

GAO Drops In To See What Condition ObamaCare's Pre-Existing Condition Plans Are In

Peter Suderman

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ObamaCare's high-risk pools were supposed to provide a bridge from the law's 2010 passage through the implementation of new, state-run health insurance exchanges in 2014. Those high-risk pools, which would accept anyone who could demonstrate they'd been uninsured for six months, were designed to offer immediate coverage to people who might otherwise have difficulty obtaining health insurance because of "pre-existing conditions." The plans were given a name to reflect this: **PCIPs**, for Pre-Existing Condition Insurance Plans.

What does the current state of those plans tell us about the problem of pre-existing conditions?

The initial worry, which I shared, was that the program would fill up rapidly, with a strong likelihood that demand would outpace the program's ability to comply: In the summer of 2010, the Department of Health and Human Services **estimated** that the program would provide health insurance coverage to about 315,000 people through 2013. Others worried that the flood of people into the program would be even larger. Medicare's own chief actuary **warned** that excessive demand could cause the program, intended to last through 2014, to run out of money within a year.

By February of 2011, however, the program had **just a shade** over 12,000 enrollees. A big state like California had a mere 706 enrollees. North Dakota had only five. Maine had 13, which, **by June**, had inched up to...14. The most recent figures indicate the program has just a little over 21,000 enrollees, and that's after HHS went out of its way to draw more people into the program by **lowering premiums**.

What happened? A new **report** from the Government Accountability Office rehearses a number of explanations: The requirement that enrollees be uninsured for a full six months before applying; "affordability concerns" about the program's premiums; a lack of public awareness about the program; conflicts with existing state high-risk pools; other eligibility concerns. Some of these factors likely played a role—the six month requirement seems likely to be the biggest offender. But it still doesn't explain why the estimates were so far off. After all, it's not as if all of these factors were entirely unknown before the program's launch.

When the first set of low numbers were revealed, John Goodman, a health policy expert and president of the National Center for Policy Analysis, suggested that perhaps the figures were low because there simply weren't that many people whose preexisting conditions had kept them out of the system in the first place:

Alert readers will remember the White House summer of 2009 invitation to all Americans to send in their horror stories describing health insurance industry abuses. Although the complaints were many, the vast majority were about pre-existing condition limitations. Then, on the eve of the ObamaCare vote, every member of Congress who appeared on television to defend the legislation was able to cite by name an individual or family in his or her state or Congressional district with a heart wrenching story.

...While a lot of people are surprised by these numbers, I am not. Here is why. Don't you think it is a bit odd for the White House to send out an appeal to victims so they can identify themselves? That's not normally how the political system works.

The more usual scenario is: victims unite and form interest groups; they lobby Congress, write letters, testify, etc; and eventually the pressure become so great that Congress legislates.

When have you ever heard of that entire process in reverse? When has Congress ever before decided it wants to do something and then conducted a nationwide search to find people who will benefit?

The reasons for the reversal is that this whole problem has been completely hyped and exaggerated from the get go. In this country we have made it increasingly easy for people to get health insurance after they get sick. Going to work for an employer with generous health benefits, for example, is the most direct way.

Of course that system will miss people who are too sick to work. And that may explain why the few who are signing up appear to have very high medical expenses.

The six-months-uninsured requirement was designed to help ensure that the program was limited to those who were genuinely, unusually hard to insure. Perhaps it worked?