



STATE OF ARKANSAS
MIKE BEEBE
GOVERNOR

December 19, 2011

The Honorable Kathleen Sebelius
Secretary of the U.S. Department of Health and Human Services
330 Independence Avenue, S.W., Room 4257
Washington, DC 20201

Dear Madam Secretary:

Access to high-quality, affordable health care is among our nation's and Arkansas's top priorities. We know that the current health-care system is not sustainable, and change is needed. We further acknowledge that expanding health-insurance coverage is a critical necessity. Unfortunately, policymakers, health-care providers, and consumers at large – in Arkansas as across the nation — have not reached consensus as to how to achieve this urgently needed change.

A bill to establish the Arkansas Health Benefits Exchange was introduced during the 2011 Arkansas General Assembly, but it did not pass. Our legislature does not meet again in regular session until January of 2013. Therefore, the Arkansas Insurance Department and I will explore how best to connect with the Federal Health Benefits Exchange *and*, at the same time, protect the Arkansas insurance consumer. We believe that both of these goals can be achieved for Arkansans through the Federal Exchange Partnership Model.

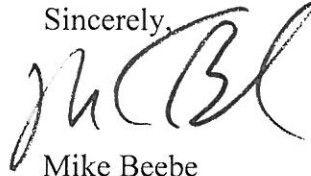
I endorse the Arkansas Insurance Department's Level One Grant Application and the proposed Cooperative Agreement to plan viable strategies that connect Arkansans with the Federal Exchange, while best serving and protecting our residents. Specifically, Arkansas seeks to study, design, and implement the most efficient methods for our Medicaid, CHIP, and private insurance programs to connect with the Federal Eligibility and Enrollment Portal *and* to operate Plan Management and Consumer Assistance functions allowed to states under the Federal Exchange Partnership Model.

I agree that "insurance is local" and believe that the Health Benefits Exchange will work best when local needs and perspectives guide operations and improvements. I am pleased that the Federal Partnership Model was designed with both states and consumers in mind.

When we work together for our constituents, we reach the best solutions. I am confident that this Partnership approach to the Federal Exchange will move Arkansas toward our shared goal of making high-quality, affordable health-insurance coverage a reality for the one-in-five Arkansans who currently cannot obtain or afford coverage.

Thank you for your consideration of this grant application. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "MB", is written over the word "Sincerely,".

Mike Beebe

MB:jb