



GOVERNMENT RELATIONS

Pre-Existing Insurance Plan Update – Week of October 10, 2011

Congressional bill would relax PCIP eligibility

Representative David Price (D-NC) introduced legislation this week to soften a major impediment to enrollment in state and federally-operated pre-existing condition insurance plans (PCIP).

The Affordable Care Act (ACA) required that PCIP applicants be uninsured for at least six months. States have lobbied heavily for a change in this restriction, which the Department of Health and Human Services (HHS) insists can only be done by Congress. Lagging PCIP enrollment has been primarily blamed on this restriction, as it prevents state high-risk pool enrollees from taking advantage of more affordable plan options in PCIPs.

The measure by Rep. Price (H.R. 3149) would allow anyone enrolled in a state high-risk pool for at least six months to be eligible for immediate enrollment in PCIPs. It was referred to the House Energy and Commerce Committee.

Consumer advocates have also lobbied for a change to eligibility rules that would allow applicants to qualify for PCIPs in their current plan premiums rise by a substantial percentage (i.e. 50 percent). This would allow far more persons with pre-existing conditions to qualify for PCIPs, since carriers tend to rely on higher premiums more often than exclusion riders. However, such a change has yet to be proposed in legislation.

CMS warns states about deceptive PCIP website by unknown insurance agent

The federal Centers for Medicare and Medicaid Services (CMS) issued a warning this week about a website that is misleading potential applicants to Pre-Existing Condition Insurance Plans (PCIP).

The <http://preexistingconditioninsuranceplan.com> website mimics websites used by state and federally-run PCIPs, but is not operated by state or federally-operated plan or plan administrator. Although a site disclaimer notes that it is a solicitation by an insurance agent "seeking to enroll individuals in the PCIP program or other insurance products", CMS has been unable to confirm who actually operates the site.