



Pre-existing condition plan can cut premiums

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By **Kelly Kennedy**, USA TODAY

WASHINGTON — The federal government, which is hoping to boost low participation in its insurance program that covers people with pre-existing conditions, released new rules and incentives Tuesday that make it easier for people to join, such as cutting premiums in some states by up to 40%.



Health and Human Services Secretary Kathleen

Sebelius touts health insurance program. [Enlarge](#)

AP

Health and Human Services Secretary Kathleen Sebelius touts health insurance program.

"That means real savings for people across the country," Health and Human Services Secretary Kathleen Sebelius said during a news conference.

For example, in Florida, the average monthly payment for a person older than 55 is \$390.

After July 1, it will drop to \$234 a month.

And people who would like to enroll in the program, the Pre-existing Condition Insurance Plan (PCIP), no longer need to provide a letter from an insurance company denying them coverage. Instead, they just need a letter from a doctor saying they have a medical condition. The rule that a person may not have had health insurance for the past six months still applies.

The government created the plan as part of the health care law passed last year to act as a bridge until 2014, when insurance companies will not be able to deny coverage to anyone based on a medical condition.

Since it began last summer, only 18,000 people have enrolled. The [Congressional Budget Office](#) estimated 200,000 people would sign up each year.

Michael Cannon, director of health policy studies for the libertarian [Cato Institute](#), said the lack of enrollees shows that the program was never popular to begin with.

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"They're giving away health insurance, and people don't want it," he said.

The government should allow the market to determine costs, Cannon said.

Administration and state officials say the issue is more about money and getting the word out. In fact, in Indiana, where enrollment stood at 177 as of March 1, the changes may not be enough.

"Any increase in access to the PCIP is better than none, but the biggest impediment for Indiana residents is still the [Affordable Care Act's](#) provision that requires individuals to have been without coverage for six months," said Logan Harrison, director of health care reform for the Indiana Department of Insurance.

In Nevada, where 147 people had signed up as of March 1, Insurance Commissioner Brett Barratt called the changes "good." He said he has heard complaints that the cost is restrictive and that people just don't know about the program.

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