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## Congress of the United States

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July 1, 2010

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The Honorable Kathleen Sebelius Secretary Department of Health and Human Services 200 Independence Avenue, S.W. Washington, D.C. 20201

## Dear Secretary Sebelius:

We write to request a detailed briefing on the high-risk health insurance pool program that you have announced will begin today. The Patient Protection and Affordable Care Act mandated that you establish this program by June 21, 2010. This deadline has already been missed. Moreover, on the very day that the program was supposed to begin, the Congressional Budget Office released an analysis reporting that if the high-risk pools cover at least 65% of enrollees' costs (as the law requires) then federal spending though 2013 would likely be "\$5 billion to \$10 billion" *more* than the \$5 billion allocated to the program under the law.

This program begins *today* and is already behind schedule and projected to be over budget. We support the creation of high-risk pools for those who have difficulty obtaining health insurance and are thus deeply concerned that these pools may not provide quality coverage or will limit enrollment.

We ask that the officials responsible for this program at the Department of Health and Human Services (HHS) be prepared to discuss the high-risk pool program at a briefing with Committee staff by July 15, 2010. While we are interested in the entirety of the program, we will wish to specifically discuss the following areas:

<u>High-risk pools and the individual</u>. We would like to discuss the process of how an individual will be able to obtain coverage through the high-risk pool program, as well as what protections and services HHS has in place to make sure that access is efficient and unimpeded.

Funding. On April 22, 2010, the Chief Actuary of the Centers for Medicare and Medicaid Services wrote: "We estimate that the creation of a national high-risk insurance pool will result in roughly 375,000 people gaining coverage in 2010...[b]y 2011 and 2012 the initial \$5 billion in Federal funding for this program would be exhausted, resulting in substantial premium increases to sustain the program; we anticipate that such increases would limit further participation." We would like to discuss the Chief Actuary's findings, and whether HHS believes the program is sustainable through January 1, 2014, as the law requires.

Administration. The law provides that the program may be carried out by the Secretary of HHS, a State, or a nonprofit private entity. We would like to discuss which States have chosen to participate in the program and how this affects the options available to both residents of a participating State or non-participating State. Furthermore, we would like to discuss the options States have chosen in their level of coordination with HHS. This would include, but not be limited to, agreements that have been made between a State and HHS, projected dates when each State will have an operational pool, and the status of the high-risk pool available to those living in States that have chosen not to participate.

We look forward to discussing this soon. Please contact Minority Staff at (202) 225-3641 to set up a briefing time within the next two weeks.

Sincerely.

Ranking Member

Ranking Member

Subcommittee on Health

Michael C. Burgess Ranking Member

Subcommittee on Oversight and Investigations

cc: The Honorable Henry A. Waxman, Chairman

> The Honorable Frank Pallone, Jr., Chairman Committee on Health

The Honorable Bark Stupak, Chairman Subcommittee on Oversight and Investigations