



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

January 3, 2013

The Honorable C.L. "Butch" Otter
Governor of Idaho
State Capitol, P.O. Box 83720
Boise, Idaho 83720

Dear Governor Otter:

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

Conditional approval reflects the expectation that Idaho is developing a State-based Exchange, compliant with the Affordable Care Act (ACA), and will be ready to provide affordable, quality coverage for consumers and small businesses in 2014. The Centers for Medicare & Medicaid Services (CMS) has reached this decision based on the Idaho Exchange's self-assessment and expected progress across the entire spectrum of Exchange requirements, and is contingent upon the following conditions:

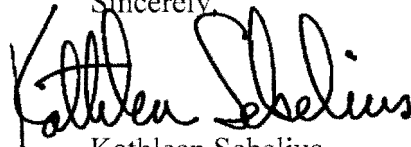
1. Comply with regulations and expected progress milestones. During the first year of the program (plan year 2014), approval of a State-based Exchange will account for timelines related to guidance and infrastructure development;
2. Demonstrate legal authority for all necessary State-based Exchange functions as described in the Affordable Care Act, including financial sustainability and the appropriate authority to certify qualified health plans by March 15, 2013;
3. Participate in an Establishment Review by February 1, 2013 and develop a revised timeline and detailed work plan that aligns with the Exchange Blueprint, including dates and key milestones, to provide HHS with a clear understanding of the State's expected ability to complete Exchange activities; and
4. Confirm Information Technology and Project Management vendor selection and awards no later than February 15, 2013.

We recognize that Idaho is working under intense timelines and will work with you to establish benchmark dates that are appropriate and will allow us to jointly monitor Idaho's progress.

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CMS will continue its work with all Exchanges, including providing more detailed information directly to your State Exchange.

Sincerely,



Kathleen Sebelius