

Pre-Existing Condition Insurance Plan (PCIP)

- The PCIP was enacted as part of the ACA. HHS implemented the PCIP in July, 2010 through an Interim Final Rule on July 30, 2010.
- The PCIP serves to offer coverage to uninsured Americans who have been unable to obtain health coverage because of a pre-existing health condition.
- The PCIP is administered either by a state or by the Department of Health and Human Services and provides a new health coverage option for Americans who have been uninsured for at least six months, have been unable to get health coverage because of a health condition, and are a U.S. citizen or are residing in the United States legally.
- The PCIP only lasts until 2014, when insurers will be banned from discriminating against adults with pre-existing conditions, and individuals and small businesses will have access to more affordable private insurance choices through new competitive Exchanges.
- Twenty-seven states have elected to have HHS administer the plans, while 23 states and the District of Columbia have chosen to run their own programs.
- The PCIP covers a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs. It does not base eligibility on income and does not charge a higher premium because of a medical condition. Participants pay a premium that is not more than the standard individual health insurance premium in their state for insurance that covers major medical and prescription drug expenses with some cost-sharing.
- On May 31, 2011, HHS announced changes to the PCIP:
 - PCIP premiums will drop as much as 40 percent in 18 States where the Federally administered PCIP operates.
 - Starting July 1, 2011, in the federally administered PCIP, people applying for coverage can simply provide a letter from a doctor, physician assistant, or nurse practitioner dated within the past 12 months stating that they have or, at any time in the past, had a medical condition, disability, or illness. Applicants no longer have to wait on an insurance company to send them a denial letter.
 - HHS also sent letters today to the 27 States running their own programs to inform them of the opportunity to modify their current PCIP premiums.
 - Beginning this fall, HHS will begin paying agents and brokers for successfully connecting eligible people with the PCIP program. This step will help reach those who are eligible but un-enrolled.
- Despite research, it is unclear when or how, but at some point Medco was given the contract to administer the prescription drug coverage under PCIP.