



OCT - 4 2016

Administrator
Washington, DC 20201

The Honorable Matthew G. Bevin
Governor of Kentucky
700 Capitol Avenue, Suite 100
Frankfort, KY 40601

Dear Governor Bevin:

Earlier this year, Governor Bevin informed Secretary Burwell of the Commonwealth of Kentucky's intention to transition from a State-based Marketplace (SBM) to an SBM that uses the federal platform (SBM-FP). At the time the Secretary expressed her concern about the impact on consumers of Kentucky's decision to transition away from a successful SBM and fully integrated eligibility and enrollment system. At the same time, she committed us to working with you to ensure as smooth a transition as possible, recognizing that this is Kentucky's decision to make. In previous correspondence we have indicated that transition milestones and mitigation and contingency approaches would be essential components of Kentucky's transition. We also indicated that the Centers for Medicare & Medicaid Services (CMS) would review the elements of the transition closely to determine readiness for Kentucky to transition to the HealthCare.gov platform. These milestones and mitigations are particularly important in light of the aggressive timeframes on which Kentucky is moving forward.

CMS appreciates your team's participation in Kentucky's Operational Readiness Review (ORR) held on September 21-22, 2016, as well as the system readiness demonstration on August 12. During the ORR and system demonstrations, Kentucky adequately displayed successful implementation of Account Transfer functionality, Non-Employer Minimum Essential Coverage (MEC) functionality, and transition-related changes to the Benefind Self-service Portal and Worker Portal, as well as completion of the associated payload testing. A detailed assessment of Kentucky's milestone completion as of the September 21-22 ORR will be sent in a subsequent letter. Based on the results of this ORR, the Commonwealth has met the required transition milestones to date and demonstrated implementation of the system functionality necessary to operate kynect on the federal platform, and we are permitting the transition effective November 1, 2016.

However, we remain concerned that kynect's transition to the federal platform may disrupt the seamless system of coverage that kynect established. As a result, eligible people may face delays in or lack access to the coverage for which they are eligible, whether that is Medicaid, the Children's Health Insurance Program (CHIP) or a Marketplace Qualified Health Plan (QHP). The kynect system has been highly successful in making fast, accurate determinations for coverage. For example, because kynect was an integrated eligibility system, consumers in Kentucky could begin an application in one place, have their eligibility determined, and enrollment completed in

real-time, all on the same website in one sitting. Following the transition, many applicants will begin their application in one place and then experience a waiting period while their application is transferred and processed. They will then have to complete that application and enrollment on a different platform.

In addition, while Kentucky has continued to make timely progress around the completion of the transition milestones required up to this point, a major systems transition necessarily creates significant risks. Moreover, key milestones remain. Specifically, our team will continue to closely monitor Kentucky's implementation of key milestones outlined in your consumer communications plan as well as those related to training call center and field staff, and the assister community. In addition, we will also continue to work with Kentucky on the self-service portal and eligibility and enrollment process changes discussed during the ORR. Changes in system functionality may result in confusion for Kentucky consumers; it is therefore essential that the transition be clearly and effectively communicated to Kentucky consumers to ensure that they have the information they need to enroll in coverage on HealthCare.gov starting November 1, 2016. We will also review performance indicators around timeliness of transaction processing and backlogs to monitor the degree to which eligible people obtain coverage in a timely manner, and will continue to work with you to resolve any gaps in coverage.

We will continue to work with the Commonwealth to achieve an efficient transition of kynect to the federal platform with as little disruption and confusion for consumers as possible. If you or your staff have questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew M. Slavitt".

Andrew M. Slavitt
Acting Administrator