

# HHS Announces the Creation of the Pre-existing Condition Insurance Plan

By: Kerri McCutchin

---

On Thursday, July 1st, 2010 the U.S. Department of Health and Human Services (HHS) announced the creation of the Pre-existing Condition Insurance Plan (PCIP), a health insurance program for uninsured Americans who have been denied coverage in the past due to a pre-existing health condition.

The PCIP was created under the Affordable Care Act (H.R. 3590), will be managed by states or by HHS, and is currently a transitional program until 2014. Unfortunately, many individuals with pre-existing health conditions have experienced discrimination from health insurers while trying to obtain coverage, however, in 2014, this discrimination from insurers will be prohibited. In addition, individuals and small businesses will have opportunities to acquire more affordable health coverage through new competitive exchanges. Furthermore, the program will make a new health insurance option available for those who have been uninsured for six months or longer, have been unable to obtain coverage due to a pre existing health condition, and are a U.S. citizen or are legally residing in the United States [1].

The Affordable Care Act provides \$5 billion in federal funding to support PCIPs in every state. Each state will have the decision to manage and maintain the PCIP program or allow HHS to run the plan. The PCIP allows states the flexibility to manage their own programs, as long as basic guidelines are met. States maintain their costs, benefits and even the determination of pre-existing conditions. See below for a list of states by pre-existing insurance plan administration:

29 states plus the District of Columbia have chosen to operate their own plans:

Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Illinois, Iowa, Kansas, Maine, Maryland, Michigan, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington State, West Virginia, Wisconsin

21 states elected to have HHS run their plan:

Alabama, Arizona, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Kentucky, Louisiana, Massachusetts, Minnesota, Mississippi, Nebraska, Nevada, North Dakota, South Carolina Tennessee, Texas, Virginia, Wyoming [1]

Secretary of HHS Kathleen Sebelius commented on the PCIP, saying:

“For too long, Americans with pre-existing conditions have been locked out of our health insurance market... today, the Pre-Existing Condition Insurance Plan gives them a new option – the same insurance coverage as a healthy individual if they’ve been uninsured for at least six months because of a medical condition. This program will provide people the help they need as the nation transitions to a more competitive and fair market place in 2014.” [1]

In addition, to address questions and concerns about the PCIP and other health care coverage options, the federal government has created HealthCare.gov [2]. Users are asked to complete a series of questions concerning their lifestyle and health status and after doing so, the site provides users with insurance information specific to their needs. In addition to providing information on the PCIP, the site also provides information on ways to live a healthy and active lifestyle [3].

However, with millions of Americans qualifying for the coverage plan, many question if the \$5 billion in funding will be sufficient; it seems that the PCIP will be rather expensive, with premiums estimated to range from \$140 to \$900 per month (varying from state to state). The price can differ due to medical costs and the scope of coverage [4]. However, despite the high cost, those uninsured individuals with pre-existing health conditions are encouraged to obtain coverage through the PCIP.

If you have further questions concerning the PCIP and other health coverage options, please visit HealthCare.gov.

Sources:

[1] <http://bit.ly/bHQCZv>

[2] <http://bit.ly/9z8Uz6>

[3] <http://huff.to/aEWZqy>

[4] <http://bit.ly/cIN8ZB>