



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

January 3, 2013

The Honorable Neil Abercrombie
Governor of Hawaii
Executive Chambers, State Capitol
Honolulu, Hawaii 96813

Dear Governor Abercrombie:

I am pleased to inform you that Hawaii has received conditional approval to establish a State-based Exchange. We commend Hawaii 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 Hawaii.

Conditional approval reflects the substantial progress Hawaii Exchange (Connector) has made and an expectation that the Hawaii Exchange 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 Hawaii Exchange'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 Hawaii 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 a State-based Exchange will account for timelines related to guidance and infrastructure development;
3. Submit a detailed and integrated timeline, which should include mapping both policy and technical decisions. Such a timeline should include dates when all Federal artifacts will be ready for Federal review and/or testing;
4. Develop and sign memoranda of understanding (MOUs) or other instruments to assign authorities, responsibilities, and activities, between the Connector and its State partners; and
5. Develop a contingency plan by January 15, 2013 that demonstrates and ensures the Exchange's ability to perform the required eligibility and enrollment functions to provide coverage to beneficiaries beginning on January 1, 2014. If Hawaii is unable to attest to and demonstrate that it will be able to perform eligibility and enrollment functions through the existing plan by January 31, 2013, then Hawaii must activate the contingency plan.

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

The Honorable Neil Abercrombie

January 3, 2013

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

Sincerely,

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

Kathleen Sebelius