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## Health Plan Influx Awaited

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Dec. 31--With unemployment rising, more people with high-risk health problems are expected to turn to state-subsidized insurance that takes effect Thursday.

But so far only 500 of the 180,000 North Carolinians estimated to qualify have applied.

State legislators established the N.C. Health Insurance Risk Pool more than a year ago to provide an option for people whose illnesses push them out of the market for private health insurance.

The pool's benefits are limited, and its costs are high. But for people with chronic diseases, enrollment can reduce out-of-pocket expenses by half -- especially after they've lost their jobs and exhausted their health insurance benefits under provisions of the Consolidated Omnibus Budget Reconciliation Act, or COBRA.

"This is an insurer of last resort," said Adam Linker of the N.C. Justice Center's Health Access Coalition. "It's definitely a good option for some people, but it's not going to help a large number of people."

Michael Keough, executive director of the insurance program, said 222 people have been accepted into the program to date. But Keough said the number of applications has doubled in the past two weeks and efforts are under way to further boost interest. He plans to start advertisements and to ask state lawmakers for steeper premium subsidies.

Similar high-risk health insurance pools have been around in 34 other states for years. It just so happens that North Carolina's pool becomes available as widespread layoffs are costing a rising number of people their employer-sponsored health insurance.

Based on research by the Kaiser Family Foundation, the number of uninsured increases by 1 million every time the national unemployment rate goes up a percentage point. In the past year, U.S. unemployment has risen from 4.7 percent to 6.7 percent, according to the U.S. Department of Labor.

In North Carolina -- where the number of people without health insurance has reached a 10-year high of 1.6 million -- community health clinics, which charge based on income, and free clinics have more patients asking for medical care.

The rising need is also giving more ammunition to advocates who have long pushed to improve health-care access for low-income families.

In the upcoming session, state legislators are likely to hear requests to increase funding for Medicaid, the health insurance for the poor, and for state-sponsored programs that offer health insurance for

children based on income.

Meanwhile, the new risk pool is available to those who lack insurance because they have health problems, have exhausted their COBRA benefits or lost their jobs to overseas competition. It's also available to people who would otherwise have to pay exorbitant insurance premiums because they have a high-risk health condition.

Still, the insurance is costly. Plans have annual deductibles of \$1,000, \$2,500 or \$5,000. Premiums vary widely. While they are 175 percent of what a healthy person would pay on average, they are considerably lower than insurance in the private sector. A 51-year-old, female nonsmoker, for example, pays \$426 under the plan with the highest deductible. The premium goes up to \$786 per month if she chooses the plan with the lowest deductible.

The pool pays up to 80 percent of the costs once the deductible has been reached. Keough suggested that most of those enrolled in the pool will incur annual health-care costs that exceed their deductible.

Funding for the program comes through premiums -- which will pay for about 60 percent of the costs -- and from state taxes the insurance industry pays. An additional \$5 million in funding will come from the state's tobacco settlement money.

sabine.vollmer@newsobserver.com or 919-829-8992