

Can't get health coverage? Some states have options

64

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Health-care law established state 'preexisting condition insurance plans'

By

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A reader asks: Are there other health [insurance options](#) besides high-risk pools for people who can't get coverage in the individual market because of a preexisting condition?

The answer: it depends on where you live.

Under the current [health insurance](#) system, people who have to buy coverage on their own rather than through an employer often find themselves in a tough spot. Insurers often charge high rates for individual coverage if people have even minor health problems, or they refuse to cover them at all.

Starting in 2014, under the health-care overhaul passed last year, insurance companies will no longer be able to deny coverage because of preexisting health conditions, nor charge higher rates. (Implementation of the new health law is going forward despite court and congressional challenges.) State-based health insurance exchanges will provide "marketplaces" where individuals and small businesses with up to 100 employees can shop for coverage.

As a stopgap, the law established [state "preexisting condition insurance plans"](#) to provide coverage to people with medical conditions who can't get insurance elsewhere. These PCIPs generally offer coverage that is more affordable and comprehensive than the high-risk pools that [already operate in more than 30 states](#). There is a hitch, however: You have to have been uninsured for six months in order to qualify.

The federal Department of Health and Human Services runs the PCIPs in 23 states and the District of Columbia. [Other states run their own plans](#). Starting this month, the federally [run](#) plans [began offering three choices instead of one](#), with different premiums and deductibles, to meet a greater variety of needs.

But there are other possible options. A few states, for example, require some commercial carriers to offer guaranteed coverage during a specified open enrollment period every year. Unfortunately, programs like these generally aren't well advertised, and people often find out about them only if they stumble upon them by accident.

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There's another potential drawback: cost. Even if coverage is guaranteed, applicants typically must allow insurers to evaluate their medical history, and premiums may be steep. States don't necessarily have the muscle to keep a tight rein on how much guaranteed coverage will cost.

"Access and affordability are totally different issues," says Deborah Chollet, a [health](#) insurance expert at Mathematica Policy Research.

With that caveat in mind, here are examples of state-based coverage options:

Five states require all insurers to provide "guaranteed-issue" coverage to all comers, regardless of their health. If you live in Maine, Massachusetts, New Jersey, New York or Vermont, you're guaranteed an offer of coverage, although whether it will be affordable is uncertain.

Washington D.C. and four states guarantee coverage to individuals through the local Blue Cross Blue Shield carrier as the "insurer of last resort." The states are Virginia, Michigan, Pennsylvania and Rhode Island, [according to data compiled and analyzed by Georgetown University's Health Policy Institute](#) and published by the Kaiser Family [Foundation](#) (Kaiser Health News is a program of the foundation).

This state coverage requirement is a holdover from the days when it was considered a part of the nonprofit Blues plans' charitable mission to provide coverage to everyone, say experts.

You don't have to have been turned down elsewhere to apply for the Virginia plan, says Scott Golden, [a spokesman for Anthem Blue Cross and Blue Shield](#), which provides the coverage in Virginia. "We'll issue a policy to anybody," he says. Premiums, which must be approved by the state, are based on health status, says Golden.

A handful of states, including Michigan, Ohio and West Virginia, require some [insurance](#) carriers to periodically offer an open enrollment period, typically 30 days a year, during which the carrier will accept applicants regardless of their health status, according to the Georgetown data. Other states require insurers to offer policies to consumers who meet certain criteria.

The challenge for consumers: Finding out about these enrollment opportunities. "Insurers don't go out of their way to make it known," says Gary

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Claxton, vice president at the Kaiser Family Foundation. "They lose money on these folks." The foundation [has a chart](#) that lists state requirements, and you can call state insurance department for information.

[A dozen states allow self-employed individuals](#) to be defined as a "small group" for health insurance purposes. That gives them the same right to guaranteed coverage that small businesses with two to 50 employees have under federal law.

In addition, [some states have programs for low-income people](#) who earn too much to qualify for Medicaid, as we reported in an earlier column. A good starting point to find out about health insurance programs in your area is www.healthcare.gov.

Do you have a question about health insurance or the health reform law? Periodically, we'll devote this space to answering reader queries. Please send yours to us at questions@kaiserhealthnews.org.

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64

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