



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

December 20, 2012

The Honorable Jack Markell
Governor of Delaware
Dover, DE 19901

Dear Governor Markell:


I am pleased to inform you that Delaware has received conditional approval to establish a State Partnership Exchange for 2014. Congratulations on reaching this significant milestone on the path to establishing an Exchange for the people of Delaware.

Conditional approval reflects the substantial progress Delaware has made and an expectation that Delaware 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 Delaware's self-assessment, progress to date, and expected progress across the entire spectrum of Exchange requirements, and is contingent upon the following conditions:

1. Demonstrate the ability to perform all required Exchange activities in line with the attestations Delaware 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 take into consideration constraints related to guidance and infrastructure development;
3. Maintain a federal funding source throughout the operations of plan year 2014, in compliance with the Anti-Deficiency Act, which prohibits the federal government from accepting voluntary services for the United States;
4. Sign a memorandum of understanding with CMS outlining specific roles and responsibilities for the operation of Plan Management and Consumer Assistance, Outreach, and Education functions of Delaware's State Partnership Exchange by February 15, 2013; and
5. Obtain the appropriate authorities to enforce all Affordable Care Act health insurance market reforms.

CMS will continue its work with the Exchanges, including providing more detailed information directly to Delaware's State Partnership Exchange.

Sincerely,


Kathleen Sebelius