

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Application for Coverage In New Pre-Existing Condition Insurance Plan Begins August 1, 2010

LITTLE ROCK, ARKANSAS (July 20, 2010) — Insurance Commissioner Jay Bradford announced today that starting August 1, 2010, Arkansans will be able to apply for a new Pre-Existing Condition Insurance Plan (PCIP) for people who have been uninsured for at least six months and denied coverage for pre-existing conditions. The PCIP has been created as required by the Patient Protection and Affordable Care Act (PPACA) signed by President Obama on March 23, 2010. Under the new law the Secretary of the U.S. Department of Health and Human Services must create temporary federal high risk pools in every state, which are administered either by a state, a non-profit entity or directly by the federal government. PCIP is the name of the coverage offered by this federal pool. Arkansas is one of 30 states that elected to administer its own pool through the Arkansas Comprehensive Health Insurance Pool (CHIP), which already provides similar risk pool plans to Arkansas residents. The PCIP will operate until 2014 and is one of the first concrete results from the health care reform legislation. Arkansas will receive \$46 million of the \$5 billion being provided nationwide by the federal government to fund the PCIP. The federal high risk pool and the existing CHIP pools will continue to operate separately as required by PPACA.

To qualify for the PCIP, an individual must be an Arkansas resident and have been turned down for health insurance because of a pre-existing condition, or have been offered coverage that excludes the pre-existing condition. “The applicant must not have had coverage for the past six months,” Bradford said. In the PCIP’s first year of operation, Arkansas will limit enrollment to 2,500. Thereafter, the plan’s claims experience will be reviewed to determine whether coverage can

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be expanded. The PCIP will cover a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs. All covered benefits are available to participants, including pre-existing conditions. Covered individuals will pay premiums for a \$1,000 deductible plan with a \$2,000 out-of-pocket maximum that will vary depending on age and whether the covered individual uses tobacco products. For non-tobacco users, premiums will range from \$156 to \$624 per month.

The PCIP will be administered through Blue Advantage Administrators, which is part of Arkansas Blue Cross and Blue Shield. Blue Advantage already administers CHIP. Information regarding application to the PCIP will be distributed to health insurance agents throughout the state in the next week, and applications will be available on August 1, 2010. Coverage will commence on September 1, 2010, for qualifying applicants.

For further information about this program, please call (800) 285-6477 or email chiparkansas@arkbluecross.com.

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