

DEPARTMENT OF HEALTH & HUMAN SERVICES
Office of Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

OFFICE OF INSURANCE PROGRAMS

Date: October 6, 2010

To: Federal High Risk Pool Contractors

Subject: The Pre-Existing Condition Insurance Plan Program and Newborn Coverage (Policy Letter #2)

From: Richard Popper, Deputy Director

The purpose of this policy letter is to respond to State questions surrounding coverage of health care costs incurred for newborn children under the Pre-Existing Condition Insurance Plan (PCIP) program. Any questions regarding this letter may be directed to your primary HHS contact person. Thank you for your continuing cooperation in working together to operate a PCIP program in your State.

Can PCIP programs offer coverage of health care costs incurred for newborn children of mothers who are enrolled in PCIP?

PCIP programs are permitted to cover healthcare costs of newborns of mothers who are enrolled in PCIP under the mother's coverage on a temporary basis. Since a PCIP enrollee must be independently eligible for the program in order to be covered, this coverage may only be provided as a benefit under the mother's coverage, and would not constitute coverage for the newborn as a dependent child. Therefore, the coverage for a newborn's healthcare costs must not be subject to any additional premium, and any incurred costs would be attributable to the mother's policy. While this response generally addresses newborn coverage as part of the mother's PCIP coverage, under some circumstances, States may have the flexibility to offer similar newborn coverage under a father's PCIP policy, subject to HHS approval.

Is there maximum duration for coverage of newborn health care costs offered under PCIP?

As noted above, the PCIP program does not include dependent coverage. Accordingly, newborn coverage under a mother's policy is limited to no more than the maximum period currently covered under a mother's policy by State high risk pool programs that provide such coverage, 60 calendar days after the birth of the child. This approach mirrors account existing State laws, and provides ample opportunity to enroll the child in his or her own coverage.

What happens once the mother's newborn coverage ends?

A parent or legal guardian would need to obtain separate coverage for the newborn. Any child, regardless of whether his or her parent is enrolled in a PCIP program, could qualify for the PCIP program, by satisfying the eligibility requirements of the specific State where the child resides. States may wish to make parents and legal guardians of newborns aware of this situation and other coverage options available to newborns in the State, so that they can take appropriate action.