June 6, 2013

Dear Inclusive Health Provider:

I am writing to inform you about an upcoming change in the Pre-Existing Condition Insurance Plan (PCIP) also known as Inclusive Health – Federal Option in North Carolina. Inclusive Health has administered the federally funded PCIP in North Carolina since July 2010 under NC General Assembly authorization and an agreement with the federal Centers for Medicare and Medicaid Services (CMS). That agreement is ending June 30, 2013 and beginning July 1st, Inclusive Health will no longer administer the North Carolina PCIP. As a result, the 6,000 members of the Inclusive Health Federal Option Plan will be required to change their coverage to a federally administered PCIP plan to continue their risk pool coverage for the remaining six months of 2013. Note that no such changes are required of North Carolinians currently enrolled in our State supported high risk pool.

CMS has announced that it will follow a reimbursement methodology similar to what Inclusive Health has used to pay for our members’ services. Medicare provider reimbursement will apply except for services for which Medicare does not have a fee, in which case they will be paid at 50% of charges. Transplants, DME, dialysis and prescription drugs will be paid at non-Medicare contracted rates. More information about this and the new federal PCIP benefits effective July 1st can be found at http://www.pcip.gov or by calling the PCIP Customer Service Hotline at (866)717-5826.

We have attached a copy of the written notice about this change that we have mailed out to IH Federal Option members. In addition to highlighting this change in administration, it provides a description of the process that will be followed by CMS in auto-enrolling existing PCIP members and contacting them in writing on or around June 10th with further details. It also refers them to the federal PCIP website and call center for further information on rates and benefits.

The letter notes that to activate their new coverage, PCIP members will need to pay their new premium amount within 30 days of receipt of the new plan notice on or around June 10th. The new federal PCIP plan will have different deductibles, coinsurance and premium rates than the existing NC PCIP that members will want to review carefully. The details can be found at http://www.pcip.gov or by calling the PCIP Customer Service Hotline at (866)717-5826.

We at Inclusive Health have appreciated the opportunity to work with you to help extend health care and coverage to more than 6,000 North Carolinians since July 2010 through the federal PCIP program. We regret that a change in federal PCIP contracting policy by CMS has led to this change in administration of Inclusive Health – Federal Option coverage at this time. We look forward to being of whatever service we can be in answering any questions or concerns you may have about this change. Please refer to the Inclusive Health website at www.inclusivehealth.org or call 866-665-2117 for more information about existing coverage.
Sincerely,

Michael Keough
Executive Director

Enclosure