



OUTREACH NEWSLETTER



Help Insure the Uninsurable!

National Perspective

On March 23, 2010, President Obama signed into law the Affordable Care Act (ACA). This law created the Pre-Existing Condition Insurance Plan (PCIP) and is one of the first major provisions of the national healthcare reform to take effect. Individuals who have been denied coverage because of a pre-existing health condition and have been uninsured for at least six (6) months are potentially eligible for PCIP.

California's Role

On October 25, 2010, California's PCIP opened for enrollment. California was provided a \$761 million dollar federal allocation to operate the program to serve **17,000 to 24,000 uninsured Californians**. Applications are available on the program's website at www.pcip.ca.gov or at www.mrmib.ca.gov, the website of the Managed Risk Medical Insurance Board, the state agency that administers California's PCIP.

California Has Two High-Risk Pools

The PCIP covers inpatient and outpatient care provided by doctors, psychologists, hospitals, laboratories and imaging centers, as well as generic and brand name drugs.

Compared with California's Major Risk Medical Insurance Program (MRMIP), the state funded high-risk pool; California's federally funded PCIP generally has lower premiums, expanded coverage and, no lifetime or annual benefit caps. PCIP premiums are what a subscriber without pre-existing conditions would pay for an individual plan in the insurance market.

Let's Get More People Covered

California's challenge is to educate the public about PCIP and to enroll eligible people who need health care coverage into the program.

You can help. PCIP implemented an incentive program of \$50 payments to Insurance Agents and Brokers for each application submitted that results in a successful enrollment.

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PCIP Outreach Accomplishments

The California PCIP implemented an outreach campaign that included:

- Conducting a mass mailing to more than 400 entities and organizations announcing PCIP opening and requesting assistance in promoting the program. Mass mailing included:
 - PCIP Outreach flyer
 - Frequently Asked Questions sheet
 - PCIP Newsletter article
- Conducting targeted outreach via email mass mailing to more than 3,500 Agents and Brokers announcing that PCIP was open to enrollment and requesting assistance in promoting the program
- Launched the PCIP Website including the Outreach Materials Tab – Individuals and organizations are able to download any of the outreach materials from this location, including Webinar materials
- Launched the PCIP Facebook page
- Airing the PCIP 101 Webinar for Agents and Brokers
- Posting the PCIP 101 Webinar Slides on the Website

How to Apply

When applying for the PCIP program, the application will be reviewed for both the PCIP and MRMIP programs. Until a joint application is released, an applicant will fill out the MRMIP application and the PCIP supplemental application.

The PCIP application contains a checklist to help applicants complete their application. It tells the applicant each step to complete. The checklist explains the required supporting documents and monthly premium applicants must send with their application.

The PCIP and MRMIP have different eligibility rules, benefits and monthly premiums.

More work needs to be done to enroll eligible individuals:

For more information, visit us at www.pcip.ca.gov or call us at 1-877-428-5060 Monday through Friday from 8 a.m. to 8 p.m., or Saturday from 8 a.m. to 5 p.m.

Outreach materials and flyers are available at www.pcip.ca.gov. To access the materials, go to the “Outreach Materials” tab on our website.

Eligibility Rules

Pre-Existing Condition Insurance Plan (PCIP)	Major Risk Medical Insurance Program (MRMIP)
<ul style="list-style-type: none"> • Resident of California. • A pre-existing condition as shown by: <ul style="list-style-type: none"> ➢ Rejection letter from insurance carrier in the last 12 months; or ➢ Offered coverage with premiums higher than those of the MRMIP preferred provider organization (PPO) in the geographic region where the individual is seeking coverage. • U.S. Citizen, U.S. National or lawfully residing. • No health insurance coverage in the last six months prior to application. • Not enrolled in Medicare Part A & Part B, COBRA or Cal-COBRA benefits. • Social Security Number required. • Dependent coverage not available. 	<ul style="list-style-type: none"> • Resident of California. • A pre-existing condition as shown by: <ul style="list-style-type: none"> ➢ Rejection letter from insurance carrier in the last 12 months; or ➢ Offered coverage with premiums equal to or higher than those of the individual's first MRMIP plan choice; or ➢ Termination by an insurance carrier for reasons other than fraud or non-payment of premiums. • Not eligible for Medicare (except for end stage renal disease), COBRA or Cal-COBRA benefits. • Social Security Number not required. • Dependent coverage available.



Benefits and Cost Comparison Chart

	PCIP	MRMIP
• Annual Deductible Cost	\$1,500	\$500
• Annual Benefit Cap	None	\$75,000
• Lifetime Benefit Cap	None	\$750,000
• Provider Network	PCIP PPO Network	HMO & PPO Health Plans
• Premium Percentage based on the Standard Commercial Market Rate	No more than 100%	125% - 137%
• Pre-Existing Condition Exclusion Period	None	Up to 3 months
• Annual Out of Pocket Maximum	\$2,500	\$2,500

Questions and Answers

Pre-Existing Condition Insurance Plan

- Q. If the individual currently has insurance that is very expensive, can the person switch to this new program?**
- A.** No. Unfortunately, federal law prohibits anyone with insurance or who has had insurance within six months of application from eligibility for PCIP.
- Q. What if the individual disenrolls from their current health plan and waits for six months to seek PCIP coverage?**
- A.** The state of California cannot provide advice on this decision.
- Q. How do the premiums compare to MRMIP?**
- A.** PCIP premiums are more than 40 percent less expensive than the cost of coverage provided by the state's high-risk pool for persons with pre-existing conditions: the Major Risk Medical Insurance Program (MRMIP). For example, for a 50-year-old resident of San Francisco, coverage through PCIP would cost \$499 monthly; for the corresponding plan under MRMIP, the monthly cost would be \$915.
- Q. What is the difference between the benefits of PCIP and MRMIP?**
- A.** Both plans offer broad coverage; however, PCIP does not have any annual or lifetime limits while MRMIP caps coverage at \$75,000 annually and \$750,000 for lifetime.
- Q. Exactly what does PCIP cover?**
- A.** PCIP covers inpatient and outpatient care provided by doctors, psychologists, hospitals, laboratories and imaging centers. The plan also offers generic and brand-name drugs purchased through mail order or a large pharmacy network, provides disease management services and a 24-hour nurse advice.
- Q. The federal government is providing the state of California with \$761 million to pay for PCIP. Why do I have to pay premiums too?**
- A.** The federal allocation pays for approximately 65 percent of the cost of coverage and the individual is expected to pay for 35 percent of the coverage. This offers a person with preexisting conditions coverage at a cost no more than what a person without pre-existing conditions would pay in the open-market.
- Q. How can I get more information on PCIP?**
- A.** Visit the program website at www.pcip.ca.gov or call 1-877-428-5060.

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Q. What is a deductible?

- A.** A deductible is a fixed amount PCIP subscribers must pay annually for certain covered services and supplies before PCIP starts paying for them. There are separate medical and pharmacy deductibles within PCIP. When a covered service or supply is subject to a deductible only the Plan Allowance for the service or supply counts toward the deductible. Copayments and penalties are not applied to the deductible. The amount paid toward subscriber deductibles resets every January because PCIP is based on a calendar year. This is addressed under the Summary Plan Description Tab on the PCIP Website, www.pcip.ca.gov, in “Section 3.Your Cost for Covered Services.”

Q. What is coinsurance?

- A.** Coinsurance is the percentage of the Plan Allowance that PCIP subscribers must pay for certain services. Subscribers begin paying coinsurance after meeting their annual deductible. The coinsurance percentage is based on either the billed charge or the Plan Allowance, whichever is less.

In PCIP, subscribers pay 15% of the Plan Allowance for in-network services. Subscribers pay 50% of the Plan Allowance for out-of-network services, plus any additional provider charges. The coinsurance percentages are shown under the Benefits Summary Tab on the PCIP Website, www.pcip.ca.gov.

Q. How does a PCIP subscriber find a provider that is participating in the PCIP PPO Network?

- A.** Click on the Provider’s Tab on the PCIP Website, www.pcip.ca.gov, to access the PCIP provider search so you can find a health care provider.

Q. How does a PCIP subscriber get prescriptions filled?

- A.** To receive prescription drugs, a PCIP subscriber may simply go to any in-network pharmacy with a prescription and present his/her identification card. The subscriber will need to sign a claim form or signature log at the pharmacy and pay the appropriate co-payment. Visit the CVS Caremark Website, www.caremark.com, to locate a participating pharmacy.

Q. Can a PCIP subscriber speak to a nurse over the phone?

- A.** Yes. PCIP offers a Nurse Advice Line 24-hours a day, 7 days a week to answer health questions, provide self-care advice, and provide referrals to after-hours care when appropriate. Subscribers may call the Nurse Advice Line at 1-888-860-0421. There is no charge for this service. Services are provided in English and Spanish directly and in other languages through a telephone language line.