

*News from the*

**U.S. Senate Committee on  
Health, Education, Labor and Pensions**

**Michael B. Enzi (Wyoming), Chairman**



**For Immediate Release  
Contact: Craig Orfield 202.224.6770  
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## **Senate Passes Grant Program Extension Supporting State High-Risk Insurance Pools**

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Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee today said the Senate has approved the “State High Risk Pool Funding Extension Act of 2005,” which will extend seed money and federal grants that support state based programs to maintain health insurance pools for high-risk individuals who, because of their health problems, cannot find coverage in the private insurance market.

“This bill will extend and improve a program that has helped thousands of medically vulnerable Americans maintain lifesaving health coverage and avoid potentially devastating financial ruin,” Enzi said. “It will also help keep these individuals out of costly and financially beleaguered Medicaid programs.”

The bill, S. 288, increases authorization for grants to existing risk pool programs from \$40 million to \$75 million per year through 2010. It would also extend through 2006, authorization for \$15 million annually for seed grants to states without risk pools that wish to establish them. Under this program, states would be eligible for grants of up to \$1 million for the creation and initial operation of a risk pool. The bill now awaits the President’s signature.

The bill was approved by the Senate on Thursday. It was sponsored by Senator Judd Gregg (R-NH) and Senator Max Baucus (D-MT), and approved unanimously by the Health, Education, Labor, and

Pensions Committee on February 10, 2005. "I commend Senators Gregg and Baucus for their effective leadership on this important legislation, and to the HELP Committee's Ranking Member, Senator Kennedy (D-MA), for his hard work and commitment," Enzi added.

Key provisions of S. 288 include:

§ Establishing seed money to help states establish high risk pools -- The bill provides \$15 million in grants for FY 2006 for states wishing to establish new risk pools.

§ Providing grants to states with existing high risk pools -- The bill also increases and extends funding to states with existing high risk pools by providing \$75 million annually for FYs 2006 through 2010, up from the current \$40 million annually. Two-thirds of amounts appropriated can be used to offset costs of operating the pool. One-third of the amount can be used to provide better consumer benefits, such as lowered premiums, improved coverage, or disease management.

§ Creating greater flexibility in state use of allocated funds and a more equitable funding allocation -- Forty percent of the funding is allocated equally among eligible states; 30 percent is based on the proportion of uninsured individuals in a state; and 30 percent is based on enrollment in a state's high risk pool.

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