



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

December 13, 2011

The Honorable Kathleen Sebelius
Secretary, United States Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Sebelius:

After considerable evaluation, research and citizen input, Pennsylvania has determined that continuing to examine and pursue a state-based, health insurance exchange is in the best interest of Pennsylvanians. Therefore, I write this letter in support of Pennsylvania's proposal for a Level I Establishment Grant, pursuant to the Funding Opportunity Number IE-HBE-11-004.

The activities outlined in the proposal will allow Pennsylvania to continue its efforts to examine the issues surrounding health insurance exchanges and, where appropriate, to begin initial development efforts to establish a state-operated, health insurance exchange. Due to the compressed timeframes, complexity of the issues and restraint on state resources, I strongly believe that Pennsylvania should be afforded the maximum amount of flexibility to design an exchange that will address the needs of Pennsylvanians and that a "one-size-fits-all" solution will not work for Pennsylvania. I have directed the Pennsylvania Insurance Department to be the lead agency to continue Pennsylvania's efforts surrounding a health insurance exchange. The funding provided through this Establishment Grant will allow the Insurance Department to continue the detailed analysis required to make an informed decision regarding a health insurance exchange in Pennsylvania.

Pennsylvania has a long and proven history of being an effective regulator and possessing an understanding of the uniqueness of its insurance and health care delivery markets. I am committed to pursuing a Pennsylvania solution that promotes the free market, fosters competition and retains ample choice of health insurance options for all Pennsylvania consumers. I believe that the activities outlined in this grant proposal will allow Pennsylvania to thoughtfully continue its analysis and begin to determine the most appropriate way to create an organized and helpful way for Pennsylvanians to access an ample array of health insurance options that will best meet their specific needs. The agencies under my jurisdiction have been instructed to work together to achieve this common goal and, where appropriate, to work with all interested parties during this process in an effort to create a solution built for Pennsylvania.

Sincerely,

A handwritten signature in black ink that reads "Tom Corbett".

TOM CORBETT
Governor