



State of New Mexico

Susana Martinez
Governor

December 13, 2012

The Honorable Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Suite 739H
Washington, DC 20201

Dear Secretary Sebelius:

The State of New Mexico submits this letter to confirm implementation of a state-based health insurance exchange. New Mexico will develop and implement an exchange in a manner that expands access to affordable health insurance to small businesses and individuals. We will be prepared to certify plans to offer health insurance on the exchange beginning in 2014.

As of the date hereof, New Mexico intends to administer a risk adjustment and reinsurance program during the first year of the exchange's operation; however, the State cannot commit to that decision until such time as it has an opportunity to review in detail the federal risk adjustment methodology. New Mexico does intend at this time to use the federal service for Advance Premium Tax Credit/Cost-Sharing Reduction eligibility determinations.

I have appointed Milton Sanchez as Director of the Office of Health Care Reform (OHCR) within the New Mexico Human Services Department. OHCR will closely coordinate with the New Mexico Health Insurance Alliance, the quasi-governmental non-profit agency designated to establish and operate a state-based health insurance exchange in New Mexico. New Mexico Human Services Department Secretary Sidonie Squier shall have the authority to sign the Exchange Application.

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The establishment of the exchange has been a collaborative effort in working with members of the legislature and other interested New Mexicans throughout the past several months. We are confident that creating a state-based exchange will have the best result for the citizens of New Mexico and we will work with the Centers for Medicare and Medicaid Services and the Center for Consumer Information and Insurance Oversight to ensure that the New Mexico health insurance exchange is open for business by 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "Martinez", written in a cursive style.

Susana Martinez

Governor of New Mexico

cc: Sidonie Squier, Cabinet Secretary, NM Human Services Department
Milton Sanchez, Director, Office of Health Care Reform