Rates Cut For Hard-To-Insure Patients

Jennifer C. Kerr, AP

The government is cutting premiums by up to 40 percent in 17 states and implementing other changes to make it easier for people with pre-existing medical conditions to get health insurance. The move comes as enrollment in the Pre-Existing Condition Insurance Plan continues to lag far behind expectations, often because people can't afford the premiums or find it too hard to meet enrollment requirements.

The insurance program, part of President Obama's signature healthcare law, began last summer. It offers health insurance to people with medical problems at prices the average healthy person would pay, although that's not necessarily cheap. So far, about 18,000 people have signed up — well short of government projections that some 375,000 people would gain coverage in 2010. In her announcement, Secretary of Health and Human Services Kathleen Sebelius said diseases like cancer, diabetes and asthma have pushed up health insurance costs for many, bankrupting families and leaving people's health at risk. She said those people who have been locked out of the market still have a place where they can get immediate coverage.

Premiums will drop, Sebelius said, in 17 states and the District of Columbia where the federal government runs the plans directly. Most remaining states have opted to take federal money and design their own programs. Cuts of about 40 percent should be seen in Alabama, Arizona, Delaware, Florida, Kentucky, Minnesota, Nevada and Virginia, according to HHS. Smaller cuts are expected in Georgia, Indiana, Louisiana, Mississippi, Nebraska, South Carolina, Tennessee, Texas, West Virginia and the District of Columbia. In Virginia, Sebelius said, consumers will save almost $1,200 a year from the premium reductions. The premium cuts are paid for by the $5 billion allocated to the program, HHS officials said.

For the states that run their own programs, federal health officials are sending out letters encouraging them to review their rates to make sure they are similar to standard rates for healthy people in the current insurance market. Health and Human Services is also adjusting its eligibility standards in the states with federally-run programs. Beginning this July, people applying for coverage can simply provide a letter from a doctor, physician assistant or nurse practitioner, dated within the last 12 months, stating that they have, or have had, a medical condition, disability or illness. Applicants will no longer have to wait on an insurance company to send them a denial letter.

Suzanne Hannon of Fallston, MD says she had been turned down for insurance because of high cholesterol. She applied to the Pre-Existing Condition Insurance Plan, was approved, and then was diagnosed with cancer the next month. She was

able to be treated quickly with surgery, chemotherapy and radiation and is recovering with a good prognosis, she said.

"As it turns out, I was able to turn my energy and focus into getting well without the worry of huge bills," Hannon said at Tuesday's announcement. The program will last until 2014, when the new health law requires insurers to accept all applicants regardless of medical history.

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