



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

October 1, 2013

The Honorable Gary R. Herbert
Governor of Utah
State Capitol Complex
350 North State Street, Suite 200
PO Box 142220
Salt Lake City, Utah 84114-2220

Dear Governor Herbert:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is granting Utah conditional approval to operate a Small Business Health Options Program (SHOP) Marketplace for plan year 2014 as defined under the Affordable Care Act and 45 C.F.R. §§ 155.20, 155.100, and 155.200, as amended effective September 30, 2013 by the Program Integrity: Exchange, SHOP, and Eligibility Appeals; Final Rule, 78 Fed. Reg. 54070 (Aug. 30, 2013). This conditional approval supersedes the conditional approval granted to Utah on January 3, 2013 for the operation of a State-based Exchange for the individual and SHOP Marketplaces. We commend Utah for its work towards providing affordable health insurance options for the small businesses of Utah.

Conditional approval reflects the expectation that Utah is updating the existing Utah small business health insurance exchange (Avenue H) to be compliant with the Affordable Care Act and implementing regulations as a SHOP, and that Utah will be ready to provide affordable, quality coverage options for small employers and their employees in 2014. As outlined in the May 10, 2013 letter from CMS Center for Consumer Information and Insurance Oversight (CCIIO) Director Gary Cohen, the responsibilities of Avenue H include the operation of a SHOP-specific Navigator program (including funding at least two Navigators for the State-based SHOP-only Marketplace), and the performance of plan management activities relating to the certification of qualified health plans (QHPs) to be offered through the Marketplaces in time for the 2013 QHP selection process.

CMS reached this decision for conditional approval based on the Utah Exchange Blueprint Application submitted in 2012, discussions between Utah and the Department of Health and Human Services in the spring of 2013, and on reasonable assurances provided to CMS by Utah regarding the ability of Avenue H to provide the functionality of a SHOP Marketplace for small businesses in 2014. Utah made these assurances through demonstrations of operational capacity made to date through the ongoing Exchange Establishment Review process, and through submission of documentation supporting those demonstrations. Conditional approval is contingent upon the following conditions:

1. Ongoing compliance with regulations and expectations outlined in the May 10, 2013

letter from CCIIO Director Gary Cohen; and

2. Continued participation in the Exchange Establishment Review process, as additional functionalities are brought online, oversight and monitoring activities implemented by Utah, and as post-October 1, 2013 requirements are fulfilled.

A letter detailing the agreed upon project milestones and timelines will be sent directly to your Exchange in the near future. We look forward to continuing to work with Avenue H to ensure that all residents of Utah have access to quality and affordable health care.

Sincerely,

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

Kathleen Sebelius