

March 11, 2013

Gary Cohen  
Deputy Administrator and Director  
Center for Consumer Information and Insurance Oversight  
Centers for Medicare and Medicaid Services  
200 Independence Avenue, SW  
Washington, DC 20201

RE: State evaluation of plan management activities of health plans and issuers

Dear Mr. Cohen,

I am writing to accept your offer made to the South Dakota Division of Insurance in recently published FAQs dated February 20, 2013, to conduct plan management functions on the federal exchange without taking part in what HHS has termed the "State Partnership Insurance Exchange Model". The South Dakota Department of Labor and Regulation, Division of Insurance (Division) intends to perform the plan management activities outlined in Section 4.0 of the Blueprint (released November 16, 2012) in time for the 2013 QHP selection process. The Division has the legal authority and operational capacity to conduct plan management activities.

All plan management functions will be conducted through the System for Electronic Rate and Form Filing (SERFF). Using SERFF will enable the Division to collect and analyze information on plan rates, covered benefits, and cost sharing requirements. Ensuring plan compliance, resolving consumer complaints, providing issuer technical compliance, managing decertification and associated appeals are within the scope of traditional functions performed by the Division.

The Division has the legal authority to adopt any necessary standards that will enable us to perform plan management activities on the federal exchange. These functions will be performed as part of the Division's regulatory process. I am willing to share operational plans and demonstrate our capacity to perform these functions with HHS as requested by HHS.

Sincerely,



Merle Scheiber  
Director, Division of Insurance  
South Dakota Department of Labor and Regulation