

A New High Risk Pool for Washington State

The National Health Reform law allows states to offer a new high risk pool to make health insurance more affordable to people with pre-existing conditions who have been uninsured for at least six months. Washington has decided to do so. The federal requirements differ from those of the existing state high risk pool (WSHIP), as summarized in the chart below. Therefore, our state is creating a separate high risk pool. The federal funding available to subsidize this coverage is approximately \$102 million for the next 3-1/2 years.

Comparison of WSHIP and New High Risk Pool – Major Differences

	WSHIP	NHRP
Eligibility		
Health screening/rejection by insurer required?	Yes	No
Is a pre-existing condition required to enter the pool?	See above	Yes. List of qualifying pre-existing conditions is pending.
Eligibility based on rejection by commercial carriers and the Standard Health Questionnaire	Yes	No. Preexisting condition plus other requirements gets you into the pool.
Citizenship required?	No	Must be a citizen or lawfully present in US
Must enrollees be uninsured? How long?	No	Yes. No creditable coverage for previous six months
Waiting period if person drops risk pool coverage	12 month exclusion RCW 48.41.100(2)(a)	None, other than six month waiting period above
Benefits and Cost-sharing		
Benefits	WSHIP coverage is considered comprehensive	The NHRP coverage may be less comprehensive
Cost-sharing: Premiums, deductibles, copayments, co-insurance	Enrollee cost-sharing in the WSHIP \$500 deductible PPO plan is approximately 15% of total benefit.	Enrollee cost-sharing cannot exceed 35% of total benefit.
Coverage exclusions and limitations		
Preexisting condition exclusion from coverage?	Yes, six month exclusion	No
Lifetime limits	\$2 Million	None

Key Program Design Questions

Insurance Commissioner Kreidler's office is leading the effort to design the program, in coordination with the WSHIP Board. The current plan is to open the pool as soon as possible – sometime this summer. This will probably mean that WSHIP will administer the new pool products, but final plans have not been made.

Key questions about the new pool that policymakers are considering include:

- Will the new pool offer the same health insurance plans as WSHIP?
- What pre-existing conditions will qualify a person to enroll in the new pool?
- What is the definition of “creditable coverage” (see chart above)?
- Who will be eligible to choose between the two pools, and what will these choices look like?
- Affordability: How will the new pool's rate be calculated? How should the cost-sharing be divided between premiums, copayments, coinsurance and deductibles? Can the state charge enrollees less than 35% of the total benefit?
- How will the benefits and costs compare in the two pools?
- How to ensure that pool funding lasts until 2014 so enrollees can stay covered?
- How will the new pool be governed? By the Insurance Commissioner, the WSHIP Board (not a state agency), or some other entity?

Timeline and Stakeholder Involvement

The Insurance Commissioner intends to submit a plan for the new pool to the federal government by the end of May 2010. Information about ways for stakeholders to participate in the process is expected soon.

The WSHIP Board next meets on Thursday, May 6. More information is available at www.wship.org.