

March 24, 2010

High Risk Pools

Summary

- Within 90 days of health care reform legislation being enacted, the Health and Human Services Secretary will establish a temporary high risk pool that will be open to people unable to obtain coverage due to a pre-existing condition until the Exchange is set up.
- The Secretary will be establishing programs to help people transfer from the high risk program, which ends January 1, 2014, into the Exchange.
- The Secretary can directly establish the pool or they can contract out with the state or a non-profit private entity, such as Blue Cross, to administer it.

High Risk Pool Program Coverage

- Coverage needs to be made available to all eligible participants regardless of pre-existing conditions.
- The insurer must pay a minimum of 65% of all costs related to health services.
- The insurer will not be able to charge their elder population more than 4xs what they charge their youngest healthiest person in the program.
- The Secretary can deem appropriate other requirements to be put on the insurer for fair pricing standards.

Eligibility

To be eligible a person has to:

- Be a citizen, national of the US, or lawfully present in the US.
- Have been uninsured for 6 months.
- Have a pre-existing condition.

Protections against abuse

- Once a State has applied for funding for a high risk pool, to be granted the pool they cannot decrease current funding for any high risk programs.
- Employers that dump employees from their health insurance program or encourage them to unenroll and then enter the high risk pool will have to pay a penalty that goes into the high risk pool.