

# United States Senate

WASHINGTON, DC 20510-2309

January 3, 2013

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

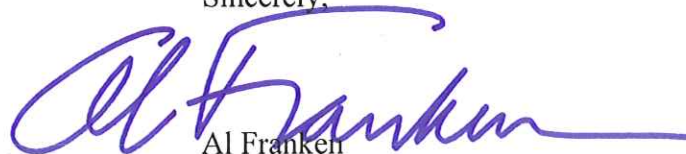
Dear Secretary Sebelius:

When Congress passed the *Patient Protection and Affordable Care Act* in 2010, we included options that give states additional flexibility in guaranteeing access to quality, affordable health insurance coverage. One of those options is the Basic Health Plan, which allows states to use federal tax subsidy dollars to offer affordable coverage for individuals with incomes between 139 percent and 200 percent of the federal poverty level who would otherwise be eligible to purchase health insurance coverage through state exchanges. These low-income consumers are very sensitive to prices and historically have high rates of uninsurance; the Basic Health Plan provides another option for states seeking to lower the cost of quality health insurance for this population. However, as states seek to meet deadlines to establish health insurance exchanges, they need better guidance from the federal government on all the options available to them, including the Basic Health Plans.

On December 10, the Centers for Medicare and Medicaid Services released a document on "Frequently Asked Questions on Exchanges, Market Reforms, and Medicaid" that recognized the need for further guidance on Basic Health Plans and promised to issue such guidance in the future. Without additional guidance, states can't factor a Basic Health Plan into their budget forecasts or engage their residents in planning and preparation efforts. In many states, including my home state of Minnesota, it is possible that a Basic Health Plan may be the best option for ensuring that low-income families continue to have comprehensive health coverage. However, without guidance on the implementation of a Basic Health Plan, states cannot determine whether this is indeed the best option for their residents. I urge you to work closely with states to provide them with the necessary guidance to allow them to consider creating a Basic Health Plan in 2014.

Thank you for your attention to this matter.

Sincerely,



Al Franken  
United States Senator