

Florida Opts Out of High-Risk Health Pool

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Florida Opts Out of Federal Funds for High-Risk Health Pool

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The state that originated a lawsuit to block the health care reform act declined participation in one of its first provisions to take effect and will not use federal funding to form its own high-risk pool for residents with pre-existing conditions.

Florida Gov. Charlie Crist informed the U.S. Department of Health and Human Services his state "is not in a position to authorize new financial obligations." Florida's share of a \$5 billion nationwide appropriation would not be enough to ensure coverage for Florida's 3.8 million uninsured, Crist said in a letter to HHS Secretary Kathleen Sebelius.

"If we could take on a new federal program at this time, I nevertheless would be hesitant to arbitrarily cap enrollment on otherwise eligible participants, to commit additional state spending or to close the program once the federal dollars run out," he said.

The high-risk pool program is scheduled to shut down in 2014, when a ban on pre-existing condition restrictions goes into effect. States had until April 30 to notify HHS whether they will operate their own pool or leave that task to the federal government. States face a June 21 deadline for establishing high-risk pools or modifying existing programs (BestWire, May 3, 2010).

Crist said his administration is willing to cooperate with federal officials if they seek to contract with a private, nonprofit entity to provide high-risk coverage in the Sunshine State. HHS will pursue that option in states that decline to create or modify their own pools, Sebelius previously announced.

The federal pool program is "state-friendly" and provides states with resources and flexibility, HHS Acting Secretary for Public Affairs Jenny Backus said in a statement. "Whether states create these pools or the federal government creates them for states, the pools will be paid for by 100% federal dollars and most importantly -- uninsured people around the country will soon have access to another affordable coverage option," she said.

Florida Attorney General Bill McCollum, a Republican elected independently of Crist, initiated a multistate lawsuit challenging the Patient Protection and Affordable Care Act as unconstitutional. Filed in federal court in the Northern District of Florida, the complaint alleges the law is unconstitutional because it mandates that all citizens either have health insurance coverage or pay a tax penalty. McCollum is running for governor.

Crist recently said he is quitting the Republican party. He is continuing his campaign for the U.S. Senate as an independent.

As of June 2009, 35 states were running high-risk pools of their own with a total of almost 200,000 people enrolled, according to a report from the U.S. Government Accountability Office. Another 4 million were considered eligible. That year, the plans paid out about \$1.9 billion in claims -- averaging \$9,437 for each enrolled person (BestWire, April 5, 2010).

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