

From Keats, Connelly and Associates, LLC

Pre-existing Conditions Eliminated Ahead of 2014 Law Change

One feature of the new US health care law should be welcome news for Canadians: the elimination of pre-existing condition clauses in US health insurance policies. For years, these clauses have prompted some Canadians with health concerns to set aside plans for US residency or retirement in the Sun Belt. Fortunately, those days are coming to an end. Under the new law, pre-existing condition clauses are banned for children under 19 as of September 23, 2010. For others, pre-existing condition clauses will be prohibited beginning in 2014 when new, no-condition insurance options will be available. The three year delay for adults is not such welcome news. But that is not the end of the story.

On July 1, the Federal Government established a transitional high-risk pool program to serve as a bridge to 2014. The Feds are making hundreds of millions of dollars available (\$351 million to Florida alone) to provide pool coverage to otherwise uninsurable residents (not just citizens). In states that decline the funding offer, the Feds will administer the pool program directly.

To qualify, an applicant must

- Be a US citizen or otherwise lawfully reside in the US (that would include green card holders, adjustment applicants, and persons with long term nonimmigrant visa status such as E treaty trader/investor visa holders, H-1B professional workers, L intracompany transferees, and perhaps others).
- Have been uninsured for at least six months before applying; and
- Have a problem obtaining insurance because of a pre-existing condition.

To apply,

- Complete and sign an application available at <http://www.pcip.gov/Apply.html>; and
- Obtain a copy of a letter dated within 6-months of your application from an insurance company or health plan showing that you have been completely denied individual coverage because of a pre-existing condition, or you were offered coverage but were denied certain benefits (for example, by a rider to an insurance policy) because of a pre-existing condition; or
- For children under age 19 or persons who live in Massachusetts only: Obtain a letter that shows you were offered coverage at a premium that is at least twice as much as the Pre-Existing Condition Insurance Plan premium (the monthly payment you make to an insurer to get and keep insurance) for your state.

US citizens applying before August 15, must include photocopy proof of citizenship (passport, birth certificate, citizenship certificate) because the citizenship verification computer may not be operational before then.

Noncitizens should provide photocopy evidence of their current immigration status. A photocopy of an official document that clearly show the Alien Registration Number or I-94 Number will probably suffice (a green card or I-94 would be ideal). A list of acceptable documents appears on page 5 of the application.

Currently, applications must be mailed. Applications may be submitted online beginning August 1. Generally, for applications *received* on or before the 15th of any month, coverage will be effective on the first day of the next month. For applications received after the 15th, coverage will be effective the first day of the month after next.

Coverage will include a broad range of primary and specialty care, hospital care, and prescription drugs. Premiums will vary by state and age. Using examples from the new government website, www.healthcare.gov, a 50 year old Arizona resident may pay \$491 to \$600 monthly. A 50 year old in Florida may pay \$552 to \$675. Though premiums may seem high, they are tax deductible subject to IRS rules. For those who need the high risk pool but cannot afford the premiums, states may offer financial assistance.

This insurance program will give Canadians residing in the US full access to US medical facilities and treatments including new treatment options not available in Canada or only available through a long wait list. For Canadians who were not sold on US residency, for those still looking for reasons to make a move, this could be a big one—and it is available now!

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