

111TH CONGRESS  
1ST SESSION

# H. R. 3741

To provide Federal matching funding for State insurance expenditures for high-risk pools.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2009

Mr. HOEKSTRA introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To provide Federal matching funding for State insurance expenditures for high-risk 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 “Assuring Coverage for  
5 Americans with Pre-existing Conditions Act of 2009”.

6 **SEC. 2. FEDERAL MATCHING FUNDING FOR STATE INSUR-**  
7 **ANCE EXPENDITURES.**

8 (a) IN GENERAL.—Subject to the succeeding provi-  
9 sions of this section, each State shall receive from the Sec-  
10 retary of Health and Human Services an amount equal

1 to 50 percent of the funds expended by the State in pro-  
2 viding for the use, in connection with providing health ben-  
3 efits coverage, of a high-risk pool, a reinsurance pool, or  
4 other risk-adjustment mechanism used for the purpose of  
5 subsidizing the purchase of private health insurance.

6 (b) FUNDING LIMITATION.—A State shall not receive  
7 under this section for a fiscal year more than a total of  
8 50 cents multiplied by the average number of residents  
9 (as estimated by the Secretary) in the State in the fiscal  
10 year.

11 (c) ADMINISTRATION.—The Secretary of Health and  
12 Human Services shall provide for the administration of  
13 this section and may establish such terms and conditions,  
14 including the requirement of an application, as may be ap-  
15 propriate to carry out this section.

16 (d) CONSTRUCTION.—Nothing in this section shall be  
17 construed as requiring a State to operate a reinsurance  
18 pool (or other risk-adjustment mechanism) under this sec-  
19 tion or as preventing a State from operating such a pool  
20 or mechanism through one or more private entities.

21 (e) HIGH-RISK POOL.—For purposes of this section,  
22 the term “high-risk pool” means any qualified high risk  
23 pool (as defined in section 2744(c)(2) of the Public Health  
24 Service Act).

1           (f) REINSURANCE POOL OR OTHER RISK-ADJUST-  
2   MENT MECHANISM DEFINED.—For purposes of this sec-  
3   tion, the term “reinsurance pool or other risk-adjustment  
4   mechanism” means any State-based risk spreading mecha-  
5   nism to subsidize the purchase of private health insurance  
6   for the high-risk population.

7           (g) HIGH-RISK POPULATION.—For purposes of this  
8   section, the term “high-risk population” means—

9           (1) individuals who, by reason of the existence  
10   or history of a medical condition, are able to acquire  
11   health coverage only at rates which are at least 150  
12   percent of the standard risk rates for such coverage,  
13   and

14          (2) individuals who are provided health cov-  
15   erage by a high-risk pool.

16          (h) STATE DEFINED.—For purposes of this section,  
17   the term “State” includes the District of Columbia, Puer-  
18   to Rico, the Virgin Islands, Guam, American Samoa, and  
19   the Northern Mariana Islands.

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