

United States Senate

WASHINGTON, DC 20510

March 5, 2012

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

Dear Secretary Sebelius:

We write to thank you for issuing a Request for Information (RFI) in December 2011, on the structure and operation of the Federal Basic Health Plan (FBHP) outlined in section 1331 of the Affordable Care Act and request that the Centers for Medicare and Medicaid Services (CMS) issue guidance for the implementation of these plans promptly.

As you may know from the responses you have received from the RFI, many states are interested in implementing a FBHP in 2014. However, before making a final decision, additional information is necessary through formal CMS guidance regarding details of the FBHP, including: the administrative cost (including start-up cost) requirements of operating a FBHP, the funding formula or cost-sharing requirements for states and plans, program flexibility, and the FBHP risk adjustment requirements.

We are concerned that if this guidance is not finalized promptly, some state applications for health insurance exchange certification may not include a plan for implementing a FBHP. And, while we recognize that these applications are not due until January 1, 2013, states will need ample time to analyze the requirements set forth in the FBHP guidance and secure approval from their state legislatures. We would be particularly disappointed if states are unable to consider including a FBHP in their applications for certification strictly due to a lack of timely information.

Thank you for your prompt clarification of these issues. We look forward to hearing from you.

Sincerely,

Maria Cantwell

Patty Murray

John J. Kerry

Barack

Al Franken

Herb Kohl

Dianne Feinstein

Whitman

Tom Udall

Jack Reed