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Report to the Legislature

Presumptive Conditions Study

Minnesota Department of Commerce

Minnesota Comprehensive Health Association

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INTRODUCTION

The 2004 Legislative Session requires the Commissioner of Commerce, in consultation with the Minnesota Comprehensive Health Association (MN health insurance risk pool – MCHA) to conduct an analysis of the eligibility standards used for enrollment coverage under the MCHA presumptive conditions, which are used for automatic eligibility and the denial or limitations of coverage in the individual market due to preexisting conditions. The analysis must compare MCHA's practices with that of other states' high-risk pools and examine the basis for denials within the individual market. The analysis must also determine whether there should be additional guidelines or standards.

The following is the specific section of House File 2762, which lists the requirements for the study:

> Sec. 16 [PRESUMPTIVE CONDITIONS STUDY.] The commissioner of commerce, in consultation with the Minnesota Comprehensive Health Association shall contract with an independent entity to conduct an analysis of the eligibility standards used for enrollment for coverage under the Minnesota Comprehensive Health Association in terms of the use of presumptive conditions for automatic eligibility and the underwriting practices for the individual market regarding the denial or limitations of coverage due to preexisting conditions. The analysis must compare the Minnesota Comprehensive Health Association's practices with that of other states' high-risk pools and examine the basis for denials within the individual market. The analysis must also determine whether there should be additional guidelines or standards in place before the existence of a specific condition or diagnosis is deemed automatically eligible for coverage under the Minnesota Comprehensive Health Association. The commissioner of commerce shall submit the results of the study and any recommendations to the legislature by January 15, 2005.

To conduct this study the Commerce Department contacted each of the 34 state's health high risks pools, the Minnesota Comprehensive Health Association (MCHA), and the six health carriers who provide individual/family health coverage to Minnesota's residents and Communicating for Agriculture (who provide a state-by-state analysis of state high risk pools). Commerce Department received information from all.

The underwriting information from the six health carriers contained confidential and proprietary information, subject to state privacy and data practices statutes. This information is summarized in the report.

EXECUTIVE SUMMARY

The Commerce Department and the Minnesota Comprehensive Health Association (MCHA) analyzed the use of presumptive conditions as a eligibility standard of MCHA and other health high risk pools, and the underwriting practices of Minnesota's individual/family health care market and concluded that there should be no additional changes to either. Changes would provide an inconvenience for the MCHA applicant and could reduce competition in the individual/family health market.

WHAT ARE HIGH RISK POOLS?

Health insurance risk pools are special programs created by state legislatures to provide a safety net for the "medically uninsurable" population. These are people who have been denied health insurance coverage because of a pre-existing health condition, or who can only access private coverage that restricts or excludes coverage for their health condition or has extremely high rates. Individuals in these pools have access to a comprehensive major medical plan. There are 34 risk pools currently operating in the United States. See Exhibit 1. Connecticut established the first pool in 1975, followed by Minnesota in 1976.

- Each of the state risk pool-type programs is different. Generally, the programs operate as a state-created nonprofit Association overseen by a board of directors made up of industry, consumer and state insurance department representatives. The board contracts with an established health carrier (writing carrier) to collect premiums, pay claims and administer the program on a day-to-day basis. Insurance benefits vary, but risk pools typically offer benefits that are comparable to basic private market comprehensive plans (80/20 major medical and outpatient coverage, a choice of deductibles and co-payments). Maximum lifetime benefits vary by state from as low as $350,000 to $2.8 million.

- Usually, there are no exclusions. However, risk pools do have waiting periods for coverage of pre-existing conditions to make sure individuals maintain continuous coverage and the program can operate financially sound. Without waiting periods, the concern is that too many people could forego paying for insurance until they had a high cost claim, and the programs could not function financially. However, under the federal and state legislation, people who have had continuous coverage in the group market, not broken by more than 63 to 90 days, can access coverage in risk pools without any waiting periods in certain situation. This is usually where the person's prior coverage ended through no fault of their own (end of COBRA period, reached policy's lifetime maximum, insurer's insolvency, etc.).

- Risk pool insurance generally costs more than regular individual insurance, but the premiums are capped to protect the individual for exorbitant costs. The caps range from 125 to 200 percent of the average market rate for comparable private coverage with most states in the 150 percent range.

- All state risk pools inherently lose money and need to be subsidized. While the individuals in risk pools pay somewhat higher premiums, roughly 50 percent of overall operating costs need to be subsidized. Subsidy mechanisms vary from state to state. Some states assess all health carriers for the losses; others provide an appropriation from state general tax revenue; some states share funding of loss subsidies by using an assessment of health carriers and providing them a state tax credit for the assessment; or other states have a special funding source, such as a tobacco tax, or a hospital or health care provider surcharge.

- Risk pools are not created expressly to serve the indigent or poor who cannot afford health insurance. Risk pools are designed to serve people who cannot purchase health insurance protection. The indigent can access coverage through state medical assistance, Medicaid or similar programs.

- Overall the cost of state risk pools is small in comparison to the size of overall health insurance system and in comparison to the benefits risk pools provide by guaranteeing access for everyone in a state and spreading the risk of insuring high cost individuals on a more predictable manageable basis for health insurers.

ELIGIBILITY INTO HIGH RISK POOLS

All risk pools have specific eligibility requirements before the state resident can enter the pool. Some are common while others are unique.

- State Residency
  All state plans require the individual applying to be a state resident. Required residency is 1 to 365 days.

- Proof of Rejection
  Most states require the individual to prove they have been rejected for similar health insurance coverage in the private health care market.

- Presently Insured with Higher Premiums
  Some state's plans are available for individual if their current insurance policy's premiums are higher than standard rates or higher than the state's high-risk plan's premiums.

- Presently Insured with an Exclusionary Rider
  Eligible if individual is currently insured but that policy has an exclusionary rider that excludes or reduces coverage for a certain health condition the individual has.

- Presumptive Conditions
  If an individual has a certain medical condition, they can obtain automatic acceptance into a state's high-risk pools without requiring a proof of rejection. Fifteen states, including Minnesota, use this as one of their methods of eligibility.

The individual must have their physician certify that they have one of the risk pool's listed health conditions. See Exhibit 2.

- HIPAA
  The 1996 federal Health Insurance Portability and Accountability Act (HIPAA) mandated that individual who had group health coverage will have "portability" or access to continued coverage in the individual market. To be eligible, the individual had to be previously covered for 18 months with creditable group coverage, exhausted their COBRA extension period and applied within 63 days. Twenty-seven states use their risk pool to comply with this Federal law.

  Minnesota requires the health carrier who provided the group health coverage to offer the individual health conversion policy. For employers who are self-insured (assume their own health care risk), MCHA provides the portable coverage. Both portability options require the use of MCHA's premiums as a method to provide affordable premiums.

- HCTC
  The federal Health Coverage Tax Credit (HCTC) was established as part of the Trade Adjustment Assistance Reform Act of 2002 (TAA Act). It provides health insurance premium assistance (65%) to certain job-displaced workers and individuals age 55 to 64 who receive pension payments from the Pension Benefit Guaranty Corp. (PBGC). Risk pool's individual health plans were one of the options states were able to use to provide this assistance.

- Reciprocity Agreement
  Several states have a reciprocity agreement, permitting an individual who was previously enrolled in a high-risk state plan to be eligible for the new state's high risk plan, with a waiver of the preexisting condition provision.

State	Resident of State	Individual Being Rejected for Health Coverage	Higher Premiums	Exclusionary Rider of Individual's Health Condition	Presumptive Conditions	HIPAA	HCTC	Previously Covered by Another State's Risk Pool
Alabama	Yes					Yes		
Alaska	Yes - 12 months	Yes		Yes	Yes	Yes	Yes	
Arkansas	Yes – 90 days	Yes	Yes			Yes	Yes	Yes
California	Yes	Yes	Yes					Yes
Colorado	Yes – 6 months	Yes	Yes		Yes	Yes	Yes	Yes
Connecticut	Yes					Yes	Yes	
Florida*	Yes	Yes - Two	Yes	Yes				
Idaho	Yes	Yes	Yes			Yes		
Illinois	Yes – 6 months	Yes	Yes		Yes	Yes		
Indiana	Yes – 12 months	Yes				Yes	Yes	
Iowa	Yes	Yes	Yes	Yes	Yes		Yes	
Kansas	Yes – 6 months	Yes - Two	Yes	Yes		Yes	Yes	
Kentucky	Yes	Yes	Yes		Yes	Yes		
Louisiana	Yes – 6 months	Yes				Yes		
Maryland	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Minnesota	Yes – 6 months	Yes	Yes		Yes	Yes	Yes	
Mississippi	Yes – 6 months	Yes				Yes		
Missouri	Yes		Yes					
Montana	Yes	Yes - Two		Yes	Yes	Yes	Yes	
Nebraska	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
New Hampshire	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
New Mexico	Yes	Yes	Yes	Yes	Yes	Yes	Pending	
North Dakota	Yes – 6 months	Yes	Yes	Yes	Yes	Yes	Yes	
Oklahoma	Yes	Yes - Two				Yes	Yes	
Oregon	Yes	Yes				Yes		Yes
South Carolina	Yes – 30 days	Yes	Yes	Yes		Yes	Yes	
South Dakota	Yes – 6 months	Yes	Yes	Yes		Yes	Yes	
Tennessee	Yes	Yes	Below 100%	of Federal	Poverty	Guidelines		
Texas	Yes – 30 days	Yes	Yes	Yes	Yes	Yes	Yes	
Utah	Yes – 12 months	Yes				Yes		
Washington	Yes	Yes						
West Virginia	Yes	Yes	Yes		Yes	Yes	Yes	
Wisconsin	Yes	Yes	Yes	Yes	Yes	Yes		
Wyoming	Yes	Yes	Yes	Yes		Yes		

* Florida closed for new enrollees since 1991.

USE OF PRESUMPTIVE CONDITIONS

Most risk pools require the applicant to provide proof they have been rejected for similar health coverage by at least one insurer. However, 15 of the 34 risk pools (including Minnesota) have adopted guidelines allowing for automatic acceptance into the plan if the applicant has a certain terminal and high cost medical condition. (Alzheimer's Disease, cancer, coronary occlusion, hemophilia, etc.). By having a physician certify that the applicant has one of these conditions, they are accepted into the plan without having to obtain a proof of rejections.

This method of eligibility provides a convenience to the applicant by not having to go through the underwriting process and obtain a rejection from a licensed health carrier or agent. This eliminates the procedure that the individual fill out an application form, submit it along with the required premium, and then wait for the underwriting process (30 to 90 days) to be completed.

Agent may provide the "letter of rejection" if they are aware of the health carrier's "current" underwriting criteria.

Presumptive conditions provides a favorable way for the applicant's acceptance into the high-risk plan.

UNDERWRITING IN MINNESOTA'S INDIVIDUAL HEALTH CARE MARKET

Currently there are six licensed health carriers who offer individual/family health coverage to Minnesota's residents. They are:

- American Family Mutual Insurance Company
- Blue Cross and Blue Shield of Minnesota
- Fortis Insurance Company
- HealthPartners
- John Alden Life Insurance Company
- Medica Health Plan

These health carriers may select or underwrite the individuals they want to insure, based on the amount of risk they want to assume. All of the carriers will decline to insure someone with a progressive major illness or disability that is active or severe, but will try and insure individuals who have a lesser health problems, and insure all who have no history of a significant or lasting illness or injury.

Underwriting is permitted under Minnesota Statute 62A.65, subd. 6:

> Guaranteed issue not required. Nothing in this section requires a health carrier to initially issue a health plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 (gender rating prohibited) or 5 (portability of coverage).

A review of the six health carrier's underwriting manuals indicated they will probably not insure anyone with a major health condition. This would include the following examples:

<u>Addison's Disease</u> – Adrenocortical hormone deficiency
<u>AIDS</u> – Acquired Immune Deficiency Syndrome
<u>Alcohol Abuse, Alcoholism</u> – Excessive drinking, frequent drinking to intoxication
<u>Angina Pectoris</u> – Chest pain related to the heart
<u>Arteriosclerosis/Atherosclerosis</u> – Hardening, loss of elasticity of arteries and veins
<u>Bright's Disease</u> – Chronic, progressive inflammation of the kidney
<u>Cancer</u> – Malignant tumor, neoplasm, carcinoma, sarcoma
<u>Cerebral Palsy</u> – Paralysis resulting from developmental defects in the brain
<u>Cirrhosis</u> – Wasting and degeneration of the liver
<u>Coronary Thrombosis</u> – Formation of a blood clot in the arteries supplying the heart
<u>Crohn's Disease</u> – Inflammatory lesions in the small intestine
<u>Cystic Fibrosis</u> – Disease of exocrine glands. Abnormally high secretion of mucus, especially in lungs.
<u>Diabetes</u> – Disorder of glucose metabolism marked by excess sugar in the blood and urine
<u>Drug Usage</u> – Use/abuse of illicit drugs
<u>Emphysema</u> – Loss of elasticity and destructive changes in the lung walls
<u>Heart Attack/Disorder</u> – Stoppage or decrease of blood supply to and/or from the heart
<u>Hodgkin's Disease</u> – Malignant tumor of the lymph system
<u>HIV</u> – Human Immunodeficiency Virus
<u>Leukemia</u> – Malignant neoplasms of the blood-forming tissues
<u>Multiple Sclerosis</u> – Progressive disease of the central nervous system
<u>Paralysis</u> – Loss of sensation or ability to move or control movement
<u>Parkinson's Disease</u> – A progressive type of palsy
<u>Pernicious Anemia</u> – Reduction in the number of circulating red blood cells
<u>Psychiatric/Psychological Disorder</u> – Severe neurosis or psychosis
<u>Stroke</u> – Injury to the circulatory system of the brain
<u>Thrombosis</u> – Formation of a blood clot
<u>Ulcerative Colitis</u> – Inflammatory lesions in the large intestine

However, for some of these conditions, the health carrier might not decline coverage after a certain period of time of remission or if the condition was mild and very well controlled.

Minnesota does not permit an exclusionary rider (not cover the existing health condition for a set time period - 1 year to forever), thus the health carrier must make the following decision on each applicant:

- insure as a standard risk
- increase premium (rate up)
- increase deductible
- accept after 3 month to 1 year wait
- await out come of pending surgery
- call for individual's medical history

- review this condition with individual's other health conditions and current medications
- decline coverage.

For the health conditions listed below, we reviewed each company's underwriting manual and obtained the following results that are summarized.

Condition	Underwriting Decision
Arthritis-Rheumatoid	Underwrite*, accept if not on medications, increase premiums or deny coverage
Blindness-Congenital	Accept
Bunions	Accept if no surgery planned or surgery was successful, increase deductible, or deny coverage if surgery planned.
Carpal Tunnel Syndrome	Accept if no surgery planned or surgery was successful, or deny coverage if surgery planned.
Ear Infection – Otitis Media	Accept if no tubes, less infections or surgically corrected; higher deductible ($500 to $2,500) or deny if surgery planned.
Eczema – Dry Skin	Underwrite*, accept, increase deductible ($500) or premiums (25%) or deny coverage.
Fibrocystic Breast	Underwrite*, accept, accept after surgery, increase deductible ($2,000 to $5,000) or deny if surgery planned.
Hypertension – Controlled with meds.	Underwrite*, increase deductible ($500 to $2,000), increase premium (25% to 50%), deny if currently smoking or deny coverage.
Migraine Headaches	Underwrite*, accept, increase deductible ($1,000 to $2,000) or increase premiums (25%).
Osteoporosis (mild)	Accept with higher premiums, or deny coverage.
Weight	Underwrite* or accept if not over or under certain percentage of average male/female weight guidelines.

* Underwrite: Review this condition with other health conditions, family history, current medications and determine if smoking.

All six company's underwriting guidelines and actions to insure appeared to be fair and reasonable, based on the applicant's health history and conditions. All individual health carriers want to add new insureds to their plans, but have to balance the risk with premiums that are adequate and but competitive.

SHOULD THERE BE ADDITIONAL UNDERWRITING GUIDELINES?

Currently health carriers can underwrite and select who they want to insure. Should additional guidelines or standards be added before coverage can be denied due to the applicant's specific health condition or diagnosis?

We believe the answer is "No." If additional standards (limited bases for denial or guaranteed issue) are added, Minnesota's already fragile individual market could suffer. Some health carriers would stop writing new business and the remaining policyholders would shortly see their rates increase. With no new healthy insureds being added to the policy, over time the claims will increase, the healthy individuals will seek coverage elsewhere and the remaining sicker individuals will see a steady increase in their premiums.

Health carriers must be allowed to have rules in place that encourage people to sign up for insurance before they need medical care, not after.

Examples of market disruption can be found in the states of Maine, New Jersey and Washington.

Maine:

In 1993, Maine required their individual market to be guarantee issue, created a modified community rating (prohibited rate variation based on gender, health status, claim experience or policy duration) and mandated the health carriers offer four health plans.

Prior to 1993, 16 carriers (11 indemnity and 5 HMOs) offered individual coverage. By 2002 one indemnity and the five HMOs remained in the market. However, the rate levels increased and all of the HMOs were experiencing claim expenses in excess of their premiums.

In 1992, 90,000 Mainers were covered by the individual market. By 2000, it had declined to 40,000, with 90 percent being in the under age 30 class.

The Maine Bureau of Insurance believes "the future viability of the individual health insurance market in Maine is uncertain." They expressed concern that deterioration of their market could lead to further increases, causing more individuals to drop coverage. "If this cycle were to continue it could lead to a collapse of the individual health insurance market."

New Jersey:

In 1992, New Jersey passed a package of reforms (guaranteed issue, community rating and created five standard plans).

Rates have continued to escalate since the reform, and the number of individual insureds has decreased from 238,400 to 90,000 in 2002.

Several legislative initiatives are being proposed now.

Washington:

In 1993, Washington passed reform that included guarantee issue regardless of individual's health status, along with community rating and standard benefits.

Individuals no longer needed to maintain coverage during healthy periods in order to assure coverage was available when health needs occurred. Instead, individuals could move into and out of the market according to their personal health care needs. This is counter to the concept of insurance, everyone contributing into a fund that will be available for the few who need coverage or benefits.

This concept of purchasing health coverage when there was a need, generated claim costs that were two and three times those of pre-reform enrollees. Healthy enrollees dropped coverage, which caused premiums to rapidly increase.

Eventually most health carriers stopped selling individual coverage in the state.

In 2000, Washington repealed the 1994 guarantee issue rule, and amended the risk pool statutes to permit individuals who reside in counties where no individual coverage was available to be accepted into the pool.

SUMMARY

The Minnesota Department of Commerce and the Minnesota Comprehensive Health Association (MCHA) analyzed the method of using presumptive health conditions as a way of determining eligibility for Minnesota and other state high risk pools and concluded it provides a convenient and easy way for individuals to obtain coverages, and should not be changed.

Minnesota's number of health carriers providing individual/family health coverage consists of six companies. If we add additional regulations or restrictions to the health carrier's underwriting standards, we could reduce health carriers, increase premiums and decrease competition, especially in rural Minnesota. No further guidelines or standards should be added.

The combination of individual market underwriting guidelines and the availability of health coverage through MCHA provide:

- a stable market in Minnesota.
- a way of spreading the risk and cost of high-risk individuals.
- adequate health care benefits.
- prevention of individual bankruptcy due to huge medical expenses.
- reduction of cost of public health programs.

- reduction of cost shifting due to uncompensated care.
- health and financial security to thousands of Minnesota individuals and families.

This study cost the Department of Commerce $7,923.30

Marge Goodnuff, Department of Commerce
John Gross, Department of Commerce

Exhibit 1

Alabama Health Insurance Plan
Wynette Smith
c/o Alabama State Employees Insurance Board
P.O. Box 304900, Montgomery, AL 36130-4900
334-833-5907

Alaska Comp. Health Insurance Assn.
c/o Chris Clasen, Administrator
Benefits Management, Inc.
2015 Sixteenth Street
Great Bend, KS 67530
Cecil Bykerk, Chair
402-351-2534

Arkansas Comp. Health Insurance Plan
Mr. Nicholas Thompson
CHIP General Legal Counsel
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 West Capitol Avenue
Suite 1800, Little Rock, AR 72201-3525
(501) 370-4234.

California Major Risk Medical Insurance Program
Lesley Cummings, Executive Director
P.O. Box 2769, Sacramento, CA 95812-2769
916-324-4695

CoverColorado
Barbara Brett, Executive Director
425 S. Cherry St., #160, Glendale, CO 80246
303-863-1960

Connecticut Health Reinsurance Assn.
Karl Ideman, Administrator
c/o Pool Administrators, Inc.
100 Great Meadow Road, Suite 704
Wethersfield, CT 06109
1-800-842-0004

Florida Comp. Health Assn.
Michelle Roberto, Executive Director
1210 E. Park Ave., Tallahassee, FL 32301
850-309-1200

Idaho Individual High Risk Reinsurance Pool
Joan Krosch, Health Insurance Coordinator
c/o Idaho Department of Insurance
P.O. Box 83720, Boise, ID 83720-0043
208-334-4300

Illinois Comp. Health Insurance Program
Tom Jerkovitz, Executive Director
400 West Monroe Street, Suite 202, Springfield, IL 62704
217-782-6333

Indiana Comp. Health Insurance Assn.
Doug Stratton, Executive Director
9465 Counselors Row, Suite 200
Indianapolis, IN 46240
317-877-5376

Iowa Comp. Health Assn.
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Indianapolis, MN 46203-0725
1-800-877-5156

Kansas Health Insurance Assn.
Chris Clasen, Administrator
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2015 Sixteenth Street
Great Bend, KS 67530
1-800-290-1368 ext. 19

Kentucky Access
Mill Creek Road
Frankfort, KY 40602-1380
502-573-1026

Louisiana Health Plan
Leah Barron, Executive Director
P.O. Drawer 83880, Baton Rouge, LA 70884-3880
225-926-6245

Maryland Health Insurance Plan
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211 E. Baltimore St. Box 13,
Baltimore, MD 21202
410-576-2055

Mississippi Comp. Health Insurance
Risk Pool Assn.
Lanny Craft, Executive Director
P.O. Box 13748, Jackson, MS 39296-3748
601-362-0799

Missouri Health Insurance Pool
Vernita Bridges, Executive Director
P.O. Box 8696, Kansas City, MO 64114
1-800-821-2231

Minnesota Comp. Health Assn.
Lynn Gruber, President
5775 Wayzata Boulevard, Suite 910
St. Louis Park, MN 55416
952-593-9609

Montana Comp. Health Assn.
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P.O. Box 4309, Helena, MT 59604
406-444-8200

Nebraska Comp. Health Insurance Pool
Kurt Genrich, NCHIP Administrator
Blue Cross/Blue Shield of Nebraska
P.O. Box 3248 Main Post Office
Omaha, NE 68180-0001
402-343-3337

New Hampshire Health Plan
Fred Potter, Executive Director
c/o CML Administrators, LLC
P.O. Box 1885, 6 Dixon Ave.
Concord, NH 03303-1885
603-227-7265

New Mexico Comp. Health Insurance Pool
Patty Jennings, Executive Director
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P.O. Box 27630, Albuquerque, NM 87125-7630
505-816-4245

Comp. Health Assn. of North Dakota
Kathy Robley, Administrator
c/o Blue Cross and Blue Shield of North Dakota
4510 13th Avenue S.W., Fargo, ND 58121-0001
701-282-1235

Oklahoma Health Insurance High Risk Pool
Lonny Cameron, Administrator
EPOCH Group, Inc.
P.O. Box 12170, Overland Park, KS 66282-2170
913-362-0040

Oregon Medical Insurance Pool
Rocky King, Administrator
250 Church St. S.E., Salem, OR 97301-3757
503-373-1692

South Carolina Health Insurance Pool
C. Michael Jordan, Chairman
c/o Blue Cross Blue Shield of South Carolina
P.O. Box 61173, Columbia, SC 29260-1173
803-788-0500

South Dakota Risk Pool
Larry Kucker, Director of Benefits
c/o Bureau of Personnel
State of South Dakota
500 E. Capitol Ave., Pierre, SD 57501
605-773-3145

Tenncare Program
Bureau of Tenn Care
729 Church Street, Nashville, TN 37247-6501
615-741-0177

Texas Health Insurance Risk Pool
Steven Browning, Executive Director
1701 Directors Boulevard, #120, Austin, TX 78744
Phone 512-441-7665

Utah Comp. Health Insurance Pool
Tomi Ossana, Executive Director
1464 E. Emerson Ave., Salt Lake City, UT 84105
801-485-2830

Washington State Health Insurance Pool
Kären Larson, Executive Director
P.O. Box 329, Bow, WA 98232-0329
360-766-6336

West Virginia Health Insurance Plan
(now being organized)
c/o West Virginia Insurance Commission
P.O. Bx 50540, Charleston, WV 25305-0540
304-558-3864

Wisconsin Health Insurance Risk Sharing Plan
Margaret Kristan, Director
Department of Health and Family Services
1 West Wilson Street, Room 265,
Madison, WI 53701
608-266-2833

Wyoming Health Insurance Pool
Mark Pring
Wyoming Insurance Department
Herschler Building
122 West 25th Street, Cheyenne, WY 82002
307-777-7401

Exhibit 2

Presumptive Medical Conditions

Alaska

Acquired Immune Deficiency Syndrome (AIDS)	Lupus Erythematosus Disseminate
Alzheimer's Disease	Malignant Tumor (if treated or has occurred within last 4 yrs)
Angina Pectoris	Mental Retardation
Anorexia Nervosa	Metastatic Cancer
Arteriosclerosis Obliteran	Motor or Sensory Aphasia
Artificial Heart Valve	Multiple or Disseminated Sclerosis
Ascites	Muscular Atrophy or Dystrophy
Brain Tumors	Myasthenia Gravis
Cardiomyopathy	Myotonia
Cerebral Palsy	Obesity – Morbid
Chronic Pancreatitis	Open Heart Surgery
Cirrhosis of the Liver	Paraplegia or Quadriplegia
Coronary Insufficiency	Parkinson's Disease
Coronary Occlusion	Peripheral Arteriosclerosis (if treatment within last 3 yrs)
Crohn's Disease	Poliomyelitis
Cystic Fibrosis	Polycystic Kidney
Dermatomyositis	Polyarteritis (Periarteritis Nodosa)
Diabetes	Postero-lateral Sclerosis
Epilepsy	Psychotic Disorders
Friedreich's Disease	Rheumatoid Arthritis
Heart Disorders	Sickle Cell Anemia
Hemophilia	Silicosis
HIV+	Splenic Anemia (True Banti's Syndrome)
Hepatitis C (Active)	Still's Disease
Hodgkin's Disease	Stroke (CVA)
Huntington's Chorea	Syringomyelia
Hydrocephalus	Tabes Dorsalis (Locomotor Ataxia)
Intermittent Claudication	Thalassemia (Cooley's or Mediterranean Anemia)
Kidney Failure	Topectomy and Lobotomy
Lead Poisoning with Cerebral Involvement	Ulcerative Colitis
Leukemia	Wilson's Disease

Colorado

AIDS/HIV	Kidney Disease Requiring Dialysis
Alcohol/Drug Abuse	Leukemia
Alzheimer's Disease	Lou Gehrig's Disease
Anorexia	Lupus Erythematosus Disseminate
Bipolar	Major Depressive Disorder
Cancer, Metastatic	Malignant Tumor (within last 4 years)
Cerebral Palsy	Multiple or Disseminated Sclerosis
Cirrhosis of the Liver	Muscular Dystrophy
Cleft Palate	Myasthenia Gravis
Crohn's Disease	Panic Disorder
Cystic Fibrosis	Paraplegia or Quadriplegia
Diabetes, Insulin Dependent	Parkinson's Disease
Emphysema	Primary Polycythemia
Hemophilia	Schizo Affective Disorder
Hepatitis, Chronic Active	Schizophrenia
Hodgkin's Disease	Specific Obsessive Compulsive Disorder
Huntington's Disease	Stroke

Illinois

Acquired Immune Deficiency Syndrome (AIDS or AIDS Related Complex (ARC)	Lupus Erythematosus Disseminate
Angina Pectoris	Metastatic Cancer
Arteriosclerosis Obliterans	Multiple or Disseminated Schlerosis
Cerebrovascular Accident (Stroke)	Muscular Atrophy or Dystrophy
Chemical Dependency	Myasthenia Gravis
Cirrhosis of the Liver	Myotonia
Coronary Insufficiency	Paraplegia or Quadriplegia
Coronary Occlusion	Parkinson's Disease
Cystic Fibrosis	Poliomyelitis
Friedreich's Ataxia	Polycystic Kidney
Hemophilia (Classical)	Severe Traumatic Brain Injury
Hodgkin's Disease	Sickle Cell Anemia
Huntington's Chorea	Silicosis Pneumoconiosis (Black Lung)
Juvenile Diabetes	Syringomyelia
Kidney Failure Requiring Dialysis	Wilson's Disease
Leukemia	

Iowa

Acquired Immune Deficiency Syndrome (AIDS)	Malignant Tumor (if treated or has occurred within last 4 yrs)
Angina Pectoris	Metastatic Cancer
Arteriosclerosis Obliterans	Multiple or Disseminated Sclerosis
Artificial Heart Valve	Muscular Atrophy or Dystrophy
Ascites	Myasthenia Gravis
Cardiomyopathy	Myotonia
Chemical Dependency	Open Heart Surgery
Cirrhosis of the Liver	Paraplegia or Quadriplegia
Coronary Insufficiency	Parkinson's Disease
Coronary Occlusion	Peripheral Arteriosclerosis (if treatment within last 3 yrs)
Cystic Fibrosis	Polyarteritis (periarteritis nodosa)
Dermatomyositis	Postero-lateral Sclerosis
Friedreich's Disease	Psychotic Disorders
Huntington's Disease	Silicosis
Hydrocephalus	Splenic Anemia (True Banti's Syndrome)
Intermittent Claudication	Still's Disease
Juvenile Diabetes	Stroke
Kidney Failure requiring dialysis	Syringomyelia Tabes Dorsalis (locomotor ataxia)
Lead poisoning with cerebral involvement	Topectomy and Lobotomy
Leukemia	Wilson's Disease
Lupus	

Kentucky

AIDS	Myasthenia Gravis
Angina Pectoris	Myotonia
Ascites	Open Heart Surgery
Chemical Dependency	Parkinson's Disease
Cirrhosis of the Liver	Polycystic Kidney
Coronary Insufficiency	Psychotic Disorders
Coronary Occlusion	Quadriplegia
Cystic Fibrosis	Stroke
Friedreich's Ataxia	Syringomyelia
Hemophilia	Wilson's Disease
Hodgkin's Disease	Chronic Renal Failure
Huntington's Chorea	Malignant Neoplasm of the Trachea
Juvenile Diabetes	Malignant Neoplasm of the Bronchus
Leukemia	Malignant Neoplasm of the Lung
Metastatic Cancer	Malignant Neoplasm of the Colon
Motor or Sensory Aphasia	Short Gestation period for a Newborn
Multiple Sclerosis	Low Birth Weight of a Newborn
Muscular Dystrophy	

Maryland

<table>
<tr><td>Behavioral Health (Psychiatric)
Bipolar Disorder
Chemical Dependency
Dementia
Psychotic Disorders</td><td>Musculoskeletal/Connective
Ankylosing Spondylitis
Lupus Erythematosus Disseminate
Rheumatoid Arthritis
Scleroderma</td></tr>
<tr><td>Blood/Blood Forming
Aplastic Anemia
Hemochromatosis
Hemophilia
Sickle Cell Disease</td><td>Pulmonary (Lung)
Chronic Obstructive Pulmonary Disease
Emphysema</td></tr>
<tr><td>Cardiovascular
Angina Pectoris
Cardiomyopathy
Congestive Heart Failure
Coronary Artery Disease
Coronary Insufficiency
Coronary Occlusion</td><td>Neoplasm (Cancers)
Cancer (except skin cancer) treated or diagnosed within the past 5 yrs)
Hodgkin's Disease
Leukemia
Multiple Myeloma
Non-Hodgkin's Lymphoma
Wilm's Tumor</td></tr>
<tr><td>Endocrine (Hormonal)
Addison's Disease
Cystic Fibrosis
Diabetes (Type I and II)
Porphyria
Wilson's Disease</td><td>Neurologic
Alzheimer's Disease
Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)
Friedreich's Ataxia
Guillian Barre Syndrome
Huntington's Disease
Hydrocephalus
Multiple Sclerosis
Muscular Dystrophy
Myasthenia Gravis
Myotonia
Palsy
Paraplegia
Parkinson's Disease
Quadriplegia
Stroke
Tay-Sachs Disease</td></tr>
<tr><td>Gastrointestinal
Ascites
Banti's Disease or Syndrome
Cirrhosis of the Liver
Crohn's Disease
Esophageal Varices
Hepatitis B & C
Ulcerative Colitis</td><td>Other
Kidney Disease requiring Dialysis
Major Organ Transplant
Pregnancy</td></tr>
<tr><td>Infectious
AIDS
HIV Positivity</td><td></td></tr>
</table>

Minnesota

AIDS/HIV	Malignant Lymphoma (replaces Hodgkin's Disease)
Alzheimer's Disease	Malignant Tumors
Amyotrophic Laterial Sclerosis (ALS)	Metastatic Cancer
Angina Pectoris	Motor/Sensory Aphasia
Anorexia Nervosa or Bulimia	Multiple Sclerosis
Aortic Aneurysm	Muscular Dystrophy
Ascites	Myasthenia Gravis
Chemical Dependency	Myocardial Infarction
Chronic Pancreatitis	Myotonia
Chronic Renal Failure	Open Heart Surgery
Cirrhosis of Liver	Paraplegia
Coronary Insufficiency	Parkinson's Disease
Coronary Occlusion	Peripheral Vascular Disease
Crohn's Disease (Regional Enteritis)	Polyarteritis Nodosa
Cystic Fibrosis	Polycystic Kidney
Dermatomyositis	Primary Cardiomyopathy
Friedreich's Ataxia	Progressive Systemic Sclerosis (Scleroderma)
Hemophilia	Psychotic Disorder
Hepatitis C	Quadriplegia
History of Major Organ Transplant	Stroke
Huntington Chorea	Syringomylia
Hydrocephalus	Systemic Lupus Erythematosus (SLE)
Insulin Dependent Diabetes (replaces Juvenile Diabetes)	Wilson's Disease
Leukemia	

Montana

Acquired Immune Deficiency Syndrome (AIDS)	Huntington's Chorea
Alzheimer's Disease	Hydrocephalus
Amyloidosis	Hypogammaglobulinemia
Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)	Leukemia (within 12 yrs)
Aortic Aneurysm	Lupus Erythematosus Systemic
Aplastic Anemia	Malignant Tumor (list specific tumor)
Ascites	Metastatic Cancer (within 12 yrs)
Autism	Morbid Obesity
Banti's Disease	Multiple Sclerosis
Berger's Disease	Muscular Dystrophy
Cardiac Asthma	Myasthenia Gravis
Cardiomyopathy	Neurofibromatosis
Charcot-Marie-Tooth	Osteogenesis Imperfecta
Chronic Pancreatitis	Pacemaker
Chronic Renal Failure	Peutz-Jeghers Syndrome
Cirrhosis of the Liver	Polycystic Kidney Disease
Congestive Heart Failure	Primary Pulmonary Hypertension
Coronary Artery Disease By-Pass Surgery Angioplasty Myocardial Infarction	Psychotic Disorders
Crohn's Disease	Sarcoidosis
Cystemegalorisus	Tabes Dorsalis (Locomotor Ataxia)
Cystic Fibrosis	Tetralogy of Fallot
Diabetes Type I	TIAs (Transient Ischemic Attack)
Fanconi's Syndrome	Tuberculosis
Hansen's Disease (Leprosy)	Von Willebrand's Disease
Hemophilia (A, B, or C)	Wegener's Granulomatosis
Hepatitis C	Wilson's Disease
History of Major Organ Transplant	

Nebraska

Acquired Immune Deficiency Syndrome (AIDS)	Motor or Sensory Aphasia
Angina Pectoris	Multiple or Disseminated Sclerosis
Arteriosclerosis Obliterans	Muscular Atrophy or Dystrophy
Artificial Heart Valve	Myasthenia Gravis
Ascites	Myotonia
Cardiomyopathy	Open Heart Surgery
Chemical Dependency	Paraplegia or Quadriplegia
Cirrhosis of the Liver	Parkinson's Disease
Coronary Insufficiency	Peripheral Arteriosclerosis (if treatment within last 3 yrs)
Coronary Occlusion	Polyarteritis (periateritis nodosa)
Cystic Fibrosis	Posterolateral Sclerosis
Dermatomyositis	Psychotic Disorders
Friedreich's Disease	Silicosis
Huntington's Disease	Splenic Anemia (True Banti's Syndrome)
Hydrocephalus	Still's Disease
Intermittent Claudication	Stroke
Juvenile Diabetes	Syringomyelia
Kidney failure requiring dialysis	Tabes Dorsalis (locomotor Ataxia)
Lead poisoning with cerebral involvement	Thalassemia (Cooley's/Mediterranean anemia)
Leukemia	Topectomy and Lobotomy
Lupus Erythematosus Disseminate	Wilson's Disease
Malignant Tumor (if treated or has occurred within last 4 yrs)	
Metastatic Cancer	

New Hampshire

Chronic Kidney Failure/Dialysis	Major Organ transplant
Cirrhosis	Multiple Sclerosis
HIV/AIDS	Muscular Dystrophy
Hemophilia	Myasthenia Gravis
Hydrocephalus	Paraplegia/Quadriplegia
Hodgkin's Disease	Pernicious Anemia
Juvenile Diabetes	Spina Bifida
Leukemia	Systemic Lupus

New Mexico

AIDS	Lupus Erythematosus Disseminate
Alcohol/Drug Abuse	Malignant Tumor (If treated/occurred within previous 4 yrs)
ALS (Lou Gehrig's Disease)	Metastatic Cancer
Angina Pectoris	Motor or Sensory Aphasia
Arteriosclerosis Obliterans	Multiple or Disseminated Sclerosis
Artificial Heart Valve	Muscular Atrophy or Dystrophy
Ascites	Myasthenia Gravis
Cardiomyopathy	Myotonia
Cirrhosis of the Liver	Open Heart Surgery
Coronary Insufficiency	Paraplegia or Quadriplegia
Coronary Occlusion	Parkinson's Disease
Crohn's Disease	Peripheral Arteriosclerosis (If treated within previous 3 yrs)
Cystic Fibrosis	Polyarteritis (Periateritis Nodosa)
Dermatomyositis	Polycystic Kidney
Diabetes (Insulin Dependent)	Posterolateral Sclerosis
Friedreich's Disease	Psychotic Disorders
Hemophilia	Sickle Cell Anemia
Hepatitis C (Active)	Silicosis
HIV+	Splenic Anemia (True Banti's Syndrome)
Hodgkin's Disease	Still's Disease
Huntington's Chorea	Stroke (CVA)
Hydrocephalus	Syringomyelia
Intermittent Claudication	Tabes Dorsalis (Locomotor Ataxia)
Juvenile Diabetes	Thalassemia (Cooley's or Mediterranean Anemia)
Kidney Failure	Topectomy and Lobotomy
Lead Poisoning with Cerebral Involvement	Wilson's Disease
Leukemia	

North Dakota

AIDS	Obesity
Alzheimer's Disease	Pernicious Anemia
Cirrhosis	Polycythemia
COPD/Emphysema	Pregnancy
CPAP or BIPAP use	Quadriplegia
Crohn's	Severe Osteoarthritis
Dementia	Infertility
Hemiplegia/Paraplegia if result of CVA	Multiple Sclerosis
Hemophilia	Muscular Dystrophy
Hemochromatosis	Nursing home resident

Texas

Cancer Malignant Tumor within 4 yrs (except skin cancer) Metastatic	**Neurological – Central Nervous System** Cerebral Palsy Cerebral Vascular Accident (CVA) Epilepsy Huntington's Chorea Hydrocephalus Lead Poisoning with Cerebral Involvement Lobotomy Parkinson's Disease (if treatment within last 3 yrs) Guillian-Barre Syndrome
Cardiovascular Artificial Heart Valve Cardiomyopathy Coronary Artery Disease Polyarteritis Nodosa Peripheral Vascular Disease, including Intermittent Claudication	**Neurological – Peripheral Nervous System (including Spinal Cord)** Amyotrophic Lateral Sclerosis (ALS) Friedreich's Ataxia Myasthenia Gravis Paraplegia or Quadriplegia Sclerosis, Multiple, Disseminated or Postero-lateral Syringomyelia Tabes Dorsalis (Locomotor Ataxia)
Endocrine/Exocrine Diabetes Mellitus Cystic Fibrosis Addison's Disease	**Psychiatric** Psychotic Disorders
Gastrointestinal Intestinal Crohn's Disease Ulcerative Colitis Liver Cirrhosis (non-alcoholic) Wilson's Disease Hepatitis	**Pulmonary** Silicosis (Black Lung)
Hematopoietic Anemia Sickle Cell Splenic (True Banti's Syndrome) Hemophilia Leukemia Thalassemia	**Renal** Polycystic Kidney

Hodgkin's Disease	Other Brain Tumor Down's Syndrome Scleroderma Transplants Heart Kidney Liver Lung
Immunological Acquired Immune Deficiency Syndrome (AIDS) or HIV Positive Lupus Musculoskeletal Dermatomyositis or Polymyositis Muscular Atrophy or Dystrophy Myotonia Rheumatoid Arthritis Still's Disease Legge-Perthes Disease (Waldenstrom's Disease)	

West Virginia

Plan being developed, including list of presumptive conditions.

Wisconsin

HIV