

STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

MARGARET WOOD HASSAN
Governor

February 13, 2013

The Honorable Kathleen G. Sebelius
Secretary, U.S. Department of Health and Human Services
c/o CMS Center for Consumer Information and Insurance Oversight
200 Independence Avenue, S.W., Suite 739H
Washington, DC 20201

Dear Secretary Sebelius:

Under guidance issued by your office, states wishing to enter into a Partnership Exchange must submit a declaration letter signed by their governor stating that intention no later than February 15, 2013. As Governor of New Hampshire, I ask that you accept this declaration of intent to participate in a State Partnership Exchange for both Plan Management and Consumer Assistance. New Hampshire Insurance Commissioner Roger A. Seigny will be the primary point of contact regarding our application. Nicholas A. Toumpas, the Commissioner of the New Hampshire Department of Health and Human Services, will be the point of contact on issues of Medicaid and CHIP eligibility determination and coordination.

New Hampshire's legislature has set forth its goals for the Exchange, including: (1) promoting preservation of the private, commercial delivery of health coverage through carriers and producers to the greatest degree possible; (2) minimizing overhead and administrative expenses of the exchange; (3) promoting competition and consumer choice; and (4) preserving to the greatest extent possible the state's insurance regulatory authority and the state's flexibility in determining Medicaid eligibility standards, and program design and operation. Consistent with these objectives, the Legislature specifically created a Joint Health Care Reform Oversight Committee and directed the New Hampshire Insurance Department (NHID) and the New Hampshire Department of Health and Human Services (NHDHHS) to take action necessary to maintain the regulatory functions that they have traditionally performed.

A Partnership Exchange is essential to preserving New Hampshire's traditional regulatory authority over insurance carriers and producers, as well as its Medicaid program. A Plan Management Partnership would allow New Hampshire to maintain its status as the primary regulator with respect to insurance products sold in New Hampshire on the Federally-facilitated exchange, including: producer and insurer licensing, form and rate approval, network adequacy, internal grievance standards, external review, and unfair trade practices. A Consumer Assistance partnership would involve both NHID and NHDHHS, and would have as its central component the regulation of Navigators that have been selected and funded through the Federally-facilitated

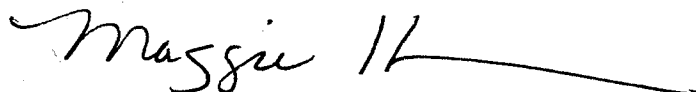
Exchange. Through NH RSA 420-N, the New Hampshire Legislature has directed both commissioners to exercise authority to regulate the operation of Navigators, as Navigators' activities affect each commissioner's respective sphere of responsibility. A Consumer Assistance partnership would also enable the state to develop its own consumer assistance model and in-person assistance program in a manner that would supplement, not supplant, existing insurance delivery and Medicaid application assistance systems in the state, as well as to clarify the role of insurance producers with respect to consumer assistance. A Consumer Assistance Partnership would enable New Hampshire to adhere to the legislative directive to preserve the existing health insurance delivery systems and minimize interference with insurance markets.

This letter of intent is provided with the understanding that the Memorandum of Understanding (MOU) governing the expectations, roles and responsibilities of the State of New Hampshire in a Partnership Exchange will not impose a cost on the state's general fund or create new state programs. All partnership activities through the end of 2014, the critical time period for adoption of ACA-specific regulatory checklists, initial plan approval, and outreach and enrollment, would be funded by section 1311 Establishment Grant funds. Once this critical time period is over, the ongoing state regulation of Quality Health Plans (QHPs), QHP issuers, and Navigators would continue as part of the Insurance Department's traditional regulatory activities. We further understand that a central tenet of the partnership concept is that partner states are not obligated to expend any funds beyond those awarded through federal grants, and that the partnership may be terminated without further obligation, beyond accounting for proper use of any grant funds that have been awarded. Finally, we understand that any product or service deployed in this state under any MOU will be subject to the regulatory authority of the State of New Hampshire.

This letter of intent is provided subject to any subsequent consent that may be required under state law with regard to implementation of the Partnership Exchange; including consent to any MOU between these agencies and CMS by the Joint Health Care Reform Oversight Committee established pursuant to NH RSA 420-N.

New Hampshire Governor Lynch indicated in December 2012 that New Hampshire was potentially interested in administering the reinsurance program for the state. The state has now determined that it will not operate the reinsurance program.

With every good wish,



Margaret Wood Hassan
Governor