



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

March 5, 2013

The Honorable Rick Snyder
Governor of Michigan
Lansing, MI 48909

Dear Governor Snyder:

I am pleased to inform you that Michigan has received conditional approval to establish a State Partnership Exchange for 2014. We commend Michigan for taking this important step towards providing affordable health insurance for consumers. Congratulations on reaching this significant milestone on the path to establishing an Exchange for the people of Michigan.

Conditional approval reflects the substantial progress Michigan has made and an expectation that Michigan will be ready to assist in providing affordable, quality coverage for consumers and small businesses in 2014. The Centers for Medicare & Medicaid Services (CMS) has reached this decision based on Michigan's self-assessment, progress to date, and expected progress across the entire spectrum of Exchange requirements, and the decision is contingent upon the following conditions:

1. Demonstrate the ability to perform all required Exchange activities in line with the attestations Michigan has made in its Exchange Blueprint Application submission;
2. Comply with regulations and expected progress milestones. During the first year of the program (plan year 2014), approval of State Partnerships will account for a state's need for guidance from CMS and other federal agencies and the time necessary for infrastructure development;
3. Sign a memorandum of understanding (MOU) or similar instrument between the Michigan Department of Licensing and Regulatory Affairs (LARA) and Michigan's Medicaid agency, which will define the roles, responsibilities, and coordinated work shared by both state agencies; and
4. Procure legal authority and spending authority for Exchange activities, and provide documented evidence of such authority to operate an Exchange.

We recognize that Michigan is working under intense timelines and will work with you to establish benchmark dates that are appropriate and will allow us to monitor Michigan's progress. CMS will continue its work with the Exchanges, including providing more detailed information directly to Michigan's Partnership Exchange.

Sincerely,

Kathleen Sebelius