



C.L. "BUTCH" OTTER  
GOVERNOR

December 14, 2012

Director Gary Cohen  
CMS Center for Consumer Information and Insurance Oversight  
200 Independence Ave. SW, Suite 739H  
Washington, DC 20201

Via U.S. Mail and email: [State.Exchange.group@cms.hhs.gov](mailto:State.Exchange.group@cms.hhs.gov)

RE: IDAHO EXCHANGE (STATE-BASED) AND REINSURANCE DECLARATION

Dear Director Cohen,

After the United States Supreme Court's July 13, 2012 decision in *National Federation of Independent Business v. Sebelius*, I appointed two working groups charged with studying both the Medicaid expansion and the health insurance exchange options and related questions.

I received a report of findings and recommendations from the Health Insurance Exchange Working Group on October 31, 2012. It recommended that Idaho establish a state-based exchange (SBE). The recommendation was based on a desire to maximize our flexibility and maintain our state sovereignty.

The steps necessary to establish a SBE in order to be functional for 2014 must begin in the very near future. So please accept this statement of intent to establish a SBE in Idaho, subject to legislative approval during the upcoming session.

Idaho does not intend to administer a risk adjustment program for 2014, nor does the State of Idaho intend to administer its own reinsurance program. An Idaho SBE will use federal government services for advance premium tax credit/cost sharing reduction eligibility determinations – subsidies on the purchase of and access to coverage through the Idaho SBE.

The chief contacts for establishing a SBE in Idaho will be Department of Insurance Director William (Bill) Deal, and Department of Health and Welfare Director Richard (Dick) Armstrong, and their respective staffs.

As Always – Idaho, "Esto Perpetua"

C.L. "Butch" Otter  
Governor of Idaho

CLO/tp