

108TH CONGRESS  
2D SESSION

# S. 2283

To extend Federal funding for operation of State high risk health insurance pools.

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IN THE SENATE OF THE UNITED STATES

APRIL 5, 2004

Mr. GREGG (for himself and Mr. BAUCUS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To extend Federal funding for operation of State high risk health insurance pools.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State High Risk Pool  
5 Funding Extension Act of 2004”.

1 **SEC. 2. EXTENSION OF FUNDING FOR OPERATION OF**  
2 **STATE HIGH RISK HEALTH INSURANCE**  
3 **POOLS.**

4 (a) **EXTENSION OF SEED GRANTS.**—Section 2745 of  
5 the Public Health Service Act (42 U.S.C. 300gg–45) is  
6 amended—

7 (1) in subsection (a), in the subsection heading  
8 by inserting “**EXTENSION OF**” before “**SEED**”; and

9 (2) in subsection (c)(1), by striking  
10 “\$20,000,000” and all that follows through “2003”  
11 and inserting “\$15,000,000 for the period of fiscal  
12 years 2004 and 2005”.

13 (b) **FUNDS FOR OPERATIONS.**—Section 2745 of the  
14 Public Health Service Act (42 U.S.C. 300gg–45) is  
15 amended—

16 (1) in subsection (b)—

17 (A) in the subsection heading by striking  
18 “**MATCHING**”; and

19 (B) by striking paragraph (2) and insert-  
20 ing the following:

21 “(2) **ALLOTMENT.**—The amounts appropriated  
22 under subsection (c)(2) for a fiscal year shall be  
23 made available to the States (or the entities that op-  
24 erate the high risk pool under applicable State law)  
25 as follows:

1           “(A) An amount equal to 50 percent of the  
2           appropriated amount for the fiscal year shall be  
3           allocated in equal amounts among each eligible  
4           State that applies for assistance under this sub-  
5           section.

6           “(B) An amount equal to 25 percent of the  
7           appropriated amount for the fiscal year shall be  
8           allocated among the States so that the amount  
9           provided to a State bears the same ratio to  
10          such available amount as the number of unin-  
11          sured individuals in the State bears to the total  
12          number of uninsured individuals in all States  
13          (as determined by the Secretary).

14          “(C) An amount equal to 25 percent of the  
15          appropriated amount for the fiscal year shall be  
16          allocated among the States so that the amount  
17          provided to a State bears the same ratio to  
18          such available amount as the number of individ-  
19          uals enrolled in health care coverage through  
20          the qualified high risk pool of the State bears  
21          to the total number of individuals so enrolled  
22          through qualified high risk pools in all States  
23          (as determined by the Secretary).”; and

24          (2) in subsection (c)(2), by striking  
25          “\$40,000,000” and all that follows through the pe-

1 riod and inserting “\$75,000,000 for each of fiscal  
 2 years 2005 through 2009 to make allotments under  
 3 subsection (b)(2).”.

4 (c) DEFINITIONS.—Section 2745 of the Public  
 5 Health Service Act (42 U.S.C. 300gg–45) is amended—

6 (1) in subsection (d), by inserting after  
 7 “2744(c)(2)” the following: “, except that with re-  
 8 spect to subparagraph (A) of such section a State  
 9 may elect to provide for the enrollment of eligible in-  
 10 dividuals through an acceptable alternative mecha-  
 11 nism,”; and

12 (2) by adding at the end the following:

13 “(e) STANDARD RISK RATE.—In subsection  
 14 (b)(1)(A), the term ‘standard risk rate’ means a rate—

15 “(1) determined under the State high risk pool  
 16 by considering the premium rates charged by other  
 17 health insurers offering health insurance coverage to  
 18 individuals in the insurance market served;

19 “(2) that is established using reasonable actu-  
 20 arial techniques; and

21 “(3) that reflects anticipated claims experience  
 22 and expenses for the coverage involved.”.

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