



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

February 13, 2013

The Honorable Pat Quinn
Governor of Illinois
James R. Thompson Center
100 W. Randolph Street, Suite 15-200
Chicago, IL 60601

Dear Governor Quinn:

I am pleased to inform you that Illinois has received conditional approval to establish a State Plan Management and Consumer Partnership Exchange for 2014. We commend Illinois 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 Illinois.

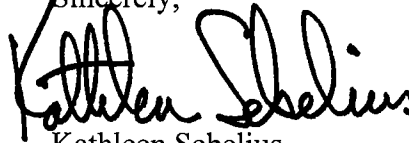
Conditional approval reflects the substantial progress Illinois has made and an expectation that Illinois will be ready to provide affordable, quality coverage for consumers and small businesses in 2014. The Centers for Medicare & Medicaid Services (CMS) reached this decision based on Illinois' self-assessment, 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 Illinois 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) with CMS for the operation of (a) Plan Management activities by March 1, 2013; and (b) Consumer Assistance, Outreach, and Education activities by April 1, 2013;
4. Sign a MOU or similar instrument with Illinois' Medicaid agency, which will define the roles, responsibilities, and coordinated work shared by both state agencies until such time that an Exchange entity is created;
5. If Illinois plans to customize its System for Electronic Rate and Form Filing (SERFF) platform, Illinois must approve a contract to procure vendor services for an Exchange Information Technology (IT) platform by February 28, 2013. Illinois must provide a full list of customizations to the SERFF platform to permit CMS to assure operability with the FFE; and

6. Retain an Independent Verification and Validation (IV&V) vendor to complete required IV&V activities for Illinois' Plan Management and Consumer Partnership Exchange.

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

Sincerely,



Kathleen Sebelius