

low cost health care

The Low-Cost Health Care Option You Never Heard Of

A new but relatively unknown provision of the healthcare bill makes it easier to get insured with a pre-existing condition.

By Emily Main



what you can do

Find out what options exist in your state for low-cost health care for people with pre-existing conditions.

RODALE NEWS, EMMAUS, PA—Last week, a federal judge in Virginia ruled that the requirement outlined in the Affordable Care Act of 2010 that all Americans purchase health insurance was unconstitutional. Legal experts predict that his decision will wind up being contested in the U.S. Supreme Court, and could derail much of the effort to cover this country's 50.7 million uninsured. But in the meantime, the Department of Health and Human Services (HHS) is continuing to institute many of the law's other provisions in an effort to provide low-cost health care to everyone.

One provision that you may not have heard about is the establishment of Pre-Existing Condition Insurance Plans (PCIPs). The plans are intended to help people who have pre-existing conditions and were previously denied coverage to get insurance between now and 2014, when the law will make it illegal for private insurance companies to deny coverage to people with pre-existing conditions. The legislation allocated \$5 billion to develop the PCIPs to cover 6 million potentially eligible adults, but so far, just over 8,000 people have enrolled, according to figures released last month by HHS.

“That’s probably due to a few factors,” says Marty Rosen, executive vice president of Health Advocate, an advocacy group that helps people and employers find affordable healthcare options. “One is how well promoted they’ve been,” he says—and most states have fallen short on that, considering that they had just 90 days after the healthcare bill went into effect to get the PCIPs up and running. “And secondly, it’s still costly.”

But in spite of that cost, he says, this new health-insurance option really is valuable to a certain segment of the population. “If you have an active major medical problem, this could be hugely significant.” Reaching those people was the whole point of these provisions, says Jean Hall, PhD, associate research professor at the University of Kansas; Hall authored a report on PCIPs for The Commonwealth Fund, a nonprofit devoted to improving access to health care. “They really just level the playing field for the individual market,” she says. By law, the plans must be set at standard market rates, which means that people with pre-existing conditions will be able to get plans at prices on a par with what healthy people pay in the individual insurance market. “They’re still going to be expensive, but it’s better than what people [with pre-existing conditions] would have to pay if they had to buy from private companies.”

THE DETAILS: The plans, which went into effect this past July, operate in all 50 states, but each state operates them a little differently. In 23 states, PCIPs are administered by the federal government, who contracted the job out to the Government Employees Health Association, which operates health insurance plans for all federal employees. The remaining 27 states and the District of Columbia chose to administer their plans themselves, and for that reason, costs, benefits, and eligibility requirements vary state to state (although the benefits are the same for all states being operated by the federal government). Nevertheless, all PCIP plans are required to adhere to a few basic rules:

- You have to have a pre-existing condition, and must have been uninsured for at least six months, to be eligible. In most cases, you're required to provide written proof of being denied coverage and other documentation showing that you have a pre-existing condition.
- As mentioned, the costs for the plans must be equivalent to the standard market rates for healthy individuals in the states in which they're operated, and the rates don't vary based on gender.
- Annual out-of-pocket costs are capped at \$5,950, though some states set lower limits.
- The plans are limited to U.S. residents.