

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



Date: April 24, 2014

Subject: Special Enrollment Period for Individuals Losing Coverage through the Pre-Existing Condition Insurance Program (PCIP) on April 30, 2014

Section 1101 of the Affordable Care Act establishes a “temporary high risk health insurance pool program” to provide health coverage to eligible uninsured individuals with pre-existing conditions. The program, carried out by the Centers for Medicare and Medicaid Services (CMS) directly in some states and through contracts in other states and known as the Pre-Existing Condition Insurance Program (PCIP), has provided coverage to these eligible individuals since 2010. Section 1101(g)(3)(B) authorizes the Secretary of HHS to develop procedures to provide for the transition of PCIP enrollees into qualified health plans offered through an Exchange (also called Health Insurance Marketplace). This section also requires the Secretary of HHS to develop procedures to ensure that there is no lapse in coverage for these enrollees, including extending coverage after plan termination if she determines that an extension is necessary to avoid such a lapse. While the majority of enrollees transitioned out of PCIP coverage on January 1, 2014, the Secretary determined that an extension of PCIP coverage was necessary to avoid a lapse in coverage for PCIP enrollees who, on January 1, 2014, were not yet enrolled in other coverage. Thus, these individuals were offered transitional coverage beginning on January 1, 2014 and extending through April 30, 2014.

The open enrollment period for enrollment in an individual Marketplace plan for the 2014 coverage year ended on March 31, 2014. In order to ensure that eligible individuals who are losing coverage through PCIP by virtue of the program’s termination can avoid a lapse in coverage, CMS is providing a special enrollment period for enrollment in a qualified health plan offered through the Federally-facilitated Marketplace in 2014. State-based Marketplaces (SBMs) are adopting a similar special enrollment period.

45 CFR 155.420(d)(9) specifies that a special enrollment period must be provided when: “[t]he qualified individual or enrollee, or his or her dependent, demonstrates to the Exchange, in accordance with guidelines issued by HHS, that the individual meets other exceptional circumstances as the Exchange may provide.”

In accordance with this provision, HHS is providing that an individual who is losing coverage through PCIP by virtue of the program’s termination, and his or her dependents, as defined in 45 CFR 155.420(a)(2), has experienced “exceptional circumstances.” Accordingly, a Marketplace will determine such an individual and his or her dependents eligible for a special enrollment period if otherwise eligible for enrollment in a qualified health plan (QHP). PCIP enrollees may contact the Marketplace Call Center before May 1, 2014 to begin the application process. PCIP enrollees will have until June 30th, 2014 to select a plan. If the consumer is otherwise eligible to

enroll in a qualified health plan, coverage will be effective back to May 1 for anyone who uses this special enrollment period. Consumers who are Medicaid eligible may enroll throughout the year without a special enrollment period and will follow the Medicaid program's rules on retroactive eligibility.