

FOR IMMEDIATE RELEASE

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High-risk Pools and Limited Benefit Plans

Phoenix, AZ, July 28, 2011 - Employees enrolled in Limited-Benefit Medical Plans may be blocked from participating in the "Pre-existing Condition Insurance Program" (PCIP), commonly called the federal high-risk pool, created by PPACA.

An employee enrolled in a limited-benefit medical plan that has been granted a "waiver" may not be eligible to participate in the federal high-risk pool if they develop a serious medical condition.

Waived limited medical plans are generally considered group health plans and are therefore "creditable coverage." An employee who develops a serious medical condition will be blocked from participating in the high-risk pool if they've been enrolled in a plan providing creditable coverage in the last six months.

However, limited benefit plans that are indemnity-based "excepted benefits," such as those available from Ternian Insurance Group, are not defined as creditable coverage. An employee enrolled in such a plan will not need to include it when completing the "prior health coverage" section of the federal application for PCIP coverage.

Ternian Insurance Group is helping employers make sure their employees can take advantage of the federal high-risk pool in the event of a serious medical condition. Ternian will replace an employer's expense-incurred limited-benefit medical plan with a Ternian plan and issue a policy for the remainder of this plan year as well as the next at a guaranteed rate.

REFERENCE INFO:

Part II Department of Health and Human Services 45 CFR Part 152 Pre-Existing Condition Insurance Plan Program; Interim Final Rule Eligibility for the PCIP Program (§ 152.14)

Under section 1101(d) of the Affordable Care Act and subparagraphs (1), (2) and (3) of § 152.14(a) of this interim final rule, an individual is eligible to enroll in a PCIP if he or she: (1) is a citizen or national of the United States or is lawfully present in the United States as determined in accordance with section 1411 of the Affordable Care Act; (2) has not been covered under creditable coverage, as defined in section 2701(c)(1) of the

Public Health Service Act as of the date of enactment, during the 6-month period prior to the date on which he or she is applying for coverage through the PCIP; and (3) has a pre-existing condition, as determined in a manner consistent with guidance issued by the Secretary. We further provide in § 152.14(a) (4) that an individual must be a resident of a State that falls within the service area of a PCIP.

ABOUT TERNIAN INSURANCE GROUP

Ternian Insurance Group LLC., based in Phoenix, Arizona, is an independent insurance broker serving the employee-benefits brokerage and consultant community on a national basis. Ternian specializes in the product development and distribution channel management of voluntary, niche insurance programs and services.

Ternian is contracted to represent various insurance companies as an independent, national distributor and administrator. The founders have a 20-year history of helping thousands of employers and millions of uninsured workers obtain quality, affordable coverage. Ternian remains committed to that cause in the voluntary marketplace.

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