

INSURE *Linc*

Hello, I am Tom Hanthorn, owner of InsureLinc, a small agency whose primary market is the self employed. One of the first discussions is usually health insurance in this setting where there is often no access to group insurance.

Those sole proprietors, subchapter S corporations, and LLC Corporations often are not large enough to create an effective group health plan, so depend on individual insurance from Blue Cross/Blue Shield, United Healthcare, Coventry and many others. In those products, pre-existing conditions can and do come into play, and when serious, can qualify that person for CHIP.

As per the CHIP Website:

CHIP was created by the Nebraska legislature in 1985 to provide health care coverage to people who can't otherwise obtain it at an affordable price or without health restrictions. If you've had trouble getting health insurance for medical reasons, this state program may help you obtain the coverage you need.

Today, I present specific problems with CHIP related to the persons who have been continuously insured, and whose health plan is in a "death spiral". In the case of Greg and many others, his insurance has increased to 147% of a comparable new policy, and would save money if he could purchase CHIP.

Greg would qualify for CHIP based on the qualification #1, in that CHIP costs less than his current health plan trapped in a death spiral.

Even though Greg has been continuously insured for many years, his pre-existing condition prevents him from being offered any major medical insurance from any insurer I know of.

His move to CHIPS would be allowed, yet his pre-existing conditions would be excluded for six months, thus nullifying the value of the insurance. His only option to continue treatment for his condition would be to simultaneously purchase CHIP, and continue his current coverage, a breathtaking expense.

However, if Greg were exiting a COBRA plan with those same conditions, CHIP would not have any pre-existing exclusions.

This situation seems discriminatory against those whose credible coverage has been earned in the individual insurance product, and seems to nullify any value of the credible coverage certificate.

It is my contention that this discrimination is unfair to any person not in a group plan, and its continued implementation in this fashion might be illegal, and in my opinion unethical. Further, It does not seem to allow the CHIP product to meet its original intent.

The solution to this might be:

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1. Change the Eligibility Certification # 2 to read: “I have an aggregate of at least 18 months of prior credible coverage, most recently under an employee group health plan, governmental or church plan, or **individual health insurance being in force for 18 months.**
2. Modify the pre-existing waiver #2 to read, item 4” Offered, or having CHIP by virtue of higher rates.

I realize this solution might require additional funding, so to attain that funding, I request these considerations:

1. Change the qualification for CHIP to exclude certain non-threatening conditions with riders: Examples would be hay fever, and acne. This might remove a number of CHIP participants there for minor reasons.
2. Seek new provisions for the TARP funds that did include healthcare dollars.
3. Additional taxes on individual health insurance carriers whose offerings do not permit the movement of the longtime insured to new pools within the same company.
4. Raise youth rates to be at 150% of comparable individual insurance. Current rates seem to be very near the base market, unlike the adult rates.

The plight of many of my clients is widespread, so I read this letter from a fellow insurance agent.