National Multiple Sclerosis Society

Health Insurance Risk Pools

What You Need to Know about the Texas & Federal Programs
July 2010

The passage of the Patient Protection and Affordable Care Act (PPACA) in March means many positive things for people living with MS and their families.

This fact sheet answers common questions about the new federal risk pools and our existing Texas Health Insurance Pool.

Will I lose my coverage through the Texas Health Insurance Pool?
No. Your coverage will continue as normal until 2014 when health insurers will no longer be allowed to deny coverage based on pre-existing condition and insurance will be available for purchase by all.

What will happen in Texas? Will a new pool be created?
Yes. During this period of transition resulting from the passage of the PPACA, temporary high risk pools will be created in all 50 states. These pools are designed to cover Americans who are currently uninsured because of a pre-existing condition.

In Texas, this means that a *second* risk pool will be created and will run alongside the existing Texas Health Insurance Pool.

This new pool, the federally-run *Pre-Existing Condition Insurance Plan (PCIP)*, was established on July 1st, 2010. You can now apply and enroll in this federal plan, which will operate until 2014, at www.pcip.gov or **1-866-717-5826**

RESOURCES

Texas Health Insurance Pool
www.txhealthpool.org/ or 1-888-398-3927

Pre-Existing Condition Insurance Plan (PCIP)
www.pcip.gov/ or 1-866-717-5826

Kaiser Family Foundation's Summary of the Federal Risk Pool Program
www.kff.org/healthreform/8066.cfm

Get Answers to Other Common Questions About Health Care Reform:
http://www.healthcare.gov/

Health Care Reform for People With Disabilities (PDF)
www.whitehouse.gov/sites/default/files/rss_viewer/health_reform_for_americans_with_disabilities.pdf

What will happen to the Texas Health Insurance Pool?
The Texas Health Insurance Pool will continue to be a resource for Texans who cannot obtain insurance coverage through other sources. Texans currently enrolled in the Texas Pool will continue to be covered. The federal Pre-Existing Condition Insurance Plan (PCIP) will run alongside the Texas Health Insurance Pool, offering those not covered by the Texas Health Insurance Pool an alternative for health insurance coverage until 2014.

What will happen in 2014?
All elements of the new health care reform legislation will be implemented by 2014. The federal Pre-Existing Condition Insurance Plan (PCIP) was created as a temporary measure to "bridge the gap" between now and 2014, when health insurance "exchanges" will be available.

Once the "exchanges" are in place, you will be able to shop for an insurance plan that fits your needs. Insurers will no longer be permitted to deny coverage based on pre-existing conditions. All Americans, regardless of health status, will be able to purchase insurance. On January 1, 2014, both the federal and state risk pools will be terminated because they will no longer be necessary, and you will be able to transition from the risk pool to another insurance plan.

I'm seeking insurance. Which risk pool should I apply for, state or federal?
Before you submit your application for coverage to either pool, consider which option may be best suited to you and your family.

There are three important things to know about the federal Pre-Existing Condition Insurance Plan:

- The premium rates for the plan will be *half* the rates of those in the Texas Pool.
- The plan will not impose a pre-existing condition exclusion on new enrollees.
- The plan will be available only to individuals who have been uninsured throughout the 6-month period prior to their application to the plan.

In contrast, the Texas Health Insurance Pool must impose a 12-month pre-existing condition exclusion waiting period on new enrollees who did not have insurance coverage in place during the 12 months prior to enrollment.

The Texas Health Insurance Pool exclusion period is reduced by the number of months the enrollee did have coverage during the 12 months immediately prior to enrollment in the State Pool, and is waived if the enrollee had coverage in place during the full 12 months prior to enrollment. Full eligibility details are available on the Texas Health Insurance Pool website (http://www.txhealthpool.org/eligibil.html) or by calling 1-888-398-3927.

Though Texas Health Insurance Pool costs twice as much as the federal pool, individuals and families should weigh the costs and benefits of each pool. If you are currently insured, you would have to spend six months without any health insurance coverage to be eligible for the federal pool.

Am I eligible for the Texas Health Insurance Pool?
You must be:
a) a legal Texas resident under the age of 65, or their dependent
b) able to provide evidence of one of the following:

- You have been refused insurance coverage due to health reasons
- You formerly maintained employer-provided coverage for at least 18 months preceding application for the Texas pool, with gaps in coverage no greater than 63 days
- You were covered through another state's risk pool but no longer reside in that state

There are other details that may affect your eligibility. Additional information is available on the Texas Health Insurance Risk Pool website (http://www.txhealthpool.org/eligibil.html) or by calling 1-888-398-3927.

Am I eligible for the federally-run Pre-Existing Condition Insurance Plan (PCIP)?
Only individuals who have a pre-existing medical condition and have been without insurance coverage for *at least 6 months* when they apply will be eligible. If you are already enrolled in the Texas Health Insurance Pool, you will not qualify for PCIP.

When will the federal Pre-Existing Condition Insurance Plan be created?
PCIP was established on July 1, 2010. You can now apply for coverage at http://www.pcip.gov/.

Why isn't the State of Texas administering the new health insurance pool?
Governor Perry determined early this year that Texas would not administer the new health insurance pool in Texas. Instead, the U.S. Department Health & Human Services will run the new federal pool, or PCIP.

Last session, the National MS Society helped pass a bill to provide discounts for Texans enrolled in the Texas Health Insurance Pool. When will this discount program begin?
The discount program will take effect on January 1, 2011. The discount program is targeted at people enrolled in the Texas Health Insurance Pool who live at 300% or less of the federal poverty level. Discounts will most likely be available on a first-come, first-served basis to those who are already enrolled in the pool. Individuals who are already enrolled in the Texas Health Insurance Pool will receive a premium subsidy application package in July 2010. An application may be available in the fall for those who are not yet enrolled in the pool, but only if there are funds remaining for additional subsidies.

Sources:
Texas Health Insurance Pool
White House
Kaiser Family Foundation