Temporary Federal High Risk Health Insurance Pool Program

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Summary

This report briefly describes the temporary federal high risk pool (HRP) program established by the Patient Protection and Affordable Care Act (PPACA, P.L. 111-148, as amended). Under PPACA, the federal HRP program is intended to help individuals with preexisting conditions who have been uninsured for six or more months to obtain health insurance coverage before 2014. States can run the program or elect to have the Department of Health and Human Services (HHS) operate the program in their states. The majority of states (29 states and DC) contracted to operate their own HRPs. HHS administers the HRPs in 21 states, under the Pre-Existing Condition Insurance Plan (PCIP) name.

To be a qualified HRP, the high insurance coverage must have an actuarial value (the average percentage of expenses that the plan covers) at least equal to 65% of total allowed costs, and out-of-pocket costs cannot exceed $5,950 for an individual in 2010. The premiums must be established at a standard rate for a standard population, and age rating cannot exceed a factor of 4 to 1. Claims and administrative costs will be subsidized by the federal government.

PPACA appropriates $5 billion of federal funds to support the program, available beginning on July 1, 2010, until the program ends on January 1, 2014. Several observes think this will not be enough to cover the costs of the program. HHS has proposed allocating funds to states by using a combination of factors, including nonelderly population, nonelderly uninsured, and geographic cost as a guide, with the intention of reallocating funds based on actual enrollment and expenditure experiences. The HHS Secretary has the authority to make any program adjustments necessary to eliminate or prevent any deficit.

This report provides an overview of the temporary federal high risk pool program and will be periodically updated to reflect any legislative or regulatory changes.

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Introduction

Since 1975, a growing number of states (35 currently) have implemented high risk pools (HRPs), which offer nonprofit health insurance to individuals who are unable to purchase affordable coverage in the private market because of preexisting conditions.[1] State HRPs often contract with a private health insurance carrier to administer the pool, and plan options can vary significantly both within pools and from state to state.[2] The Government Accountability Office (GAO) estimates that nearly 4 million individuals were eligible in states with HRPs between 2005 and 2007.[3] However, in 2008, only a total of 199,020 individuals (ranging from 300 in Florida to 27,386 in Minnesota) were enrolled in the 34 HRPs in operation during that time.[4] The National Association of State Comprehensive Health Insurance Plans (NASCHIP) believes that the limited funding to subsidize the relatively high premiums charged for HRPs has restrained enrollment in the plans.[5]

The Patient Protection and Affordable Care Act (PPACA, P.L. 111-148, as amended) established a temporary federal HRP program to provide access to uninsured individual with preexisting conditions. Under PPACA, the federally financed HRP program is intended to help certain individuals with preexisting conditions obtain coverage for the period between June 23, 2010 (functionally the July coverage month) and January 1, 2014.[6]

Temporary Federal High Risk Pool Program

The temporary HRP program is intended to provide transitional coverage for uninsured individuals with preexisting conditions until January 1, 2014, when group health plans and health insurance issuers of group or individual health insurance coverage will be prohibited from having preexisting condition exclusions.[7] Also effective for 2014 is the "guaranteed issue" provision requiring health insurance issuers in the individual or group market to be available to every

[1] Lynn Gruber, "How state health insurance pools are helping Americans," National Association of State Comprehensive Health Insurance Plans, January 6, 2009. High risk pools are often called health insurance associations or comprehensive health insurance associations. The Connecticut Health Care Act of 1975 created the first state high risk pool followed by the Minnesota Comprehensive Health Association in 1976.

[2] United States Government Accountability Office, Health Insurance: Enrollment, Benefits, Funding, and Other Characteristics of State High-Risk Health Insurance Pools, July 22, 2009.

[3] Ibid.

[4] Kaiser Family Foundation, *State High Risk Pool Programs and Enrollment*, December 2008. Available at http://www.statehealthfacts.org/comparetable.jsp?ind=602&cat=7. North Carolina established the 35th state high risk pool in 2009. For more background information on state high risk pools, see CRS Report RL31745, *Health Insurance: State High Risk Pools*, by Bernadette Fernandez.

[5] Lynn R. Gruber, "State high risk pools hold value in the era of health reform," National Association of State Comprehensive Health Insurance Plans Board of Directors, November 15, 2007. The National Association of State Comprehensive Health Insurance Plans (NASCHIP) was created in 1993 to provide educational opportunities and information for state high risk health insurance pools that have been, or are yet to be, established by state governments to serve the medically "uninsurable" population.

[6] Health plan and insurance enrollments generally are effective on a monthly basis, thus July 1, 2010, would be the actual start date for coverage.

[7] §1201 PPACA: §2704 PHSA. A preexisting condition exclusion means denying benefits for chronic illnesses or injuries, like carpal tunnel syndrome, diabetes, heart disease, and cancer, that an individual had before obtaining the current health insurance coverage.

employer and individual in the state that applies for coverage.[8] Thus, individuals with preexisting conditions should not require a special HRP on or after January 1, 2014, because they will have access to health insurance coverage in the reformed insurance marketplace.

The temporary federal HRP program can be administered either by the state or by the U.S. Department of Health and Human Services (HHS). The HHS-administered temporary HRPs are collectively known as the Pre-Existing Condition Insurance Plan (PCIP) and are operated by the Government Employees Health Association, Inc. (GEHA), a non-profit insurance carrier.[9] States that operate their own temporary HRPs may use a different name and insurance carrier. For example, North Carolina named their temporary HRP "Inclusive Health: Federal Option," and the pool is administered by the North Carolina Health Insurance Risk Pool, Inc., a state sponsored non-profit organization.[10] As illustrated in **Figure 1**, the majority of the states (29 states and DC) have accepted responsibility for operating their own program, while 21 states requested that HHS run the program on their behalf.

Figure 1. Map of Temporary Federal High Risk Pools Administered by the States or HHS

Source: U.S. Department of Health and Human Services.

[8] §1201 PPACA: §2702 PHSA. Some states already have guaranteed issue requirements under state law.

[9] Government Employees Health Association, Inc., "Pre-Existing Condition Insurance Plan administered by GEHA: Benefits Summary," July 2010, available at http://www.pciplan.com/forms/pdfs/BenefitsSummary.pdf.

[10] North Carolina Health Insurance Risk Pool, Inc., "Inclusive Health - Federal and State Option," 2010, available at http://www.inclusivehealth.org.

Under PPACA, the Secretary of HHS (hereafter referred to as the Secretary) must establish the temporary HRP program no later than 90 days after enactment, by June 23, 2010.[11] Generally, HHS and state administrators of the temporary HRPs met this deadline. However, the pools operated by HHS did not have specific premium rates available for prospective applicants until July 15, 2010, and 12 states operating their own temporary HRPs targeted August 2010 or some undefined later date to begin accepting applications.[12]

Eligible Individuals and Estimated Enrollment

The temporary federal HRP program is intended to supplement existing state HRPs. Indeed, existing state HRP enrollees are ineligible for the federal program because federal enrollees must be without credible coverage for a six-month period prior to the date on which the individual is applying for coverage through the federal HRP program.[13] Credible coverage is defined by §2701(c) of the Public Health Service Act (PHSA) as a group health plan, health insurance coverage, Medicare Part A or Part B, Medicaid, coverage from the Department of Defense, a medical care program of the Indian Health Service (IHS), a state health benefits risk pool, the Federal Employee Health Benefits Program (FEHBP), a public health plan (as defined in regulations), or a health benefit plan under the Peace Corps Act.[14] Eligible individuals must also have a preexisting condition, as determined by the Secretary, and be a citizen or national of the United States or be lawfully present in the United States.[15] To assist in determining citizenship or nationality, HHS is creating a new computer matching program with the U.S. Office of Personnel Management (OPM), the Social Security Administration (SSA), and the Department of Agriculture's National Finance Center (NFC).[16] This program will allow for the matching between agency systems of the following data fields: name, address, date of birth, Social Security Number (SSN), and Tax Identification Number (TIN).

Existing survey data on health conditions and insurance status give a range of estimates of potentially eligible individuals. The GAO estimate of approximately 4 million individuals was limited to states with existing HRPs, and thus probably represents a low-end estimate of eligible individuals for the federal program, which will be available in all states including those that had

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[11] §1101(a) of PPACA.

[12] U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan Find Your State," July 2010, available at http://www.pcip.gov/StatePlans.html. The following nine states have indicated that they will accept applications in August 2010: Arkansas, California, Illinois, Maryland, Michigan, Ohio, Utah, Washington, and West Virginia. New Jersey, Rhode Island, and Washington, DC, have not announced a date when they will accept applications.

[13] §1101(d) of PPACA.

[14] 45 CFR 146.113 defines a public health plan as any plan established or maintained by a state, the U.S. government, a foreign country, or any political subdivision of a state, the U.S. government, or a foreign country that provides health coverage to individuals who are enrolled in the plan.

[15] §1101(d) of PPACA.

[16] U.S. Department of Health and Human Services, "Notice of Computer Matching Program, SSA With the United States Department of Agriculture (USDA), National Finance Center (NFC)," *Federal Register*, P.40770, vol. 75, no. 134, Wednesday, July 14, 2010.

HRPs prior to enactment of PPACA.[17] Other full population survey estimates have found between 5 and 11.4 million adults may meet the eligibility criteria.[18]

With respect to a likely number of enrollees, a survey of health insurance companies in the individual market found that there were 223,240 denials of coverage in 2008.[19] This figure likely represents a floor estimate of the number of individuals that would actually seek coverage in a federal HRP, since they have preexisting conditions, are probably uninsured due to the denial, and have actively sought coverage, thus showing a willingness to take the necessary steps in order to obtain coverage. The Congressional Budget Office's (CBO's) estimate is similar (200,000 average enrollment over the 2011-2013 period) when based on the assumption that HHS will only spend the $5 billion appropriated in PPACA.[20] However, CBO expects that if the program spending were not capped and 65% of medical costs were covered, then federal spending through 2013 would be between $10 billion and $15 billion and enrollment would be expected to grow from approximately 400,000 in 2011 to as high as 700,000 in 2013.[21]

Application Procedures

To apply for the PCIP administered by HHS, eligible individuals must submit an application and supporting materials indicating their eligibility. The PCIP has both paper and online application options available.[22] Prospective applicants can also call to request a mailed copy of the application at 1-866-717-5826 (TTY 1-866-561-1604). The application requires basic personal information, indication of citizenship or immigration status, information about the applicant's medical condition or diagnosis that makes the individual eligible, and information about previous health insurance coverage.[23] PCIP applicants must also supply a copy of a letter dated within six months of the application from an insurance company or health plan showing that they had been completely denied individual coverage because of a preexisting condition, or were offered coverage but were denied certain benefits because of a preexisting condition. Federal HRPs administered by the states may develop their own application procedures, and thus some variation

[17] United States Government Accountability Office, Health Insurance: Enrollment, Benefits, Funding, and Other Characteristics of State High-Risk Health Insurance Pools, July 22, 2009.

[18] Mark Merlis, "Health Coverage for the High-Risk Uninsured: Policy Options for Design of the Temporary High-Risk Pool," National Institute For Health Care Reform Policy Analysis No. 2, May 2010. Andrew P. Wilper, Steffie Woolhandler, Karen E. Lasser, Danny McCormick, David H. Bor, and David U. Himmelstein, National Study of Chronic Disease Prevalence and Access to Care in Uninsured U.S. Adults, Annals of Internal Medicine, 2008, 149:170-176. Ha Tu, "Rising health costs, medical debt and chronic conditions," Center for Studying Health System Change, September 2004.

[19] America's Health Insurance Plans (AHIP), "Individual Health Insurance 2009: A Comprehensive Survey of Premiums, Availability, and Benefits," October 2009.

[20] Congressional Budget Office, "Letter to Senator Michael B. Enzi," June 21, 2010, available at http://www.cbo.gov/ftpdocs/115xx/doc11572/06-21-High-Risk_Insurance_Pools.pdf.

[21] Ibid.

[22] See http://www.pcip.gov/Apply.html.

[23] U.S. Department of Health and Human Services, "Instructions for Completing Your Application for the Pre-Existing Condition Insurance Plan," June 2010, available at http://www.pcip.gov/PreExistingConditionPlan_EnrollmentForm_063010_508.pdf.

has been observed.[24] Specific state contacts for applications are available at the Pre-Existing Condition Insurance Plan website.[25]

Plan Benefits

Specific coverage policy (e.g., providers and procedures covered and prescription drug formularies) is not addressed by the law. In other words, section 1101 PPACA does not require nor prohibit certain providers, procedures, prescriptions drugs, or medical technology. However, the Secretary does have the authority to establish additional requirements concerning qualified HRPs that could be used to establish coverage policy.[26] To date, regulations have not been promulgated and the solicitation for state proposals did not address coverage policy at this level of detail.[27]

However, the law does establish certain benefits requirements. To be a qualified federal HRP, the health insurance coverage must have an actuarial value of at least 65% of the total allowed costs.[28] The coverage must also have an out-of-pocket limit no greater than the applicable amount for high-deductible health plans linked to health savings accounts, which is $5,950 for an individual in 2010.[29] This means the total annual cost-sharing requirements, including deductibles, cannot exceed $5,950. This limit, however, does not apply to deductibles and expenses for out-of-network services if the plan uses a network of providers.[30]

For the PCIP, adult preventive care (e.g., annual physicals, influenza vaccinations, routine adult mammograms and cancer screenings) has no deductible when an enrollee visits in-network health care providers.[31] For all other care, the enrollee has a $2,500 in-network deductible and a $3,000 out-of-network deductible. For the states that administer their own federal HRPs, there is some variation in deductible designs, with deductible amounts ranging from $500 to $3,000. Several states also have separate deductibles for in-network and non-network costs, or for medical and drug costs (for a breakout of the different designs see **Figure 2**.)

The PCIP maximum out-of-pocket for covered services in a calendar year is $5,950 for in-network services and $7,000 for out-of-network services, with no lifetime limits irrespective of the network status. For the state administered temporary HRPs, the out-of-pocket limits range

[24] State contact information is available at http://www.pcip.gov/StatePlans.html.

[25] U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," available at http://www.pcip.gov/StatePlans.html.

[26] §1101(c)(2)(D) of PPACA.

[27] U.S. Department of Health and Human Services, "Solicitation for State Proposals to Operate Qualified High Risk Pools," May 10, 2010, available at http://www.hhs.gov/ociio/Documents/state_solicitation.pdf.

[28] §1101(c)(2)(B) of PPACA. The actuarial value of a health insurance policy is the percentage of the total covered expenses that the plan would, on average, cover. For example, a plan with a 65% actuarial value means that consumers would on average pay 35% of the cost of health care expenses through features like deductibles and coinsurance. The amount that individual consumers pay could vary substantially by the amount of services used. The actuarial value does not include premiums paid by the enrollee.

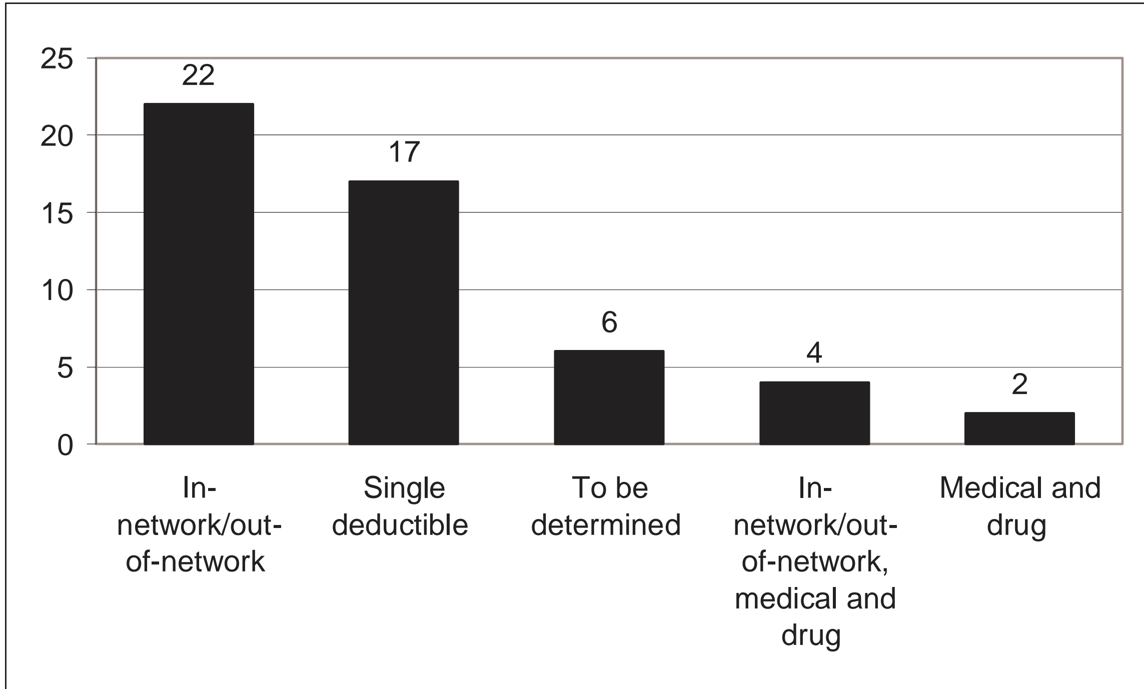
[29] §1101(c)(2)(B) of PPACA and §223(c)(2) of the Internal Revenue Code of 1986.

[30] Department of the Treasury, Internal Revenue Service, "Health Savings Accounts and Other Tax-Favored Health Plans," Publication 969, November 25, 2009.

[31] Government Employees Health Association, Inc., "Pre-Existing Condition Insurance Plan (PCIP): Benefits Summary," July 2010, available at http://www.pcip.gov/PCIP_%20pamphlet_benefits_summary.pdf.

from $500 for pharmacy benefits to the $5,950 for medical services.[32] Similar to the PCIP HRPs, several state HRPs have a higher deductible for out-of-network care. In contrast to the PCIP HRPs, some states have separate deductibles for medical services and prescription drugs. For a state-by-state comparison of deductibles and maximum out-of-pocket amounts for the federal HRPs see **Table A-1.**

Figure 2. Frequency of Deductible Designs in the Federal High Risk Pool Program



Source: CRS analysis of U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," July 2010, available at http://www.pcip.gov/StatePlans.html.

Notes: Counts are by state. The category "in-network/out-of-network" means there are separate deductibles for costs associated with in-network vs. out-of-network services. The category "single deductible" means there is one deductible for the pool representing all allowable costs. The category "to be determined" represents states that have not yet developed a benefits structure for their federal high risk pool. The category "in-network/out-of-network, medical and drug" means there are separate deductibles for in-network and out-of-network care and for medical services and prescription drugs. The category "medical and drug" means there are separate deductibles for medical services and prescription drugs.

Premium Rates

Individuals with preexisting conditions are generally high-cost members for a health insurer, making it a challenge to balance coverage generosity and affordability of premiums.[33] Indeed, in

[32] U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," July 2010, available at http://www.pcip.gov/StatePlans.html.

[33] The term "premium rate" means the unit charge by which the amount of insurance specified in a policy is multiplied to determine the premium. Rates are usually filed as a formula that describes how to calculate a rate for each person or family covered, typically with variations based on the geographic location, the past claim experience, the amount of coverage and copayments, age, gender, and number of dependents. The term "premium" represents total cost paid, usually per month, by the enrollee or policy holder for individual coverage and by the group sponsor for group (continued...)

2007 the estimated national average per person annual medical spending for privately insured persons under 65 was $3,648, compared to about $9,000 per person for the enrollees in state HRPs prior to PPACA.[34] For state HRPs in existence before PPACA, premiums have been between 110% to 200% of the premium rates charged by other private health insurance carriers offering coverage in the individual market in the same state.[35]

Certain PPACA requirements for the federal HRPs are designed to make premium rates fair and affordable. By law, premium rates for federal HRP coverage must be established at a standard rate for a standard population and age rating cannot exceed a factor of 4 to 1.[36] These provisions limit the variability of premiums among enrollees in the program. PPACA also subsidizes premiums by appropriating $5 billion for the payment of claims and administrative costs of the HRP that are in excess of the amount of premiums collected from enrollees.[37] For the PCIP HPRs, monthly premiums rates average between $299 for individuals between 0 and 34 years of age to $637 for individuals 55 years of age and older.[38] PCIP rates by age group and state are listed in **Table A-2**. The temporary federal HRPs administered by the states have publicly reported less detail concerning premium rates and some have not reported at all. Among those states that have reported, rates ranged from $115 per month for the youngest age group in Colorado to $1,735 for the oldest age group in Alaska. Available rates for federal HRPs administered by the states are available in **Table A-3**.

Program Administration

PPACA provides that the Secretary may carry out the federal HRP program directly or through contracts to eligible entities.[39] In order to carry out the program, and other PPACA private health insurance provisions, the Secretary created a new Office of Consumer Information and Insurance Oversight (OCIIO) within the Office of the Secretary (OS).[40] OCIIO is led by a director that reports to the Secretary. The current director is Jay Angoff, who previously practiced law at Mehri

(...continued)

coverage.

[34] David Kashihara and Kelly Carper, "National Health Care Expenses in the U.S. Civilian Noninstitutionalized Population, 2007," Statistical Brief #229, December 2008, Agency for Healthcare Research and Quality. Available at http://www.meps.ahrq.gov/mepsweb/data_files/publications/st229/stat229.pdf. Kaiser Family Foundation, State High Risk Pool Programs and Enrollment, December 2007. Available at http://www.statehealthfacts.org/comparetable.jsp?ind=602&cat=7.

[35] United States Government Accountability Office, Health Insurance: Enrollment, Benefits, Funding, and Other Characteristics of State High-Risk Health Insurance Pools, July 22, 2009.

[36] §1101(c)(2)(C) of PPACA. The terms "standard rate" and "standard population" were not defined by PPACA. HHS has interpreted this provisions to mean that the rate may not exceed 100% of the standard non-group rate. U.S. Department of Health and Human Services, "Fact Sheet—Temporary High Risk Pool Program," April 2010. Available at http://www.hhs.gov/ociio/initiative/hi_risk_pool_facts.html. Age rating refers to the practice of a health insurer estimating the expected health care spending for all individuals within a given age group and then varying the premiums for individuals across groups to account for the differences. Higher age groups are charged higher premiums.

[37] §1101(g) of PPACA.

[38] CRS analysis of premium rate data from U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," July 2010, available at http://www.pcip.gov/StatePlans.html.

[39] §1101(b)(1) of PPACA. Eligible entities other than a state must be a non-profit organization.

[40] U.S. Department of Health and Human Services, "Statement of Organization, Functions, and Delegations of Authority," *Federal Register*, Vol. 75, No. 74 , Monday, April 19, 2010.

& Skalet, PLLC, and served as Missouri Insurance Commissioner.[41] Within OCIIO is an Office of Insurance Programs that is responsible for administering the temporary high-risk pool program and associated funding to states. The Office of Insurance Programs is currently led by Richard Popper, who previously directed the state of Maryland's high risk pool.[42]

Funding for Eligible Entities

To be eligible to contract with the Secretary for the federal HRP, an entity must either be a state or nonprofit private organization.[43] Most states (29 states and DC) contracted with the Secretary. For the other 21 states, HHS issued a request for proposals for a federal HRP third party administrator on May 25, 2010.[44] HHS chose the Government Employees Health Association, Inc. (GEHA), from the 14 non-profit organizations that expressed interest in the program.[45] GEHA is also currently a Federal Employee Health Benefits Program (FEHBP) carrier.[46]

PPACA appropriated $5 billion to pay claims and the administrative costs of the temporary HRP that are in excess of the amount of premiums collected from enrollees beginning on July 1 until the program ends on January 1, 2014.[47] There has been some concern that the funding amount is inadequate for the program. Richard Foster, the chief actuary of the Centers for Medicare and Medicaid Services, estimates that by 2011 or 2012 the initial funding will be exhausted, "resulting in substantial premium increases to sustain the program."[48] CBO concurs that $5 billion will not be enough to cover the costs of all applicants through 2013.[49]

Many of the states that elected not to participate cited the funding as their reason. For example, Texas Governor Rick Perry in a letter to the Secretary stated that the funding is insufficient and that "state officials could be forced to reduce health coverage, raise premiums or ask state taxpayers to pay" for the HRP.[50] Similarly, Wyoming Governor Dave Freudenthal wrote the Secretary expressing the concern "that the allotted money may prove to be insufficient to fully

[41] U.S. Department of Health and Human Services, "Biography of the Director of the Office of Consumer Information and Insurance Oversight: Jay Angoff," June 2010, available at http://www.hhs.gov/ociio/about/jay_angoff_bio.html.

[42] Julie Appleby, "Appointments of federal watchdogs suggest more tough scrutiny for insurers," *Washington Post*, June 1, 2010, available at http://www.washingtonpost.com/wp-dyn/content/article/2010/05/31/AR2010053102756.html.

[43] §1101(b)(2) of PPACA.

[44] U.S. Department of Health and Human Services, "Solicitation For Third Party Administrators For Federal High Risk Pool Program," May 25, 2010, available at https://www.fbo.gov/spg/HHS/PSC/DAM/10-233-SOL-00200/listing.html.

[45] U.S. Department of Health and Human Services, "Initiatives and Programs: Pre-Existing Condition Insurance Plan," July 2010, available at http://www.hhs.gov/ociio/initiative/index.html. U.S. Department of Health and Human Services, "Federal High Risk Pool Third Party Administrator (10-233-SOL-00200): Interested Parties List," June 2010, available at https://www.fbo.gov/spg/HHS/PSC/DAM/10-233-SOL-00200/listing.html.

[46] CRS Report RS21974, *Federal Employees Health Benefits Program: Available Health Insurance Options*, by Hinda Chaikind and Mark Newsom.

[47] §1101(g)(1) of PPACA.

[48] January 8, 2010, memorandum "Estimated Financial Effects of the Patient Protection and Affordable Care Act as Passed by the Senate on December 24, 2009" from CMS Chief Actuary Richard S. Foster to the Congress. Available at http://www.cms.gov/ActuarialStudies/Downloads/S_PPACA_2010-01-08.pdf.

[49] Congressional Budget Office, "Letter to Senator Michael B. Enzi," June 21, 2010, available at http://www.cbo.gov/ftpdocs/115xx/doc11572/06-21-High-Risk_Insurance_Pools.pdf.

[50] April 30, 2010 letter from Governor Rick Perry to Secretary Kathleen Sebelius. Available at http://governor.state.tx.us/files/press-office/O-SebeliusKathleen20100430.pdf.

operate this program until 2014."[51] If HHS estimates that there will be a funding shortage, then the Secretary has the authority to make any program adjustments necessary to eliminate the deficit.[52]

The Secretary has proposed allocating funds for the program by using a formula similar to what was used for the State Children's Health Insurance Program (CHIP), whereby funds would be allotted to states using a combination of factors, including nonelderly population, nonelderly uninsured, and geographic cost, as a guide.[53] The Secretary intends to reallocate the unspent state allotments after a period of not more than two years, based on an assessment of enrollment and expenditure experiences of each state. A breakdown of the proposed funding by state is provided in **Table A-4**.

[51] Leigh Anne G. Manlove, "Governor Freudenthal Opts for Federally Run High-Risk Insurance Pool," April 28, 2010. Available at http://governor.wy.gov/press-releases/governor-freudenthal-opts-for-federally-run-highrisk-insurance-pool.html.

[52] §1101(g)(2) of PPACA.

[53] U.S. Department of Health and Human Services, "Fact Sheet – Temporary High Risk Pool Program," April 2010. Available at http://www.hhs.gov/ociio/initiative/hi_risk_pool_facts.html.

Appendix. HRP Program Tables

Table A-1. Comparison of Deductibles and Out-of-Pocket Limits in Federal HRPs, by State

State	State or HHS Administered	Deductible(s)	Out-of-Pocket (OOP) limit(s)
Alabama	HHS	$2,500 in-network, $3,000 out-of-network, preventive services are exempt	$5,950 in-network, $7,000 out-of-network
Alaska	State	$1,500	$3,000
Arizona	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Arkansas	State	$1,000	$2,000 for in-network services, unlimited for out-of-network services
California	State	$1,500	$2,500
Colorado	State	Medical: $2,500, Brand Drug Deductible: $500	$5,950
Connecticut	State	$1,250 in-network, $3,000 out-of-network, $250 drug deductible	$4,250 in-network, $15,000 out-of-network
Delaware	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
District of Columbia	State	To be determined	To be determined
Florida	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Georgia	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Hawaii	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Idaho	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Illinois	State	$2,000	$4,350 for medical, $1,600 for pharmacy
Indiana	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Iowa	State	$1,000 in-network, $2,000 out-of-network	Medical: $2,500 in-network, $5,000 out-of-network, Pharmacy: $1,000
Kansas	State	$2,500	$5,950
Kentucky	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Louisiana	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Maine	State	Plan 1 $1,750, Plan 2 $2,500	Plan 1 $3,500, Plan 2 $5,600

State	State or HHS Administered	Deductible(s)	Out-of-Pocket (OOP) limit(s)
Maryland	State	$1,500	$1,500
Massachusetts	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Michigan	State	$1,000	Not to exceed the lesser of $5,950 or 35% of the actuarial value of the plan
Minnesota	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Mississippi	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Missouri	State	$1,000	$5,950
Montana	State	$2,500	$5,950
Nebraska	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Nevada	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
New Hampshire	State	Medical Deductible-Option A: $1,000 in-network, $2,000 out-of-network, Option B: $2,500 in-network, $3,500 out-of-network, Drug Deductible Both Options: $300	Option A: $3,500 in-network, $7,000 out-of-network, Option B: $5,000 in-network, $8,500 out-of-network
New Jersey	State	To be determined	To be determined
New Mexico	State	Plan 1: $500; Plan 2: $1,000; Plan 3: $2,000	Plan 1: $2,500 for medical, $2,950 for pharmacy; Plan 2: $3,500 for medical, $2,450 for pharmacy; Plan 3: $3,500 for medical, $2,450 for pharmacy
New York	State	To be determined	To be determined
North Carolina	State	Plan 1: $1,000, Plan 2: $2,500, Plan 3: $3,500, Plan 4: $4,500	For Plans 1, 2, and 3: $5,950 in-network, $7,000 out-of-network, For Plan 4: $4,500 in-and-out-of-network
North Dakota	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Ohio	State	Plan 1: $1,500 in network, $3,000 out of network, Plan 2: $2,500 in network, $5,000 out of network	Plan 1: Medical $3,000 in network, $7,000 out of network, $2,950 prescription drugs, Plan 2: Medical $4,950 in network, $7,000 out of network, $1,000 prescription drugs
Oklahoma	State	Medical Deductible $2,000 Drug Deductible: $1,600	$4,350
Oregon	State	Plan 1: $500; Plan 2: $750	Plan 1: $1,500 for medical, $3,750 for pharmacy; Plan 2: $4,450 for medical,

State	State or HHS Administered	Deductible(s)	Out-of-Pocket (OOP) limit(s)
			$2,200 for pharmacy
Pennsylvania	State	$1,000 in-network, $10,000 out-of-network	$5,000 in-network, $20,000 out-of-network
Rhode Island	State	To be determined	To be determined
South Carolina	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
South Dakota	State	$2,000	$4,250 for medical, $1,500 for pharmacy
Tennessee	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Texas	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Utah	State	To be determined	To be determined
Vermont	State	To be determined	To be determined
Virginia	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network
Washington	State	Plan 1: $2,500; Plan 2: $500	Plan 1, medical: $4,950 in-network, $7,400 out-of-network Plan 1, pharmacy: $1,000; Plan 2, medical: $1,000 in-network, $2,000 out-of-network Plan 2, pharmacy: $500
West Virginia	State	$1,000 (only in-network charges apply)	$3,500
Wisconsin	State	$500, $1,000, or $2,500	$1,000 for medical, $2,000 for pharmacy
Wyoming	HHS	$2,500 in-network (except for preventive services), $3,000 out-of-network	$5,950 in-network, $7,000 out-of-network

Source: CRS analysis of U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," July 2010, available at http://www.pcip.gov/StatePlans.html.

Table A-2. Monthly Premium Rates by Age Group for the HHS Administered Pre-Existing Condition Insurance Plans, by State

State	Ages 0 to 34	Ages 35 to 44	Ages 45 to 54	Ages 55+
Alabama	$338	$406	$518	$721
Arizona	$323	$387	$495	$688
Delaware	$335	$402	$513	$714
Florida	$363	$435	$556	$773
Georgia	$323	$387	$495	$688
Hawaii	$215	$258	$330	$459
Idaho	$246	$295	$377	$524
Indiana	$310	$372	$476	$662
Kentucky	$304	$365	$466	$649
Louisiana	$317	$380	$485	$675
Massachusetts	$335	$402	$513	$714
Minnesota	$274	$328	$419	$583
Mississippi	$277	$332	$424	$590
Nebraska	$307	$369	$471	$655
Nevada	$335	$402	$513	$714
North Dakota	$246	$295	$377	$524
South Carolina	$301	$361	$462	$642
Tennessee	$286	$343	$438	$609
Texas	$323	$387	$495	$688
Virginia	$289	$347	$443	$616
Wyoming	$234	$280	$358	$498
Average	**$299**	**$359**	**$458**	**$637**

Source: Government Employees Health Association, Inc., "Premium Rates," July 2010, available at http://www.pciplan.com/applicants/rates.html.

Table A-3. Monthly Premium Rates for State-Administered Federal High Risk Pools

State	Premium rates
Alaska	$434 to $1,735
Arkansas	$156 to $624
California	$575 for a 50 year old subscriber in San Francisco
Colorado	$115 for a 0-18 year old to $806 for a 60-64 year old
Connecticut	Not available
District of Columbia	Not available
Illinois	Not available
Iowa	Not available
Kansas	Age 50 non smoker rates range from $317.95 to $350.31
Maine	$438 to $658
Maryland	$141 to $328
Michigan	Not available
Missouri	$423 to $972
Montana	$190 to $615
New Hampshire	$283 to $1,691
New Jersey	Not available
New Mexico	$183 to $526
New York	Approximately $400 to $600
North Carolina	$183 to $729
Ohio	Projected non smoker premium rates – $189 to $545
Oklahoma	$185 to $678
Oregon	$222 to $779
Pennsylvania	$283.20
Rhode Island	Not available
South Dakota	$206 to $626
Utah	Not available
Vermont	Not available
Washington	$177 to $1,577
West Virginia	Not available
Wisconsin	$126 to $473

Source: U.S. Department of Health and Human Services, "Pre-Existing Condition Insurance Plan State Information," July 2010, available at http://www.pcip.gov/StatePlans.html.

Table A-4. Proposed Allocation of Federal Funds for Temporary High Risk Pools, by State

State	Potential Allocation of Federal HRP Funds (in millions)
Alabama	$69
Alaska	$13
Arizona	$129
Arkansas	$46
California	$761
Colorado	$90
Connecticut	$50
Delaware	$13
District of Columbia	$9
Florida	$351
Georgia	$177
Hawaii	$16
Idaho	$24
Illinois	$196
Indiana	$93
Iowa	$35
Kansas	$36
Kentucky	$63
Louisiana	$71
Maine	$17
Maryland	$85
Massachusetts	$77
Michigan	$141
Minnesota	$68
Mississippi	$47
Missouri	$81
Montana	$16
Nebraska	$23
Nevada	$61
New Hampshire	$20
New Jersey	$141
New Mexico	$37
New York	$297
North Carolina	$145

State	Potential Allocation of Federal HRP Funds (in millions)
North Dakota	$8
Ohio	$152
Oklahoma	$60
Oregon	$66
Pennsylvania	$160
Rhode Island	$13
South Carolina	$74
South Dakota	$11
Tennessee	$97
Texas	$493
Utah	$40
Vermont	$8
Virginia	$113
Washington	$102
West Virginia	$27
Wisconsin	$73
Wyoming	$8
Totals	$5 billion

Sources: U.S. Department of Health and Human Services, "HHS Secretary Sebelius Announces New Pre-Existing Condition Insurance Plan," July 1, 2010, available at http://www.hhs.gov/news/press/2010pres/07/20100701a.html; U.S. Department of Health and Human Services, "Fact Sheet – Temporary HRP Program," April 2010. Available at http://www.hhs.gov/ociio/initiative/hi_risk_pool_facts.html.

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