



March 18, 2013

Honorable Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
Attention: CMS-9958-P

Re: CMS-9958-P; Patient Protection and Affordable Care Act; Exchange
Functions: Eligibility for Exemptions; Miscellaneous Minimum Essential
Coverage Provisions

Dear Secretary Sebelius:

On behalf of Covered California, our state's Health Benefit Exchange, we submit the following comments on the proposed rules for Exchange functions regarding eligibility for exemptions. California appreciates the opportunity to comment on these important regulations.

We appreciate the federal government's recognition of the sizable task of processing requests for exemption from the shared responsibility payment, issuing notices and certificates of exemption, and administering appeals of determinations. In Section 155.625 of the proposed rules, HHS offers an option in which a federally-managed service would determine exemptions from the shared responsibility payment. Although Covered California initially planned to perform the entire exemption process, we are actively considering using the HHS option outlined in the proposed rule regarding eligibility determinations for exemptions. Under this scenario, Covered California would be able to maintain its role as the point of contact for California consumers by receiving exemption applications and issuing notices and certificates. Covered California would assume, however, that the federally-managed service would administer all appeals of eligibility determinations for exemptions.

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Thank you for taking these comments into consideration as you finalize the rules and as California approaches the full implementation of the Patient Protection and Affordable Care Act, which we have worked diligently to successfully implement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter V. Lee", with a long horizontal flourish extending to the right.

Peter V. Lee
Executive Director