

FEDERAL RISK POOL PROGRAM NOTICE

Dear Texas Health Insurance Pool Applicant:

On March 23, 2010, the Patient Protection & Affordable Care Act (P.L. 111-148) was signed into law. The Act contains a provision (Sec. 1101) for a new federal health insurance program (the Federal Pool) for individuals who are medically uninsurable. To qualify, you must be lawfully present in the United States, must have a documented uninsurable medical condition, and must have been uninsured for at least 6 months when you apply to the federal program. An enrollee in the Federal Pool will pay the same premium rate that a healthy person would pay in the standard insurance market. Moreover, Federal Pool coverage is not subject to any preexisting condition waiting period exclusion.

The Federal Pool program, known as the Pre-existing Condition Insurance Plan (PCIP), began issuing health coverage August 1, 2010. We want you to be aware of this new Federal Pool 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 are generally lower than 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 preexisting condition exclusion waiting period on new enrollees who did not have creditable coverage in place during the 12 months prior to their application for coverage (up to 63-day coverage gap permitted).

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**

08/30/2010