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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives  
Committee on Energy and Commerce  
Washington, DC 20515-6115

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May 22, 2006

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BUD ALBRIGHT, STAFF DIRECTOR

The Honorable Ralph Regula  
Chairman  
Subcommittee on Labor, HHS, and Education  
House Committee on Appropriations  
2358 Rayburn House Office Building  
Washington, DC 20515

The Honorable David Obey  
Ranking Member  
House Committee on Appropriations  
H-218, The Capitol  
Washington, DC 20515

Dear Chairman Regula and Ranking Member Obey:

We are writing to request full funding for grants to State high-risk insurance pools included as part of the Fiscal Year 2007 Department of Health and Human Services Appropriations bill.

The State high risk pool grant program was initially created by the Trade Adjustment Assistance Reform Act of 2002, which authorized Federal funding for the creation and initial operation of these pools along with funding for existing pools. Congress passed, and on February 10, 2006 the President signed into law, the State High Risk Pool Funding Extension Act of 2006 (P.L. 109-172). This legislation reauthorized the grant program for an additional five years, and authorized \$75 million in operational grants for each of fiscal years 2007 through 2010.

As you may know, State high risk pools help reduce the number of uninsured by providing coverage to a very vulnerable group of people, primarily those who have been unable to purchase coverage due to pre-existing conditions, chronic illnesses, or conditions that make them otherwise uninsurable, and who lack employer-provided health insurance. State high risk pools provide an option for some individuals who would otherwise be uninsured to purchase insurance coverage.

Since high risk pools cover many individuals who have major health problems, the costs of operating these pools exceeds the funds received through beneficiary premiums. States operating these pools typically fill in these shortfalls through taxes upon health insurers, State appropriations, and Federal grant dollars.

Although high risk pools now exist in 33 States, more States are looking at this option. Fully funding this reauthorization would assist States which have high risk pools to cover more individuals and make existing coverage more affordable or comprehensive. It would also provide grant funding for States that do not currently operate high risk pools to establish such programs. These programs help make insurance more affordable in the individual market and provide States with options to cover high risk individuals.

To ensure that the goals of the State High Risk Pool Funding Extension Act are met, we ask that the Fiscal Year 2007 Labor-HHS Appropriations bill fund state high risk pools at \$75,000,000, which is the amount authorized in the law.

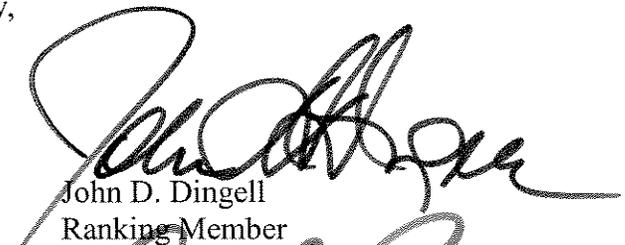
If you have any questions please feel free to contact us or have your staff contact Bill O'Brien of the majority Committee staff at 5-2927, or Amy Hall of the minority Committee staff at 6-3400.

Thank you for your consideration.

Sincerely,



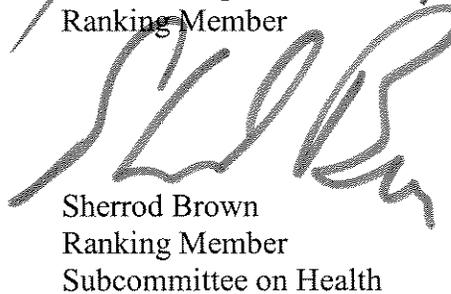
Joe Barton  
Chairman



John D. Dingell  
Ranking Member



Nathan Deal  
Chairman  
Subcommittee on Health



Sherrod Brown  
Ranking Member  
Subcommittee on Health

cc: The Honorable Jerry Lewis  
Chairman  
House Committee on Appropriations