

109TH CONGRESS
1ST SESSION

H. R. 3297

To extend Federal funding for operation of State high risk health insurance pools, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2005

Mr. FORD introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To extend Federal funding for operation of State high risk health insurance pools, and for other purposes.

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 2005”.

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 inserting “and
10 \$15,000,000 for the period of fiscal years 2005 and
11 2006” after “\$20,000,000 for fiscal year 2003”.

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

15 (1) in subsection (b)—

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

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

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

25 “(A) An amount equal to 50 percent of the
26 appropriated amount for the fiscal year shall be

1 allocated in equal amounts among each eligible
2 State that applies for assistance under this sub-
3 section.

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

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

22 (2) in subsection (c)(2), by striking
23 “\$40,000,000” and all that follows through the pe-
24 riod and inserting “\$75,000,000 for each of fiscal

1 years 2005 through 2009 to make allotments under
2 subsection (b)(2).”.

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

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

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

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

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

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

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

22 **SEC. 3. IOM STUDY OF DEVELOPING STANDARD MODEL**
23 **FOR CERTIFICATION OF UNINSURABILITY.**

24 (a) IN GENERAL.—The Secretary of Health and
25 Human Services shall enter into a contract with the Insti-

1 tute of Medicine for a study on the development of a
2 standard model for the certification, for purposes of State
3 high risk health insurance pools, of individuals as being
4 uninsurable and thereby eligible for health benefits cov-
5 erage through such a pool.

6 (b) REPORT.—Under such contract, the Institute of
7 Medicine shall submit a report on the study to the Sec-
8 retary and to the Congress.

9 **SEC. 4. INCREASE IN TRADE ADJUSTMENT ASSISTANCE RE-**
10 **FUNDABLE TAX CREDIT.**

11 (a) IN GENERAL.—Sections 35(a) and 7527(b) of the
12 Internal Revenue Code of 1986 are each amended by
13 striking “65 percent” and inserting “80 percent”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 subsection (a) shall apply with respect to taxable years be-
16 ginning after December 31, 2004.

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