



Pre-Existing Insurance Plan Update – Week of January 2, 2012

More states seeking supplemental federal PCIP funds

The Centers for Medicare and Medicaid Services (CMS) announced late this week that seven more states have applied for supplemental funding for their pre-existing condition insurance plans (PCIPs).

The Affordable Care Act (ACA) allocated \$5 billion to fund the temporary federal high-risk pool program until 2014, only \$500 million of which has been spent since the first PCIPs began operating in July 2010. While enrollment has lagged overall, several states have or expect to soon use up their initial allotment of funds, especially as per capita claims costs have been higher than anticipated.

As a result, CMS started redistributing unused funds last month from other states, providing California with an additional \$118 million and New Hampshire with an additional \$30 million. CMS acknowledged this week that they are considering requests from Alaska, Colorado, Montana, New Mexico, Oregon, South Dakota and Utah.