

Arkansas Insurance Department

Mike Beebe
Governor



Jay Bradford
Commissioner

January 21, 2011

DIRECTIVE NO. 1-2011

TO: ALL HEALTH INSURANCE PRODUCERS AND COMPANIES LICENSED IN THE STATE OF ARKANSAS, AND AGENT TRADE ASSOCIATIONS

FROM: ARKANSAS INSURANCE DEPARTMENT

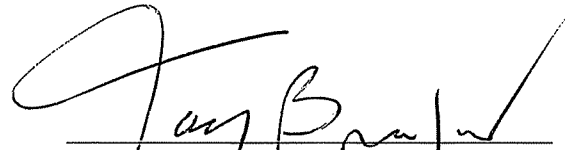
RE: INCREASE IN PCIP REFERRAL FEE

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. PCIP enrollees pay a premium that is about the same as the average individual health insurance premium in Arkansas. Subject to availability, federal funding covers the remaining costs of the PCIP program. 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 (HHS). Full details concerning the PCIP plan are available at <http://www.chiparkansas.org>.

Health insurance agents were notified via correspondence of July 30, 2010, that applications for PCIP coverage became available beginning August 1, 2010, and that they would receive a one-time \$50 referral fee for each applicant accepted into the program to be paid upon receipt of the first premium payment. In an effort to further promote the PCIP plan, the CHIP Board of Directors, acting upon the recommendation of the Arkansas Insurance Department, agreed in December to seek approval from HHS to increase the referral fee to \$100. HHS approved this request in early January and agreed to allow CHIP to implement the increase for PCIP applications received on or after February 1, 2011. You will receive formal notification of this change from the CHIP Board in the next few days.

The purpose of this Directive, in addition to alerting you to the coming notification of this change, is to inform you that it is our strong expectation that you will provide information concerning this plan, and encourage application thereto, by individuals you serve who are unable to obtain coverage in the individual market and may qualify for coverage in PCIP.

Questions concerning this Bulletin should be directed to the Arkansas Insurance Department's Life and Health Division at (501) 371-2800 or via e-mail to insurance.LnH@arkansas.gov.



JAY BRADFORD
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STATE OF ARKANSAS