

NEW FEDERAL HIGH RISK POOL PROGRAM NOTICE

Dear Texas Health Insurance Pool Applicant:

On March 23, 2010, President Obama signed the Patient Protection & Affordable Care Act (P.L. 111-148) into law. The Act contains a provision (Sec. 1101) for a new federal high risk health insurance pool program to be established (the Federal Pool). To qualify, an individual must be a citizen or national of the United States, or lawfully present, must have a preexisting medical condition and must have been uninsured for at least 6 months before applying for the federal program. An enrollee in the Federal Pool will pay a premium rate equal to standard market rates. Moreover, Federal Pool coverage will not be subject to any preexisting condition exclusion.

According to the U.S. Dept. of Health & Human Services (HHS), August 1, 2010 is now the target date for coverage to be available through the Federal Pool, known as the Pre-existing Condition Insurance Plan (PCIP). We want you to be aware of this new program so that you can make a fully informed decision before you decide to enroll in the Texas Health Insurance Pool (the State Pool). The Texas Health Insurance Pool does not administer the federal risk pool program in Texas. Go to www.pcip.gov or call 1-866-717-5826 to obtain more information about the new Federal Pool for medically uninsurable Texans who have been without coverage for at least 6 months.

The premium rates for the PCIP Federal Pool will be approximately half the rates that Texas law requires for the State Pool. The Federal Pool will not impose a preexisting condition exclusion waiting period on a new enrollee. The State Pool, in contrast, must impose a 12-month preexisting condition exclusion waiting period on new enrollees who did not have creditable coverage in place during the 12 months prior to enrollment. This State Pool exclusion period is, however, reduced by the number of months the enrollee did have coverage in force during the year immediately prior to enrollment in the State Pool, and it is fully waived if the enrollee had creditable coverage in place during the full year prior to enrollment.

As mentioned above, the PCIP Federal Pool will be available only to individuals who have been uninsured throughout the 6-month period prior to their application to the Federal Pool.

You should determine which risk pool program--state or federal--best serves your needs, based on your individual circumstances. If you have any questions about the State Pool, or the information contained in this Notice, please call our Customer Service Unit at 1-888-398-3927.

**The Texas Health Insurance Pool
Executive Director's Office**

06/30/2010