
FEDERAL

PRE-EXISTING CONDITION
INSURANCE PLAN

c/o CHIP, P.O. Box 1460
Little Rock, AR 72203
Telephone 1-800-285-6477

July 30, 2010

Dear Independent Agent:

As you may be aware, as part of the recently enacted Patient Protection and Affordable Care Act (PPACA), the new Federal "Pre-existing Condition Insurance Plan" (PCIP) will provide health insurance coverage for up to 2,500 Arkansans for a limited time, based on federal funding availability. In Arkansas, PCIP is administered by the Arkansas Comprehensive Health Insurance Pool (CHIP) and its subcontractor, BlueAdvantage Administrators of Arkansas, through a contract with the U.S. Department of Health and Human Services. CHIP also will continue to offer state-based pools for those who do not qualify for PCIP.

My purpose in contacting you today is to inform you that individuals may begin to enroll in PCIP beginning August 1, 2010. The earliest effective date for coverage will be September 1, 2010. As an independent insurance agent, you already may have received or will begin to receive calls about PCIP.

PCIP is an individual, comprehensive major medical insurance plan for individuals who:

- Are Arkansas residents;
- Are U.S. citizens or nationals or otherwise lawfully present in the United States;
- Have been uninsured for at least six months; and
- Within the last six months, have either been denied individual coverage, or been offered coverage only with an exclusionary rider, in the Arkansas individual insurance market.

PCIP will have an annual deductible of \$1,000 and include prescription drug coverage with \$10, \$30 and \$70 copayments. Premium rates are about the same as what an average person pays in the individual health insurance market and will vary by age and whether or not the enrollee uses tobacco products.

Applications for PCIP coverage will become available beginning August 1, 2010, by calling 1-800-285-6477 or by sending an e-mail request to chiparkansas@arkbluecross.com. The application also will be available soon on CHIP's Web site at www.chiparkansas.org.

Agents who submit applications on behalf of clients will receive a one-time \$50 referral fee after the applicant is accepted into the program and the first premium payment is received. Referral fees will be paid directly to agents.

There is a cap on the PCIP enrollment; therefore, applications will be accepted on a first-come, first-served basis, based on the date of receipt. Applications must be complete with all necessary documentation that substantiates the applicant's eligibility and must include the first premium payment, which may be paid either monthly or quarterly. Incomplete applications will be reprocessed based on the date that all information is received. **All applications must be received by CHIP through U.S. Mail to: PCIP, c/o CHIP, P.O. Box 1460, Little Rock, AR 72203. No applications will be accepted by fax, e-mail, hand delivery, or any other means.**

PCIP will not deny any applicant simply because of health status. The following is the premium schedule applicable to PCIP enrollees, effective September 1, 2010:

\$1,000 Deductible Plan Rates		
Age Group	Tobacco User	Non-Tobacco User
<30	\$201.80	\$156.08
30-34	\$241.94	\$187.12
35-39	\$286.69	\$221.73
40-44	\$336.99	\$260.64
45-49	\$410.64	\$317.60
50-54	\$510.12	\$394.54
55-59	\$651.39	\$503.80
60-64	\$807.20	\$624.32

Included in this letter is a PCIP flyer for use with potential clients. Please call the toll-free number in this letter to order additional copies.

Best regards,

Michael D. Wilkinson

Michael D. Wilkinson
Chairman of the Board

Enclosure: PCIP promotional flyer