



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 30, 2010

Kathleen Sebelius, Secretary
The U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

You requested a response from states by April 30, 2010 regarding intent to contract for the operation of the temporary high-risk pool established in the Patient Protection and Affordable Care Act of 2009 (Act).

The Act requires the high-risk pools to begin by June 21, 2010, with funding available beginning July 1, 2010. Arizona does not currently operate a high-risk pool and, after consulting with my Director of Insurance and other trusted advisors, I have determined that it would not be feasible to develop and implement a program within the time frames contemplated by the Act. I also have reservations about committing the State to undertaking a program in the absence of comprehensive federal guidance on its implementation requirements.

I am deeply concerned that the proposed federal funding available over the next three years will be insufficient to cover the total costs of the program. In light of Arizona's existing fiscal challenges, I cannot commit the State to a program without confidence that there is funding available to sustain it through the period required by the Act.


Further, such a program would need approval from the Legislature, which is winding down its 2010 legislative session. Even with legislative approval, any legislation would not take effect for 90 days after the session is adjourned.

Given the uncertainties regarding the implementation of and funding for the program, and the unrealistic time frames established in the Act, I respectfully decline to have Arizona contract with the federal government to operate the high-risk pool.

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As your letter notes, you intend to establish a high-risk pool in states that do not implement a state-run program. Please keep me informed of your plans for a program in Arizona.

Sincerely,


Janice K. Brewer
Governor

JKB:bkl