



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

December 7, 2012

The Honorable Martin O'Malley  
Governor of Maryland  
Annapolis, MD 21401-1925

Dear Governor O'Malley:

I am pleased to let you know that Maryland has received conditional approval to establish a State-based Exchange. Congratulations on reaching this significant milestone on the path to establishing an Exchange for the citizens of Maryland.

Conditional approval reflects the substantial progress the Maryland Health Benefit Exchange (MHBE) has made and an expectation that MHBE will be ready to provide affordable, quality coverage for consumers and small businesses in 2014.

CMS has reached this decision based on MHBE's self-assessment, progress to date, and expected progress across the entire spectrum of Exchange requirements, and is contingent upon the following conditions:

1. Timely demonstration of the ability to perform all required Exchange activities in line with the attestations Maryland has made in its Exchange Blueprint Application submission;
2. Ongoing compliance with future guidance and regulations. During the first year of the program (plan year 2014), approval of a State-based Exchange will account for timelines related to guidance and infrastructure development; and
3. Before April 30, 2013, acquire legal authority to generate revenue that ensures operational sustainability.

Given all that is involved in launching a new program, I want to congratulate you on the progress MHBE has made in implementing a State-Based Exchange. We look forward to continued collaboration with you and MHBE.

CMS will continue its work with the Exchanges, including providing more detailed information directly to your State Exchange, MHBE.

Sincerely,

Kathleen Sebelius

Enclosure