

Question

I am working with a beneficiary who is not able to get private health insurance because of pre-existing conditions. They do not qualify for Medicaid and their Medicare has not started yet. I have heard that there might be help for people in this situation under the health care reform law. Is this true?

Answer

Yes, this is true. People who can't get insurance because of pre-existing medical conditions, including mental health conditions, can join their state's Pre-Existing Condition Insurance Plan (PCIP). It is important to remember that Medicaid is always a better, less expensive option for a beneficiary. When considering a PCIP, you should make sure first that the beneficiary can not qualify for Medicaid.

Pre-Existing Condition Insurance Plans are similar to the traditional "high risk pools" that have existed in some states. You can learn about your state's PCIP at: www.HealthCare.Gov/law/about/provisions/pcip/index.html. Many states also have a website with more information on their state's PCIP.

The PCIPs are meant to be temporary; they will end on January 1, 2014, when government-regulated insurance exchanges start operating. By this date, the law also says that insurance companies won't be allowed to deny people coverage because of pre-existing conditions.

The federal government gave states the option to run the PCIPs on their own, with federal funding, or to have people in their state participate in a national PCIP run the federal government. Although PCIPs in each state operate under federal standards, the plans vary by state. All states now have PCIPs in operation.

How the Pre-Existing Condition Insurance Plans Work

The beneficiary will have to pay a monthly premium to participate in the PCIP. The law limits PCIP premiums to "standard rates" related to the average amount private insurers charge for similar coverage. There are limits on out-of-pocket expenses for participants (\$5,950/year for an individual). A PCIP may be a good option for a beneficiary who has high medical expenses and cannot access other health coverage.

How to Apply

To apply to a PCIP you must:

- Be a U.S. citizen or lawfully present in the United States;
- Have had no health coverage for the last 6 months; and

- Have a pre-existing condition, which is defined by each state PCIP.

You can apply to a PCIP no matter what your income is.

People living in states that are letting the federal government run their PCIP can apply online and get coverage within a month. Also, in 2011, new options were added for enrollees in the federally administered PCIPs. Residents of states running their own plans have different application and enrollment dates. To learn more and find out how to apply, go to: www.HealthCare.Gov/law/about/provisions/pcip/index.html. Also, visit your state's website that may have more detailed information on the plan.