


Pre-Existing Condition Insurance Plans (PCIPs)



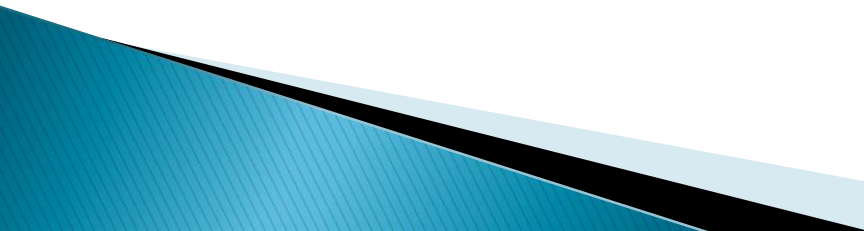
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Overview

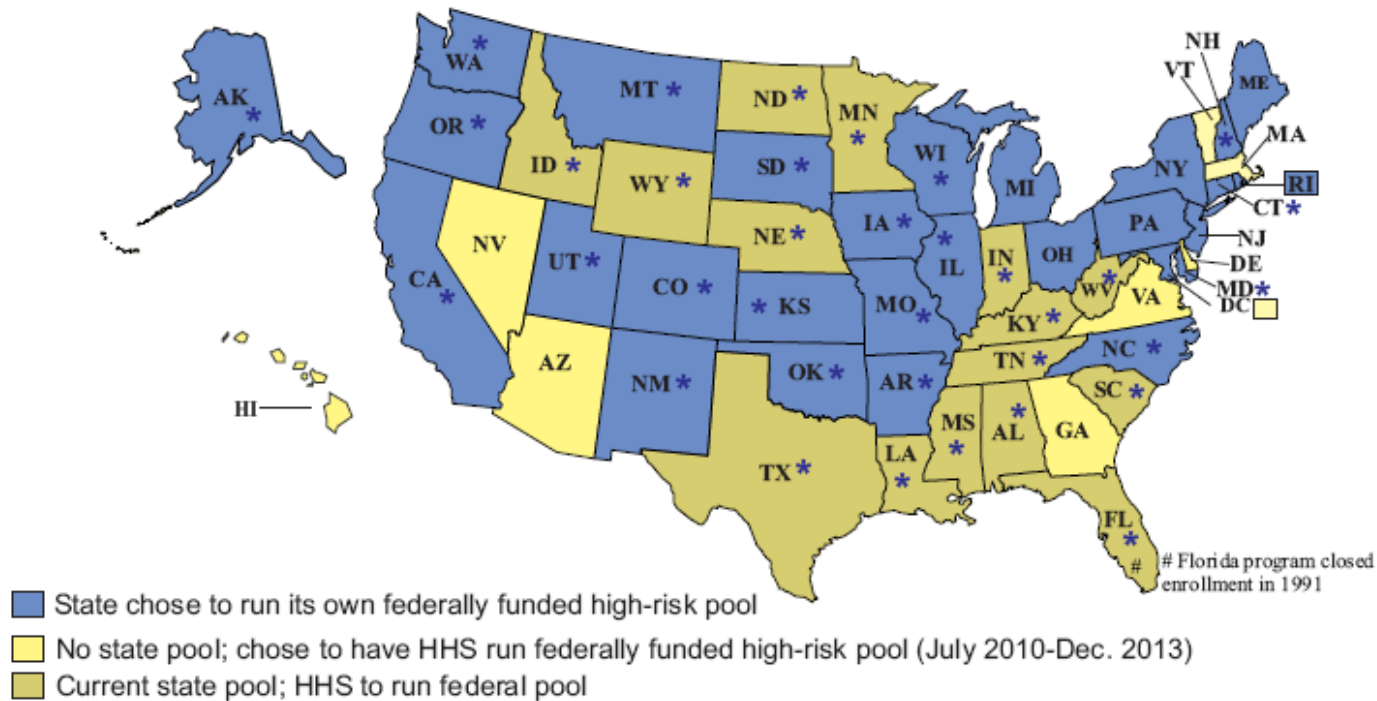
- ▶ “Pre-existing Condition” legal option for insurance market to not offer health coverage to individuals with certain health conditions.
 - ▶ Estimated 3 million Americans uninsured due to pre-existing health conditions.
 - ▶ HIV/AIDS considered “pre-existing condition” in states where law applies.
 - ▶ Offered unaffordable coverage or no coverage option.
 - ▶ Prior to 2010, 35 states offered “risk pool” coverage.
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2010 Affordable Care Act

- ▶ Established a temporary, 3.5 year nationwide high-risk pool program.
 - ▶ Provides health coverage to people with pre-existing health conditions.
 - ▶ Programs run by individuals states or by federal government.
 - ▶ 27 states state option/ 23 states deferred to the federal government to run their PCIP (states can change).
 - ▶ Program oversight by HHS, Center for Consumer Information and Insurance Oversight (CCIIO).
 - ▶ Program ends in 2014 when coverage expansion occurs under health care reform.
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Federal vs. State PCIPs

High-Risk Pools: State Implementation, Federal Roles



Source: NCSL report at www.ncsl.org/?tabid=14329, NASCHIP and HHS.
Announced intentions may be subject to change.

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Pre-Existing Condition Insurance Plan (PCIP)

- ▶ New insurance option for the “uninsurable”.
- ▶ July 2010, ends 2014 when full health care reform implementation begins.
- ▶ Eligibility:
 - Must have a pre-existing health condition, as determined by guidance from HHS;
 - Must be a US Citizen or be lawfully present in the US;
 - Have been uninsured or without creditable coverage for 6 months prior to the date you apply for risk pool coverage.

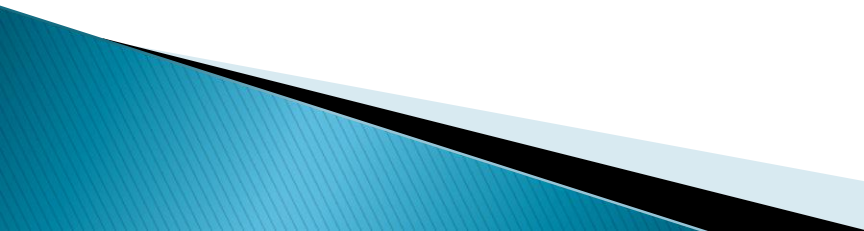
Pre-Existing Condition Defined

- ▶ States:
 - Denied coverage due to a pre-existing condition. With evidence of denial or,
 - Proof of diagnosis on conditions list (HIV/AIDS).
- ▶ Federal:
 - Proof of diagnosis.
- ▶ Exclusion Rider: Have been offered coverage by policy excludes coverage for condition

PCIP Out-of-Pocket Costs

- ▶ Due to low enrollment, federally funded PCIPs now have expanded options/lower costs:
 - 2011 premiums 20% lower than 2010 premiums
 - Standard plan has two deductibles:
 - \$2000 medical
 - \$500 drug
 - Extended plan has two lower deductibles:
 - \$1000 medical
 - \$250 drug
 - State administered PCIP premiums/costs will vary based on market.

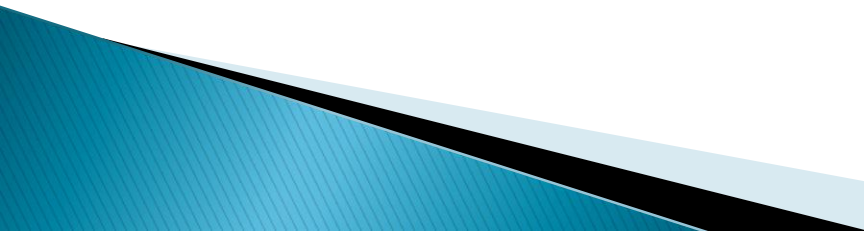
Comprehensive Benefits

- ▶ Care in medical offices for treatment of illness or injury
 - ▶ Emergency services
 - ▶ Inpatient and outpatient hospital services
 - ▶ Inpatient and outpatient mental health and substance abuse services
 - ▶ Prescription drugs
 - ▶ Home health care and hospice services
 - ▶ Outpatient laboratory and diagnostic services
 - ▶ In-and out-of-network benefits
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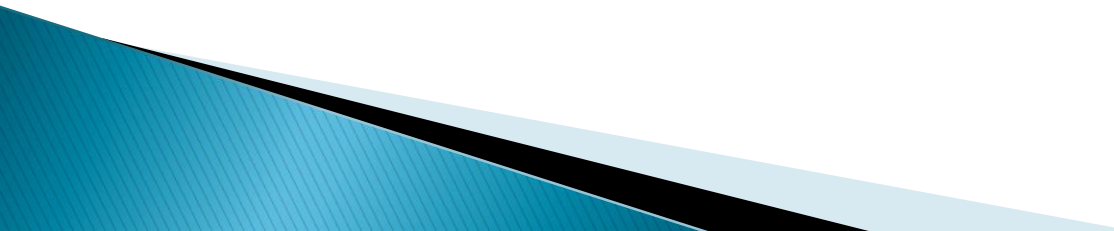
Insurance Continuation: Options for Ryan White Grantees

- ▶ HRSA Guidance:
- ▶ December 2010:
 - <http://hab.hrsa.gov/manageyourgrant/pinspals/pr/eexistltr12262010.pdf>
 - Guidance recognizes that program funding is limited. “Cost shifting” of high cost disease groups to PCIPs could accelerate depletion of fund.
 - Guidance permits grantees to pay wrap-around costs (will monitor):
 - States may have additional requirements: Include ADAP as payer in state PCIP plan.
 - State PCIP must be able to support client for duration of program.

Considerations for ADAPs

- ▶ Most clients will require wrap-around support to make coverage affordable.
 - Monthly Premiums
 - Annual Deductibles (medical vs. drug)
 - Co-payments and co-insurance (%)
 - ▶ Ryan White grantees typically have more experience with premium and drug cost support.
 - ▶ Some states will need new systems to wrap-around medical costs.
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Case Example: Mark

- ▶ Mark has been uninsured and enrolled in ADAP/Ryan White for the past two years.
 - ▶ He is a US citizen and was diagnosed HIV+ five years ago. He is HIV symptomatic (fatigue, neuropathy and depression).
 - ▶ He has attempted to apply for Medicaid 2x but was denied due to a lack of disabling conditions.
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Case Example: Mark

- ▶ Uninsured X 6 months
- ▶ Pre-existing Condition
 - Fed PCIP: Proof of Dx
 - State PCIP: Proof of Dx or insurance denial
- ▶ US Citizen
- ▶ Not eligible for other coverage
- ▶ Comprehensive medical coverage
- ▶ Federal three plan options:
 - Standard,
 - Extended,
 - Health Savings Account

PCIP Eligibility

Coverage

Case Example: Mark

Monthly Premiums

Monthly Cost	Standard	Extended	HSA
Premium	\$116-\$626	\$156-\$842	\$121-\$650

Case Example: Mark

- ▶ Out-of-pocket costs

	Standard	Extended	HSA
Med Deductible	\$2000	\$1000	\$2500
Drug Deductible	\$500	\$250	Combined above
Co-insurance	20%	20%	20%
Co-Pay	\$25 \$4/\$40/25%	\$25 \$4/\$40/25%	\$25 \$4/\$40/25%
Maximum	\$5950	\$5950	\$5950

Resources to Stay Informed

FamiliesUSA

<http://www.familiesusa.org/health-reform-central/>

Kaiser Family Foundation

<http://healthreform.kff.org/>

Treatment Access Expansion Project

<http://www.taepusa.org/>

HealthReform.gov

<http://www.healthreform.gov/>

Department of Health and Human Services

Office of Consumer Information and Insurance Oversight

www.hhs.gov/ociio/

Discussion

- Is your state providing PCIP support to persons with HIV?
 - ADAP or other Ryan White funds?
 - Successes or challenges?
 - Other questions?
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