



OFFICE OF THE GOVERNOR

December 14, 2012

Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius,

I submit this Blueprint Declaration Letter to confirm California's intent to establish a state-based Health Benefit Exchange. State legislation enacted in 2010 established the California Health Benefit Exchange and authorized it to carry out the duties required of state-based Exchanges under federal law.

The California Health Benefit Exchange will perform eligibility determinations for advance premium tax credits and cost sharing reductions. It will also determine whether individuals meet their insurance coverage responsibility requirements or qualify for exemptions. California intends to use federal services to perform the risk adjustment and reinsurance functions.

Peter V. Lee, Executive Director of the California Health Benefit Exchange, will serve as the designated primary point of contact with the Department of Health and Human Services regarding California's application to operate its Exchange. He will also complete and sign the Exchange Blueprint Application.

We look forward to continuing our work together to implement our state-based Exchange in a manner that meshes with our imperative to exercise continuing and relentless budgetary restraint.

Sincerely,


Edmund G. Brown Jr.