



STATE OF ARKANSAS
MIKE BEEBE
GOVERNOR

December 12, 2012

The Honorable Kathleen G. Sebelius
Secretary, U.S. Department of Health and Human Services
c/o CMS Center for Consumer Information and Insurance Oversight
200 Independence Avenue, S.W., Suite 739H
Washington, DC 20201

Dear Madam Secretary:

The State of Arkansas wishes to retain as much control and autonomy as possible with regard to the operation of our health insurance exchange, rather than concede that control to Washington, D.C. Therefore, I am requesting HHS approval to implement a Federally-facilitated Exchange (FFE) Partnership Model for 2014 consistent with the goals of the Affordable Care Act (ACA): to increase the number of insured residents in our State; to promote health and well-being; to lower health-care costs; and to eliminate health disparities.

We seek approval to pursue full Plan Management and Consumer Assistance functions, as allowed. We do not plan to operate our own reinsurance program for 2014. Implementation of a FFE-Partnership in 2014 will place Arkansas in a good position to make the transition to a State-Based Exchange in the future should legislative authority be obtained to do so.

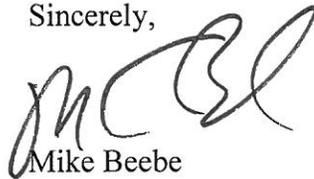
In December of 2011, I authorized Arkansas Insurance Commissioner Jay Bradford to begin planning for an Arkansas FFE Partnership. Toward this end, the Arkansas Insurance Department (AID), through its Health Benefits Exchange Partnership Division (HBEPD), has held more than 30 open advisory committee meetings to make key decisions and recommendations related to the state-operated functions of plan management and consumer assistance.

These advisory committees are composed of representatives from state government, health-care providers, businesses, consumer advocates, and the insurance industry. The work of these committees will continue as we implement the FFE Partnership Model.

Commissioner Jay Bradford is authorized to bind the State with HHS regarding the State Partnership Exchange. Either Bradford or his designee, HBEPD Director Cynthia Crone, is authorized to be the primary point of contact with HHS, as well as to sign the state's application.

On behalf of everyone involved in the Arkansas FFE Partnership, we look forward to working with you to realize the goals of the ACA to develop a fully operational Partnership Exchange by 2014. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "MCBE", is written over the printed name "Mike Beebe". The signature is stylized and cursive.

Mike Beebe

MB:jb