



Pre-Existing Insurance Plan Update – Week of September 12, 2011

Nationwide PCIP enrollment breaks 30,000

Nationwide enrollment in pre-existing condition insurance plans (PCIPs) broke 30,000 in July, according to data released this week by the Department of Health and Human Services (HHS).

Nearly 2,900 people enrolled shortly after premiums dropped by up to 40 percent in 18 federally-operated plans on July 1st, an increase from the 2,777 enrollees from May to June but below the monthly gains of 3,000 plus enrollees in the three prior months (see PCIP Update for Week of August 22nd). At least four other states have or will cut premiums shortly (California, Connecticut, Michigan, and Missouri).


At least 30,395 people are now enrolled nationwide. HHS officials expect enrollment to increase more next month as relaxed eligibility standards and premium reductions start to take effect in other states (see Michigan article below).

Pennsylvania continues to outpace other states with 3,762 enrollees; although its rate of growth has slowed significantly (it had 3,617 enrollees as of June 30th). HHS figures for California also continue to lag far behind the 3,532 enrollees reported by California’s plan administrator as of July 27th (see PCIP Update for Week of August 1st).

Florida and Idaho are two states that had a significant bump in enrollment in July. Florida went up 21 percent to 1,454 enrollees, while Idaho shot up nearly 27 percent to 100 enrollees. However, most state pools grew at a similar rate as nationwide enrollment (10.5 percent).

Only eight states continue to have over 1,000 enrollees (the others are Florida, Illinois, New York, North Carolina, and Ohio). However, Oregon is only seven enrollees away from that threshold.

Below is the PCIP enrollment for each state and federally-operated PCIP as of July 31st:

 = Federally Administered PCIP

State	Date Coverage for Enrollees Began (in 2010)	Number of People Enrolled and with coverage in effect through July 31, 2011
Alabama ^{***}	01-Aug	138
Alaska	01-Sep	47
Arizona ^{***}	01-Aug	759
Arkansas	01-Sep	273
California	25-Oct	2979
Colorado	01-Sep	863
Connecticut	01-Sep	62
Delaware ^{***}	01-Aug	83
District of Columbia ^{***}	01-Oct	33
Florida ^{***}	01-Aug	1454
Georgia ^{***}	01-Aug	914
Hawaii ^{***}	01-Aug	51
Idaho ^{***}	01-Aug	100

Illinois	01-Sep	1568
Indiana***	01-Aug	324
Iowa	01-Sep	175
Kansas	01-Aug	227
Kentucky***	01-Aug	173
Louisiana***	01-Aug	193
Maine	01-Aug	24
Maryland	01-Sep	475
Massachusetts*	01-Aug	1
Michigan	01-Oct	428
Minnesota***	01-Aug	86
Mississippi***	01-Aug	115
Missouri	15-Aug	499
Montana	01-Aug	243
Nebraska***	01-Aug	86
Nevada***	01-Aug	255
New Hampshire	01-Jul	198
New Jersey	15-Aug	740
New Mexico	01-Aug	548
New York	01-Oct	1828
North Carolina	01-Aug	1897
North Dakota***	01-Aug	18
Ohio	01-Sep	1511
Oklahoma	01-Sep	410
Oregon	01-Aug	993
Pennsylvania	01-Oct	3762
Rhode Island	15-Sep	123
South Carolina***	01-Aug	567
South Dakota	15-Jul	113
Tennessee***	01-Aug	483
Texas***	01-Aug	2276
Utah	01-Sep	463
Vermont*	01-Sep	0
Virginia***	01-Aug	476
Washington	01-Sep	496
West Virginia***	01-Sep	34
Wisconsin	01-Aug	738
Wyoming***	01-Aug	93
	Total	30395

*Massachusetts and Vermont (Federally administered PCIP) 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

*** Federally administered PCIP.

STATE-OPERATED PLANS

Michigan

Federal high-risk pool makes third attempt to spur enrollment through lower premiums

The administrator of Michigan's pre-existing condition insurance plan (PCIP) announced this week that it has received federal approval to cut premiums by ten percent on October 1st. Though coverage and benefits will remain the same, the Health Insurance Program (HIP) of Michigan will also allow applicants to merely provide documentation of any pre-existing condition within the last 12 months, instead of proving that they meet one of HIP's specific list of eligible conditions.

Monthly premiums still vary by age, with three different plans offering annual deductibles ranging from \$1,000 to \$3,500. However, enrollees age 19-24 will now pay as little as \$104 with a \$3,500 deductible. A plan with a \$1,000 deductible for that age group will cost \$172. Enrollees age 60 to 64 will pay \$312 with a \$3,500 deductible and \$515 with a \$1,000 deductible.

The changes represent HIPs third attempt this year to boost enrollment through lower premiums or broader plan options. Despite tripling from December to April (see PCIP Update for Week of April 25th) and steadily rising up to 565 enrollees by September 1st, enrollment still lags far behind initial projections of 3,500 state residents.

Ohio

Higher than expected claims cost threatens success of Ohio's PCIP

Department of Insurance officials acknowledged this week that the cost per enrollee in the state's PCIP has far exceed expectations, forcing the agency to consider lowering its cap to 2,400 enrollees.

Ohio's PCIP has proven one of the nation's most successful, as it is one of only eight federal or state-operated pools with enrollment exceeding 1,000. It continues to add roughly 150 new enrollees per month and now enrolls nearly 1,800 state residents.

Low premiums are the primary reason for Ohio's success, as PCIP enrollees pay only \$100 to \$700 per month, far less than rates in the individual market. The state had projected that \$152 million in federal funding for the PCIP would allow it to cover up to 5,000 enrollees until 2014. However, higher than expected claims payouts per enrollee have forced Ohio to lower its projection to only 2,400 people. At its current rate of enrollment, it will reach this cap in early 2012.