



GOVERNMENT RELATIONS

Pre-Existing Insurance Plan Update – Week of July 11, 2011

HHS will not release PCIP expense data until fall

Officials with the Center for Consumer Information and Insurance Oversight (CCIIO) announced this week that they will not give Congress data on spending for the temporary federal high-risk pool program until an unspecified date this fall.

Director Steve Larsen had promised the House Energy and Commerce Committee in a May 13th letter that CCIIO would promptly disseminate how much the program has spent and provide quarterly updates. However, the center disclosed this week that expenditure data will likely be disclosed as part of a comprehensive report on pre-existing condition insurance plans (PCIPs) that they plan to release in several months. They did not cite a reason for the delay.

A Government Accountability Office report released this week shows that the Assistant Secretary for Administration at the Department of Health and Human Services has obligated at least \$600 million to the states for PCIP operation as of April 15th. Roughly \$79 million had actually been spent.

Larsen and other CCIIO officials have repeatedly been grilled by members of Congress and the media about how much of the \$5 billion authorized for the program has already been used. They have so far refused to confirm anecdotal reports by PCIPs in Colorado in North Carolina that costs per enrollee are running much higher than anticipated. For example, North Carolina officials noted that PCIP enrollees are continue to use the emergency room frequently, despite now having access to primary care physicians and specialists.

Rep. Michael Burgess (R) and other Republican lawmakers suspect that HHS may also be concealing the amount of funds they have needed to spend on marketing efforts to boost disappointment enrollment in the PCIPs. They note that while administrative expenses for state-operated PCIPs are capped at ten percent of overall program costs, there is no limit for the federally-operated PCIPs.

PCIP enrollment climbs by another 3,200 in May

Another 3,258 people nationwide signed-up in May for Pre-existing Condition Insurance Plans (PCIPs), according to figures released late last week by the Centers for Medicare and Medicaid Services (CMS). As of May 31st, a total of 24,712 people had been approved, or about double the number of people who were enrolled as of the end of January. PCIP enrollment has now consistently grown by about 3,000 people for three consecutive months.

Florida is now the eighth state with enrollment exceeding 1,000 residents (the others are California, Illinois, New York, North Carolina, Ohio, Pennsylvania and Texas). Pennsylvania still leads the nation with over 3,400 enrollees. However, California has closed the gap with over 2,200 enrollees.

Below is the PCIP enrollment for each state and federally-operated PCIP:

	= Federally Administered PCIP
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State	Date Coverage for Enrollees Began (in 2010)	Number of People Enrolled and with coverage in effect through May 31, 2011
Alabama	1-Aug	103
Alaska	1-Sep	35
Arizona	1-Aug	573
Arkansas	1-Sep	278
California	25-Oct	2256
Colorado	1-Sep	776
Connecticut**	1-Sep	56
Delaware	1-Aug	67
District of Columbia	1-Oct	27
Florida	1-Aug	1067
Georgia	1-Aug	725
Hawaii	1-Aug	39
Idaho	1-Aug	59
Illinois	1-Sep	1357
Indiana	1-Aug	242
Iowa	1-Sep	157
Kansas	1-Aug	200
Kentucky	1-Aug	112
Louisiana	1-Aug	146
Maine	1-Aug	16
Maryland	1-Sep	394
Massachusetts*	1-Aug	1

Michigan	1-Oct	274
Minnesota	1-Aug	52
Mississippi	1-Aug	88
Missouri	15-Aug	448
Montana	1-Aug	222
Nebraska	1-Aug	69
Nevada	1-Aug	209
New Hampshire	1-Jul	170
New Jersey	15-Aug	586
New Mexico	1-Aug	426
New York	1-Oct	1404
North Carolina	1-Aug	1505
North Dakota	1-Aug	11
Ohio	1-Sep	1286
Oklahoma	1-Sep	324
Oregon	1-Aug	838
Pennsylvania	1-Oct	3427
Rhode Island	15-Sep	125
South Carolina	1-Aug	437
South Dakota	15-Jul	104
Tennessee	1-Aug	380
Texas	1-Aug	1798
Utah	1-Sep	353
Vermont*	1-Sep	0
Virginia	1-Aug	370
Washington	1-Sep	410
West Virginia	1-Sep	27
Wisconsin	1-Aug	603
Wyoming	1-Aug	80
	Total	24712

*Massachusetts and Vermont are guarantee issue states that have already implemented many of the broader market reforms included in the Affordable Care Act that take effect in 2014. Existing commercial plans offering guaranteed coverage at premiums comparable to PCIP are already available in both states.
**Enrollment through March 31, 2011 was reported as 51. However, due to a reporting error the number of individuals enrolled in Connecticut was 34 as of the end of March.

STATE-OPERATED POOLS

North Carolina

The Director for the Inclusive Health PCIP disclosed this week that 1,984 people have enrolled as of July 5th, an increase of over 50 percent since April 30th (see PCIP Update for Week of June 30th). However, this represents a mere fraction of the 200,000 people the Director estimates are PCIP eligible in North Carolina.