament).

"The USCIS’s delay can severely impact an H-1B/EAD (employment authorisation document), employee’s ability to maintain their employment and associated insurance benefits by placing them in a gray area – they may be lawful to remain in the USA during this time, but they cannot work until USCIS approves their H-1B or EAD in these cases,” he said.