

Washington, D.C. - Yesterday evening, Rep. David Price (D-NC) introduced the High-risk Pool Fairness Act, expanding access to state-run federal high-risk insurance pools, and calling on his colleagues to engage in constructive efforts to strengthen the landmark health insurance reform bill passed last year. Currently, North Carolinians who are enrolled in the state's high risk pool, known as Inclusive Health, are paying higher rates and cannot enter the federal high-risk pool without dropping their insurance for six months. Rep. Price's bill makes those who have been insured through the state high-risk pool for six months eligible for the less expensive federal pool, which is also administered by the state.

"I have always said that the health insurance reform legislation passed by the last Congress was a starting point, not the last word on reform," Rep. Price said. "There are areas where we have additional work to do, and ensuring equitable access to federal high-risk pools is one of them. This is a modification that strengthens health care reform instead of undermining it as the current House majority has tried to do."

The temporary federal high-risk pools were established as a part of health insurance reform legislation passed last year to provide health care benefits to eligible individuals between January 1, 2010 and the date on which health insurance exchanges created by the bill are established. Eligible individuals include people with pre-existing medical condition, such as breast cancer, and have not had creditable coverage for the previous six months. States were permitted to run the federal high-risk pool programs; North Carolina opted to do so.

Federal and state high-risk pool premiums can vary considerably by state and by benefit factors such as the size of the deductible, with coverage in state high-risk pools being more expensive than the federal high-risk pool, as the chart below illustrates.

North Carolina State High Risk Pool Premiums (A=Non-Smoker age 0-64) (B=Smoker age 0-64)

\$5000 deductible: (A - \$85-\$538) (B - \$111-\$709)

\$3500 deductible: (A - \$125-\$694) (B - \$165-\$916)

\$2500 deductible: (A - \$144-\$813) (B - \$190-\$1073)

\$1000 deductible: (A - \$222-\$1308) (B - \$294-\$1725)

North Carolina Federal High Risk Pool Premiums (A=Non-Smoker age 0-64) (B=Smoker age 0-64)

(A - \$4500 deductible: \$76-\$304) (B - \$5000 deductible: \$100-\$400)

(A - \$3500 deductible: \$104-\$417) (B - \$3500 deductible: \$137-\$549)

(A - \$2500 deductible: \$113-\$450) (B - \$2500 deductible: \$148-\$592)

(A - \$1000 deductible: \$149-\$595) (B - \$1000 deductible: \$196-\$785)

Under current law, in order to be eligible for the federal pool, an individual cannot have had insurance for at least six months; thus, North Carolinians in the state high-risk pool are ineligible for the federal pool, unless they go uninsured for six months--an unacceptable proposition for a person with a pre-existing condition like breast cancer, diabetes, or kidney disease.

"People on state high-risk pools should not be forced to make the decision between either paying higher rates than their peers or going uninsured for six months to become eligible for the more affordable federal high-risk pool," Rep. Price said. "This is a common-sense change that will ensure state and federal high-risk pools are complementary efforts as states move toward implementing health insurance exchanges."

Under the health insurance reform law, health insurance exchanges will be in place effective January 1, 2014 creating a transparent and competitive insurance marketplace for small business owners and consumers who do not have insurance through their employers. The exchanges will offer a range of affordable and qualified health plans to meet the cost and benefit needs of consumers.

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