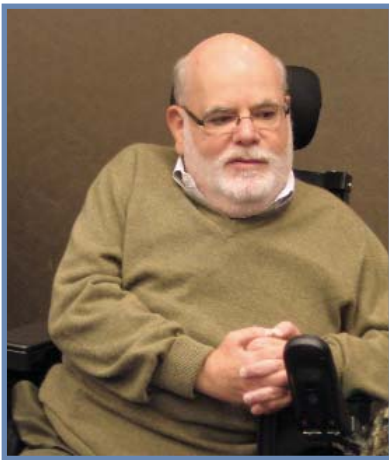


## Is a Pre-Existing Condition Insurance Plan the Right Fit for You?

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In March, 2010, the U.S. Congress passed, and President Obama signed, legislation called the “Affordable Care Act.” While some refer to this as Obamacare, it is the legislation which, if fully implemented, is likely to significantly change the ways Americans receive and pay for health care.

While much of this legislation will not go into effect until 2014, and while it is under legal challenge with a likely U.S. Supreme Court decision coming next summer, there are portions of the law already in effect. Some may benefit post-polio survivors. The law includes a mechanism to provide insurance coverage for individuals who had a pre-existing health condition and were unable to secure health insurance.

### State Plans

Each state was given the option of establishing and running such an insurance program in partnership with the federal government. Twenty-seven states opted to run such a Plan themselves while 23 did not. In those 23 states which did not wish to operate such a program, the federal government, through its Department of Health and Human Services, is operating the Plan.

The Plan provides health insurance in a manner similar to the way individuals who do not have a prior health condition get insurance. Individual policies are issued and premiums are paid. Each state has different levels of premiums based upon a number of factors. While most states charge premiums based upon age and locale within the state, some states, such as

Pennsylvania, have opted to use what is termed “Community Rating” in which everyone in the program pays the same premium.

### Eligibility

To be eligible for the insurance coverage, individuals must show proof that they are U.S. citizens or permanent legal residents of the United States. This can be shown through various methods including a birth certificate, passport or copy of papers documenting permanent residence. Individuals must then show that they are residents of the state in which they are applying. This is generally easily shown by documentation such as driver’s licenses or government-issued ID cards.

Individuals meeting those two criteria then must show that they have not

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had health insurance for six months and either that they have a pre-existing medical condition, which a medical professional will certify prevents them from getting insurance, or documentation of an insurer denying them comparable insurance coverage within the past year.

In most instances, individuals who had polio and those contending with post-polio symptoms will meet the criteria of the prior health condition. By checking with the authority managing the program in your state you can get more specific information which would pertain to you.

### The Illinois Plan

I am managing the Plan on behalf of the State of Illinois and can share some of the information about our Plan that is similar to most. We provide a maximum \$5,000,000 lifetime benefit and in 2011 offered two alternative plans. One provided for a \$1,000 deductible while the other called for a \$2,000 deductible.

For those unfamiliar with health insurance this means that covered individuals would pay the first either \$1,000 or \$2,000, depending upon their election, for medical care out of their own pocket. After paying that amount, medical and health care for covered services is reimbursed at the rate of 80 percent of approved charges for in-network care.

The Illinois Plan, like many insurers, uses a preferred provider network. If care is rendered by a

medical practitioner who is not within the network, coverage is provided at the rate of 60 percent of the charges with the individual responsible for the other 40 percent.

Similar coverage applies for prescription drugs. After meeting the deductible, the maximum out-of-pocket payment for medical or hospital care is \$2,350 if you are in the \$2,000 deductible Plan or \$3,350 if you are in the \$1,000 deductible Plan.

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Thus, regardless of Plan, in addition to paying your monthly premium, the maximum out-of-pocket anyone would spend in Illinois if covered by this Plan for medical or hospital care is \$4,350 in the network. For prescription drugs the maximum out-of-pocket is \$1,650. Thus, the maximum that one would pay, other than for premiums, out of their own pocket for covered services would be less than \$6,000 per year.

For 2012 we will be adding two additional Plans, a \$500 deductible Plan with terms similar to those discussed above and a \$5,000 deductible plan in which 100 percent of medical or pharmaceutical expenses for covered services above \$5,000 will be covered. As with most insurance products, the

lower your deductible, the higher your premium. In this way individuals who qualify can determine their ability to pay out-of-pocket and the cash flow which works best for them.

### Other States' Plans

Most states offer comparable Plans although there are variations in each state.

The rates charged are not permitted to be more than what is termed 100 percent of the Standard Risk Rate in the state in which the Plan is offered. Standard Risk Rate is an insurance term that means the amount charged to a person for an individual insurance policy if that individual has no health conditions that would move them to a higher rate class. Thus, for those of us who have dealt with prior health conditions, the rates charged in these Plans is much lower than we would otherwise experience.

Many states have, for a number of years, offered their own so called high-risk pools for which those of us who had had polio would likely qualify. These federal plans differ in that the rates charged tend to be lower and there is no waiting, or pre-existing conditions, clause.

Again, however, you have to have been without insurance for six months first. In many insurance policies if one is covered, that coverage would not apply to any condition which you had on the date the policy was issued until periods of six or twelve months



▷ had passed. In these new federal plans, one can get a full range of medical care the day the policy is issued including for any previous condition.

### **Income Not a Qualification**

This program was meant to be a bridge for people who previously could not secure health insurance and did not qualify for other government programs such as Medicare or Medicaid. There are no income tests to qualify for the program and a great many enrollees are working or have worked in the past and have assets, but could not secure insurance coverage.

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The Plans are scheduled to go out of existence December 31, 2013, because the Affordable Care Act provides that as of January 1, 2014 insurance companies will be prohibited from denying coverage to people because of a pre-existing medical or health condition.

It is anticipated that individuals securing coverage from these Plans will be able to transition into a privately offered or state insurance exchange provided insurance plan in 2014.

### **How to Find Out More**

Anyone who has not had health insurance for six months and otherwise meets the qualifications for participation is encouraged to either contact your state Department of Insurance or go online to the website of the Department of Health and Human Services ([www.hhs.gov](http://www.hhs.gov)) and to look for the terms “Pre-Existing Condition Insurance Plan” or “PCIP”. There you will find information about these Plans and links or phone numbers to the Plan offered in your state.

Our experience in Illinois, after less than 14 months of operation, is that with little fanfare or marketing we have provided in excess of \$25,000,000 of health care to approximately 2,500 people. Some have been in the Plan since it became operational, September 1, 2010, while others may be insured for a period of months and then drop out. Regardless, we have found this program to be a wonderful alternative for so many of us who could never secure health insurance in the past on our own. ▲

**Saul J. Morse** has been an attorney in the Springfield, Illinois, community for 30 years, concentrating his practice in governmental regulation, health care and lobbying. He has served as legislative counsel for a variety of organizations from the Illinois State Medical Society to the Chicago Cubs. He has served on a number of Illinois state commissions and boards, and in 2010, was appointed Program Director of the Illinois Pre-Existing Insurance Plan, a pool providing health insurance to individuals unable to secure insurance due to their health conditions.

Morse holds Adjunct Assistant Professor positions in Medical Humanities at the Southern Illinois University School of Medicine and in Legal Studies at the University of Illinois. He has been named by his peers as a Leading Lawyer of Illinois in the areas of municipal law, government affairs and health care.

A polio survivor, he contracted polio in 1949 at the age of 21 months. He is a member of the Post-Polio Health International board of directors and currently serves as treasurer.