



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

February 14, 2013

Mr. Gary Cohen
Director, Office of Consumer Information and Insurance Oversight
Office of the Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Cohen,

In response to your letter sent to Secretary Hazel on February 5, 2013, I write to you today to express Virginia's intended course of action in order to determine whether issuers and health plans in the Commonwealth meet the Qualified Health Plan (QHP) certification requirements for the federal health benefits exchange established by the Secretary of the U.S. Department of Health and Human Services pursuant to § 1321 of the Patient Protection and Affordable Care Act (PPACA) codified as 42 U.S.C. § 18041(c). I also write to inform you that legislation is pending in the Virginia General Assembly related to market reforms as mandated by PPACA.

As stated in your letter, Virginia will choose to evaluate whether a health plan or issuer meets particular certification standards and conduct other specified plan management activities as a part of its long-standing regulatory role and in connection with market reform standards. The pending legislation meets requested attestation standards and covers the scope of activities as identified in the attachment. I intend to sign the legislation promptly. Virginia will then be positioned to perform all identified functions for the 2013 QHP certification process for the federal health benefits exchange. These functions will be performed by our Bureau of Insurance, and where applicable, in conjunction with the Virginia Department of Health. The legislation authorizes Virginia's Bureau of Insurance to:

- (1) Have the legal authority and operational capacity to conduct the plan management activities required to support certification of QHPs, as described in 45 CFR 155.1010(a);
- (2) Collect and analyze information on plan rates, covered benefits, and cost-sharing requirements pursuant to 45 CFR 155.1020;
- (3) Help ensure ongoing plan compliance and resolve consumer complaints;

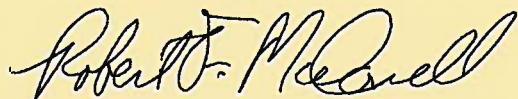
Mr. Gary Cohen
February 14, 2013
Page Two

- (4) Provide issuer technical assistance as needed; and
- (5) Help manage decertification of issuers and associated appeals in compliance with 45 CFR 155.1080.

Additionally, as requested, prior to March 1, 2013 Virginia will participate in a one-day review of the operational plans and capacity to perform the above stated functions. We will work together to create a written understanding between Virginia and HHS and acknowledge this to be separate from any Cooperative Agreement in accordance to §1311 grant funds.

Please contact our Secretary of Health and Human Resources, Dr. Bill Hazel, at 804-786-2599 if you have any questions.

Sincerely,



Robert F. McDonnell

Cc: The Honorable Kathleen Sebelius
The Honorable Marilyn Tavenner