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## Health insurers picked for high-risk pool

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*The Detroit News*

State officials have selected two Michigan health insurers to manage medical benefits for a new state-run high-risk pool for chronically ill residents younger than 65.

Priority Health of Grand Rapids and Physicians Health Plan of Mid-Michigan in Lansing were awarded the contracts, according to the Michigan Association of Health Plans, an insurance industry trade group.

Enrollment starts Sept. 15 with coverage beginning Oct. 1.

The pool is intended to bridge the coverage gap -- until federal reforms take effect in 2014 -- for chronically ill patients who typically are rejected or priced out of private insurance plans.

Michigan will receive \$141 million in federal funding to help subsidize the high cost of covering residents with significant medical needs.

The pool will offer plans with lower monthly rates and out-of-pocket costs than many individual plans in the private marketplace and ensure coverage for people with cancer, AIDS and diabetes, state officials said. The plans offer full coverage of preventative health services, such as checkups.

They also cap out-of-pocket spending at \$5,950 annually and allot up to \$100,000 in yearly prescription coverage. Priority Health, for instance, will charge residents ages 19 to 24 between \$191.88 and \$222.18 a month depending on where they live. For older residents, the plans are more expensive. Residents ages 60 to 64 and living in southeast Michigan will pay \$651.60 a month.

Residents must have a state-approved pre-existing condition and have gone without health insurance for six months or more to be eligible.

Thirty-four states have high-risk pools.

In Michigan, its establishment is part of a broader effort under federal health reform signed into law earlier this year to provide sick people with a temporary low-cost option. The program expires in 2014 when a provision in the law goes into effect banning all insurers from rejecting people for health conditions.

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