



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

June 14, 2013

Mr. James J. Donelan  
National Association of Insurance Commissioners  
444 North Capitol Street NW, Suite 701  
Washington, DC 20001

Dear Commissioner Donelan:

Today, the Department of Health and Human Services (HHS) released a notice of proposed rulemaking, titled "Program Integrity: Exchange, SHOP, Premium Stabilization Programs, and Market Standards." This proposed rule contains provisions related to oversight of State-based Marketplaces, state-operated reinsurance and risk adjustment programs, issuers of qualified health plans including standards related to cost-sharing reductions and advance payments of the premium tax credit, and issuers participating in the federally-facilitated Marketplaces.

HHS is working closely with states to help ensure the successful implementation of the Health Insurance Marketplaces, which will begin open enrollment on October 1, 2013. In developing the policies set forth in this proposed rule, HHS solicited input from states through meetings, regularly scheduled calls, and one-on-one dialogue. This input was critical to shaping the rule's overall approach to oversight.

In the proposed rule, HHS recognizes states' traditional roles in overseeing their health insurance markets and performing market conduct and other examinations. One of HHS's primary objectives has been to preserve states' roles and expertise, and avoid duplication of efforts. For example, HHS proposes to limit oversight activities to issuers offering qualified health plans (QHPs) in a federally-facilitated Marketplace, while states will maintain their market-wide oversight function.

The proposed rule can be viewed at [www.Regulations.gov](http://www.Regulations.gov) and on the "Regulations and Guidance" page of the Center for Consumer Information and Insurance Oversight ([www.cms.gov/cciiio](http://www.cms.gov/cciiio)) website. I welcome your comments on this proposed rule, and I look forward to continuing to work closely with the National Association of Insurance Commissioners in implementing the Marketplaces and the other provisions of the Affordable Care Act.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Sebelius". The signature is written in a cursive, flowing style.

Kathleen Sebelius