



INSURANCE PROGRAMS GROUP

Date: May 25, 2012
To: Pre-Existing Condition Insurance Plan Contractors
From: Richard Popper, Director, Insurance Programs Group
Subject: Management of the PCIP Program in 2012 (Policy Letter #8)

CMS wishes to express its appreciation for the initiative, dedication, and spirit of collaboration you have shown since we launched this program in 2010. Within two years, together we are serving more than 60,000 people with pre-existing conditions nationwide. Beyond the numbers, there is an increasing body of evidence demonstrating that the Pre-Existing Condition Insurance Plan (PCIP) has risen to the challenge to meet the significant health care needs of our enrollees, many of whom require treatment for serious medical conditions such as cancer, heart disease, organ failure requiring a transplant, degenerative bone diseases, and hemophilia.

In the spring of 2011, we implemented an aggressive outreach and education campaign to jumpstart the program. Now that we have successfully stood up the program, we are moving to a steady state approach in administering the Federally-administered PCIP.

For new applications postmarked or submitted online on or after May 1, 2012, the Federally-administered PCIP no longer accepts documentation from a healthcare provider as proof of a pre-existing condition.¹ Instead, applicants age 19 or older can submit as proof one of the following documents dated within the past 12 months:

- A denial letter from an insurance company for individual insurance coverage;
- A letter from a licensed insurance agent or broker stating that you're not eligible for individual insurance coverage from one or more insurance companies because of a medical condition; or
- An offer of coverage letter with the rider that shows that your specific medical condition won't be covered if you accept the coverage.

In addition, the Federally-administered PCIP has sunset the PCIP broker referral program as of May 1, 2012 through which agents and brokers helped uninsured people with pre-existing conditions connect to PCIP coverage.

¹ Except for children under age 19 or residents of Massachusetts or Vermont, where guaranteed issue makes it impossible to be denied by an insurance company.

Changes Affecting the State-Based PCIPs

As CMS implements these changes in the Federally-administered PCIP, State-based PCIPs may consider similar options. To this end, we are waiving the requirements of Section B.4.14 of your PCIP contract, which had directed your organization to “implement marketing and outreach procedures...to make potentially eligible individuals aware of the high risk pool program and the coverage offered by the high risk pool.” You may continue your advertising and outreach efforts at your discretion.

We thank you for all of your efforts to bring PCIP coverage to thousands of people across America. We value your partnership and look forward to the important work ahead as we plan for the transition of our enrollees to Exchanges next year. If you have any questions about this letter, please contact your CMS account manager.