



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

April 30, 2010

The Honorable Kathleen Sebelius
Secretary
U. S. Department of Health and Human Services
200 Independence Avenue Southwest
Washington, DC 20201

Dear Secretary Sebelius:

Minnesota takes pride in having one of the nation's lowest rates of people without health insurance. We also were among the first states to create a high risk pool which now has the largest enrollment in the country. Based on our experience and concerns over the new national high risk health insurance pool, Minnesota will not participate in the new federal program.

Of particular concern is a recent report by the Chief Actuary of the Centers for Medicare and Medicaid Services that states, "By 2011 and 2012 the initial \$5 billion in federal funding for this program [national high risk insurance pool] would be exhausted, resulting in substantial premium increases to sustain the program; we anticipate that such increases would limit further participation" (see attached).

This identified risk suggests the potential for creating a program and financial obligations for our state that are simply unsustainable and otherwise unwise. Minnesota, along with most other states, is managing its budget through challenging fiscal times. In light of this and the risk stated above, we cannot afford to expose Minnesota taxpayers to added potential costs and administrative burdens now.

In addition, the proposed federal risk pool is another example of federal government encroachment upon local control and innovation. I remain concerned by the ongoing pattern of federal overreach in this and other areas.

Thank you for the opportunity to consider this program.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Pawlenty".

Tim Pawlenty
Governor

cc: Commissioner Cal Ludeman, Minnesota Department of Human Services
Commissioner Glenn Wilson, Minnesota Department of Commerce

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