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Affording coverage for pre-existing conditions

Cost a stumbling block, even in insurance pool

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Michigan has few takers for its new high-risk health insurance pool.

The coverage is comprehensive but costly -- as much as \$686 a month for older adults -- and that has been a stumbling block, said Mary Anne Sesti, director of government programs for Physicians Health Plan of Mid-Michigan, a Lansing health plan that runs the insurance pool.

Out of 186 people who applied for coverage, only 94 qualified to get it, Sesti said last month. It is available to anyone who was rejected by a health plan and who has gone without insurance for at least six months because of a pre-existing condition.

Physicians Health Plan hopes to attract 3,500 Michiganders for the coverage. Applicants must provide proof of U.S. citizenship and Michigan residency, a doctor's letter issued within six months of the application showing they have an eligible pre-existing condition and evidence that an insurer refused coverage in the past month.

Sesti said some Michigan applicants were rejected because they had insurance in the previous six months or didn't have proof that they were denied coverage. Others did not qualify because they do not have one of 62 pre-existing conditions required for coverage. The conditions include Alzheimer's and Parkinson's diseases, kidney failure, mental retardation, highly advanced cancers, AIDS and HIV, stroke, paralyzing spinal cord injuries, sickle-cell anemia, diabetes and epilepsy.

Physicians Health Plan, a subsidiary of the Lansing-based Sparrow Health System, began offering coverage in its pool Oct. 1. It's a temporary plan to help chronically uninsured people buy coverage until 2014, when the pool will be replaced with state-run exchanges that will sell what many hope will be a range of more affordable and more comprehensive plans.

Premiums for the coverage are based on age. People 60-64 pay the most: \$686.61 a month. Other monthly costs are as follows: ages 25-29, \$240.65; 30-34, \$255.83; 35-39, \$260.06; 40-44, \$295.83; 45-49, \$350.08; 50-54, \$447.08, and 55-59, \$563.27.

Some people "tell us, when we give them information over the phone, that they can't afford it," Sesti said.

As costly as the coverage may seem, it already is discounted through \$141 million the federal government is spending to subsidize it, she said.

Michigan's experience mirrors the slow start of insurance pools in other states.

Cheryl Fish-Parcham, deputy director of health policy at Families USA, a research and advocacy group tracking health reforms, said many states have had a slow start, but that enrollment in the plans may grow a little as more consumers hear about the coverage.

Scott Wilkerson, president of the health plan, said the company is working on other measures to promote the coverage, including ads in newspapers, possible closed-circuit TV promotions at Secretary of State offices and outreach to minority and chronic disease organizations.

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For more information about the high-risk pool coverage -- including a list of conditions covered, as well as costs and benefits -- go to the Health Insurance Program of Michigan's Web site, www.HIPMichigan.com, or call 877-459-3113, 9-5 weekdays.
