DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

OFFICE OF INSURANCE PROGRAMS

Date: February 17, 2011

To: Federal High Risk Pool Contractors
State High Risk Pool Directors

From: Richard Popper, Director, Office of Insurance Programs

Subject: Eligibility for Children under Age 19 in the Federally-Administered Pre-Existing Condition Insurance Plan (Policy Letter #4)

The purpose of this memorandum is to inform your organization of a newly implemented eligibility clarification affecting children under age 19, in 23 States and the District of Columbia, with respect to how they may satisfy the pre-existing condition requirement in the federally-administered Pre-Existing Condition Insurance Plan (PCIP). Interim final regulations at 45 C.F.R. § 152.14(c)(4) permit a PCIP to elect, subject to approval by HHS, to apply criteria other than those set forth in paragraphs (c)(1)-(3) for determining whether an individual has a pre-existing condition when the individual is unable to obtain a denial from an issuer based on a pre-existing condition. In its role in the federally-administered PCIP, HHS is acting to make sure that the PCIP program remains a viable coverage option for children that may be unable to obtain a denial letter from an issuer. We encourage State-administered PCIPs to assess the availability of health coverage for children under age 19 in their States, particularly in the individual market, to ensure that children are able to demonstrate eligibility for PCIP. As necessary, we stand ready to assist PCIPs in providing additional ways for children to meet its PCIP pre-existing condition requirement. Please contact your designated HHS account manager or HHS point of contact if you have any questions about this guidance.

How can a child who is under age 19 qualify for the federally-administered PCIP?

Provided that a child applying for PCIP coverage is a U.S. citizen or U.S. national or is otherwise lawfully present in the U.S. and has been without creditable coverage for at least 6 months, he or she is able to satisfy the pre-existing condition requirement for the federally-administered PCIP in one of two ways. First, the federally-administered PCIP will accept evidence that the child had been offered individual insurance coverage by a licensed health insurance company during the 12 months prior to applying for enrollment in the PCIP for a premium that is at least twice as much as the premium for the PCIP Standard Option. Second, the child may qualify for the federally-administered PCIP on the basis of having a condition that was present before the date of enrollment for such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date. "Pre-existing condition" is defined in the same

way for the purpose of the rules limiting pre-existing condition exclusions under the Public Health Service Act.

What eligibility documentation will PCIP require to determine whether a child has a pre-existing condition?

To document the presence of a pre-existing condition for a child under age 19, the federally-administered PCIP will accept a document dated within the past 12 months from a doctor of medicine, doctor of osteopathy, physician assistant, or nurse practitioner who is licensed to practice stating that such child used to have, or presently has a condition. The document will be reviewed to verify that: 1) it is dated within 12 months of the date of application; 2) it identifies the child and his or her condition; and 3) includes the name, license number, and signature of a doctor of medicine, doctor of osteopathy, physician assistant, or nurse practitioner for purposes of validating whether he or she is licensed to practice.