

that pool and it has been a godsend to many individuals and families in this state but it has also raised concern about cost and that's why the study is authorized under that provision which is included in this amendment. In addition, we allow...and, again, I've got a memo out from Senator Landis and myself that goes through this, we also allow the Director of insurance to sanction insurers who do not pay their CHIP assessments which is an oversight in the statute that we have recently identified and so that's added. We also make a change on how the premium rates for CHIP are set. Currently, it's a range of 125 to 155 percent. If you recall, last year there was a proposal to have the rate set at 155 percent which had the policyholders enraged and eventually the rates were set at about 130 percent which had the insurance industry enraged. So we...we sought a compromise and struck upon 135 percent, pending the study which will be conducted this year and so further adjustment is likely to occur in that next session. But for this following year it was felt rather than go through this battle which will occur in the next few weeks, we would set one target rate and then bypass that argument and leave it for the study to come back with further recommendations. We also have a provision in this amendment that was originally introduced by Senator Rogers on behalf of a family in his district that deals with a preexisting condition, a six-month waiting period that currently is in the program. What we did is we put the six-month waiting period in so that people that were in a plan and got dumped off of it couldn't go directly into the CHIP program, they had to wait a while, and the idea was there was a dumping problem of some insurance companies dropping off high risk individuals and putting them into CHIP. We wanted to discourage that. Unfortunately, there are some cases dealing with, in this case, medically handicapped children program where there is no possibility of dumping. They're either qualified for or not qualified for the program and still the provisions for that six-month waiting period applied to them. And there was one family, and Senator Rogers can address this, I know, that had to wait for that six-month period and their child ended up with some terrible conditions that have really put a financial strain on that family. And there really isn't any reason to have that six-month waiting period since the goal of it was to stop dumping off of plans and you can't do that under that plan, that's a state sponsored plan, you're either in it or you're not, so that was an oversight that has affected one family and we don't want to see it affect any more. And I commend Senator Rogers for that bill which was a committee