United States Senate
WASHINGTON, DC 20510–2101

June 22, 2010

Via Electronic Transmission

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

As you know, the President signed the Patient Protection and Affordable Care Act (PPACA) into law on March 23, 2010. Section 1101 of PPACA states "not later than 90 days after the date of enactment of this Act, the Secretary shall establish a temporary high risk health insurance pool program to provide health insurance coverage for eligible individuals during the period beginning on the date on which such program is established and ending on January 1, 2014". To date, the federal government has failed to provide any funding for this program and Americans with pre-existing conditions have not been able to enroll in the new high risk pools.

We have supported providing assistance to individuals who have difficulty obtaining health insurance and have supported the creation of high risk pools. We are disappointed, therefore, to note the Administration's failure or inability to meet this important deadline for providing health insurance benefits to individuals with pre-existing conditions.

We also continue to have concerns that the high risk pool provisions in the new health care law will fail to provide the assistance promised by supporters of the new law. While some sources (including the White House health reform website) estimate that as many as 12 million people are denied coverage due to a pre-existing condition, the funding provided under the new law will provide coverage to only a fraction of those individuals.

In a new estimate, released on June 21, 2010, the Congressional Budget Office stated that the high risk pool provisions in the new law will provide coverage to only 200,000 individuals. They further estimated that the true cost of providing coverage to eligible individuals through high risk pools would likely cost an additional $5 to $10 billion. This analysis is consistent with the estimates prepared by your own chief Medicare actuary, Richard Foster. In his April 22, 2010, memo regarding the estimated financial effects of the new health care law, Mr. Foster estimates that the high risk pool program could run out of money within the next one to two years. These funding issues have led at least 19 States to decline to participate in this program.

Unfortunately, the debate and subsequent passage of the new health care law have been marred by many similar episodes that have attempted to disguise the true cost of the proposals. Coupled with concerns over how the regulations mandated by the new law will cause up to 1.4 million individuals to lose their current coverage and the law's failure to provide any assistance to individuals currently enrolled in existing high risk pools, these facts raise serious issues about whether the existing statutory provisions will meet the needs of individuals with pre-existing conditions. In order for

Congress to review the ongoing efforts to implement the high risk pool provisions and determine what changes may need to be made, we would request that you provide answers to the following questions by June 30, 2010:

1. When will the money authorized under the new health reform law be distributed to those states that have agreed to participate in the new high risk pool program?
2. When will you provide funding to operate high risk pools in the 19 states that have declined to participate in the new federal program?
3. Please identify how many individuals are estimated to be covered under the new high risk pool, year by year through 2014.

Sincerely,

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Roger F. Wicker

Thad Cochran

Tom Cole

Chris Murphy

Jim Clark

Mike Johanns

George V. Voinovich

Gary L. Miller

Lisa Murkowski

Susan M. Collins

Mike Crapo

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