



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

January 3, 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 Utah has received conditional approval to operate a State-based Exchange as defined under the Affordable Care Act (ACA). We commend Utah for taking this important step towards providing affordable health insurance for consumers. Congratulations on reaching this milestone on the path to establishing an Exchange for the people of Utah.

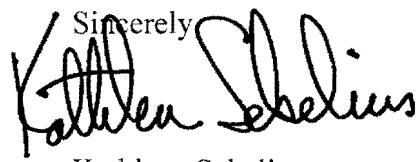
Conditional approval reflects the expectation that the Utah Exchange (Avenue H) is developing a State-based Exchange, compliant with the Affordable Care Act (ACA), and will be ready to provide affordable, quality coverage for consumers and small businesses in 2014. The Centers for Medicare & Medicaid Services (CMS) has reached this decision based on the Utah Exchange's self-assessment and expected progress across the entire spectrum of Exchange requirements, and is contingent upon the following conditions:

1. 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;
2. Participate in an Establishment Review by February 1, 2013 and develop a revised timeline and detailed work plan that aligns with the Exchange Blueprint, including dates and key milestones, to provide HHS with a clear understanding of the State's expected ability to complete Exchange activities;
3. Demonstrate legal authority for all necessary State-based Exchange functions as described in the Affordable Care Act, specifically the statutory authority to establish a Navigator grant program, through a legal opinion from Utah's Attorney General stating that current legislation provides sufficient authorization to the State; and
4. Demonstrate a funding stream to support the performance of State-based Exchange establishment activities, as attested to in the Utah Blueprint application.

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

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CMS will continue its work with all Exchanges, including providing more detailed information directly to Avenue H.

Sincerely

Kathleen Sebelius