PETER SHUMLIN
Governor

State of Vermont
OFFICE OF THE GOVERNOR

July 9, 2012

Mr. Steve Larsen
Deputy Administrator and Director
Center for Consumer Information and Insurance Oversight
Centers for Medicare and Medicaid Services
200 Independence Avenue SW, Suite 739H
Washington, D.C. 20201

Dear Mr. Larsen,

The State of Vermont is pleased to provide this Declaration Letter for the implementation of the Vermont Health Benefit Exchange, consistent with the Affordable Care Act. Vermont is actively pursuing the establishment of a State-Based Exchange and respectfully declares our intention to apply to the Centers for Medicare and Medicaid Services (CMS) for operation of the Vermont Health Benefit Exchange ("Exchange").

Vermont Act 48 of 2011 establishes the Exchange in the Department of Vermont Health Access (DVHA), the agency responsible for the management of Vermont's publicly funded health insurance programs. The Exchange will support DVHA's mission to improve health insurance access by offering the means for all Vermonters to compare information on available health plans, enroll in plans, and receive tax credits or public assistance. The Exchange will serve all Vermonters, offering comprehensive, consumer-oriented support for Medicaid eligible individuals, subsidized individuals, individuals purchasing without any subsidy, small employers, and, eventually, employees of large employers.

Act 48 created a new position within DVHA to lead the planning, building, and operating of the Exchange. Lindsey Tucker is the Deputy Commissioner for the Health Benefit Exchange, and her work is overseen by the DVHA Commissioner, Mark Larson, who is also Vermont's Medicaid Director. Mr. Larson and Ms. Tucker are advised by the Medicaid and Exchange Advisory Board, an independent consultative body of thirty diverse Vermont health leaders, including consumers, providers, consumer advocates, and carriers.

Mr. Larson will serve as Vermont's Exchange designee and is the primary point of contact with the Department of Health and Human Services regarding the Exchange. Mr. Larson will sign the Exchange application.

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Vermont is actively exploring options and decisions regarding State administration of risk adjustment, reinsurance, and the Advance Premium Tax Credit/Cost-Sharing Reduction eligibility determinations. Vermont will finalize decisions this fall, in advance of submitting the application.

Vermont looks forward to continuing to work collaboratively with CMS to obtain approval for administration of a State-Based Exchange that will be operational January 1, 2014.

Sincerely,

Peter Shumlin
Governor

PS/rl