



**The California Managed Risk Medical Insurance Board**

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June 22, 2010

The Honorable Elaine Alquist  
California State Senate  
State Capitol  
Room 5080  
Sacramento, CA 95814

The Honorable Michael N. Villines  
California State Assembly  
State Capitol  
Room 4117  
Sacramento, CA 95814

Dear Senator Alquist and Assemblymember Villines:

The Managed Risk Medical Insurance Board strongly supports SB 227 (Alquist) as amended on June 21, 2010, and AB 1887 (Villines) as amended on June 10, 2010, to establish the Federal Temporary High Risk Pool to be administered by MRMIB.

Since its inception 18 years ago, California's own high risk pool, the Major Risk Medical Insurance Program, has been subject to a capped appropriation with reductions in recent years. This situation has required MRMIB to repeatedly lower enrollment from a high of more than 27,000 in 1999 to its current, capped level of 7,100 individuals. This represents a fraction of the state's medically uninsurable residents, estimated at 200,000 to 300,000. SB 227 and AB 1887, both sponsored by Governor Schwarzenegger, would authorize MRMIB to use federal dollars to provide coverage to tens of thousands more uninsurable individuals without any additional cost to the state.

Although the federal government would administer a pool for Californians if the state does not, if that were to happen, there would be no guarantee that all of the \$761 million allocated toward California would be spent on Californians. The federal Department of Health and Human Services has indicated that if there were unspent funds, those funds would be redirected to other states. However, if this legislation is passed, MRMIB would maximize this temporary funding stream to address California's own unique and diverse needs.

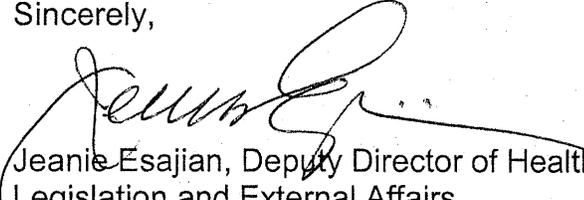
If MRMIB were to run the federal program alongside California's existing high risk pool it would provide a unique opportunity to coordinate communications with, and services for, applicants and subscribers. Moreover, MRMIB is accountable to the Legislature and therefore accessible, responsive, and efficient in addressing the service issues and needs of your constituents.

Senator Alquist and Assemblymember Villines  
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Thank you for your efforts to provide more uninsurable Californians with the opportunity to purchase comprehensive health coverage through SB 227 and AB 1887.

If you have any questions, please contact Jeanie Esajian, Deputy Director of Health Policy, Legislation and External Affairs, at (916) 324-4695.

Sincerely,



Jeanie Esajian, Deputy Director of Health Policy,  
Legislation and External Affairs  
for Lesley Cummings, Executive Director

cc: Members, Senate Health Committee  
Scott Bain, Consultant, Senate Health Committee  
Joe Parra, Consultant, Senate Republican Caucus  
Tim Conaghan, Consultant, Senate Republican Caucus  
Kimberly Belshé, California Health and Human Services Agency  
Scott Carney, California Health and Human Services Agency  
Jennifer Kent, Deputy Legislative Secretary, Office of the Governor