Health Overhaul Centerpiece Endures Growing Pains

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WASHINGTON (AP) — It's a centerpiece of President Barack Obama's health care remake, a lifeline available right now to vulnerable people whose medical problems have made them uninsurable.

But the Pre-Existing Condition Insurance Plan started this summer isn't living up to expectations. Enrollment lags in many parts of the country. People who could benefit may not be able to afford the premiums. Some state officials who run their own "high-risk pools" have pointed out potential problems.

"The federal risk pool has definitely provided critical access, in some cases lifesaving access, to health insurance," said Amie Goldman, chair of a national association of state high-risk insurance pools. "That said, enrollment so far is lower than we would have expected." Goldman runs the Wisconsin state pool, as well as the federal plan in her state.

California, which has money for about 20,000 people, has received fewer than 450 applications, according to a state official. The program in Texas had enrolled about 200 by early September, an official in that state said. In Wisconsin, Goldman said they've received fewer than 300 applications so far, with room for about 8,000 people in the program.

That's not how it was supposed to work.

Government economists projected as recently as April that 375,000 people would gain coverage this year, and they questioned whether $5 billion allocated to the program would be enough.

Federal officials won't provide enrollment figures, saying several large states have yet to get going.

"We don't think this is getting off to a slow start," said Jay Angoff, director of a new insurance oversight office at the Department of Health and Human Services. "We think this is getting off to a good and orderly start."

Angoff said he's confident more people will sign up, and he pointed out the program was set up in near-record time.

What happens with the Pre-Existing Condition Insurance Plan is important because it could foreshadow problems with major changes under the law that are still a few

years away.

For those who get into the program, it can be a life changer.

Preschool teacher Gail O'Brien, 52, was uninsured and facing cancer treatments that would have left her family deeply in debt. She now pays $495 monthly for a plan with a $5,000 annual deductible. She has a type of immune system cancer, and just one chemotherapy treatment runs to $16,000.

"When I was diagnosed, they told me I had a 60 percent chance of being cured," said O'Brien, of Keene, N.H. "That's pretty good odds, but I was also terribly worried about finances. Now I don't feel like we can't afford the treatment. It's manageable to us ... and I know I'm going to beat this."

Obama announced the plan last fall in his health care speech to Congress. "For those Americans who can't get insurance today because they have pre-existing medical conditions, we will immediately offer low-cost coverage that will protect you against financial ruin if you become seriously ill," he pledged.

The result was a program that offers health insurance to people with medical problems at prices the average healthy person would pay, although that's not necessarily cheap. To qualify, you must have had a problem getting insurance because of a medical condition, and have been uninsured for at least six months. Only U.S. citizens and legal residents can get help.

The program will last until 2014, when the new health law requires insurers to accept all applicants regardless of medical history. Most states have opted to take federal money and design their own programs. But in 23 states and the District of Columbia, the federal government runs the plan directly.

In interviews, state officials and independent experts raised several potential problems.

—Premiums may be out of reach. In many states, people in their 40s and 50s face monthly premiums ranging from $400 to $600 and higher. "I think there's some sticker shock going on," said Sabrina Corlette, a Georgetown University research professor. "People who may be eligible are finding out that even if they can get the insurance, the price is too high." Pennsylvania, which set a premium of $283 for all ages, has had no problem getting applicants.

—A barrier may include requirements that people be uninsured for at least six months and that people provide documentation that they've been turned down by an insurer. "There are many people who don't meet the criteria for the federal pool, particularly the six months without coverage," said Goldman.

—In states where the federal government runs the program directly, the insurance plan doesn't provide coverage for prescription drugs until people have met a $2,500 annual deductible. "Applying this high ... deductible to the pharmacy benefit is a real barrier to consumer access to medications," Steven Browning, a Texas official,

wrote HHS last week.

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