



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

November 18, 2010

The Honorable Christine Gregoire
Governor of Washington
Olympia, WA 98504

Jane L. Cline
President
National Association of Insurance Commissioners
444 N. Capitol Street, NW, Suite 701
Washington, DC 20001

The Honorable Richard T. Moore
State House, Room 111
Boston, MA 02133

Dear Governor Gregoire, Commissioner Cline and Senator Moore:

Since the Affordable Care Act became law in March, we have worked in close partnership with states to implement important new health care initiatives. Together we have accomplished much. We have put our country on a path to providing every American access to high-quality, affordable health care. We have ended some of the worst insurance abuses, and have taken a significant step toward putting consumers, not insurance companies, in charge of their health care. But there is much more work to be done.

As you know, the Affordable Care Act empowers states to take the lead in implementing and enforcing many of the new reforms, if they so choose. In particular, states have the opportunity to play a major role in the creation and operation of the Health Insurance Exchanges – new competitive insurance marketplaces where millions of Americans and small businesses will be able to purchase affordable coverage. Exchanges will give these consumers and employers similar health insurance options as are available to Members of Congress. As we look ahead to the establishment of the Exchanges and other reforms, it is essential that we work closely with states every step of the way.

The enclosed guidance is another sign of our commitment to provide states with timely, useful information and assistance in response to the priorities and needs states have communicated to us. It provides transparency in our efforts and offers states interested in acting in the coming year input into the structure and function of Exchanges.

The Departments of Labor and the Treasury are working in close collaboration with HHS on issues relating to the implementation of the Exchanges, and will be issuing future guidance within their respective jurisdictions that will coordinate with HHS guidance on Exchange

implementation. I appreciate NAIC's efforts to draft model legislation for states that wish to establish Exchanges through legislative action. The preliminary drafts currently under review are in accordance with the statute and will serve as a helpful model for states to establish authorizing legislation for their Exchanges.

We look forward to a continuing partnership with your organizations and state officials including governors, insurance commissioners, legislators and others as we implement the Affordable Care Act. Together, we can ensure that every American has access to affordable, high quality health care.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Sebelius". The signature is fluid and cursive, with a large initial "K" and "S".

Kathleen Sebelius

