

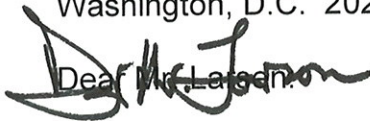


EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 7, 2012

Mr. Steve Larsen
Deputy Administrator and Director of the Center for Consumer Information and
Insurance Oversight
Centers for Medicare & Medicaid Services
200 Independence Avenue SW, Suite 739H
Washington, D.C. 20201


Dear Mr. Larsen:

The State of Hawai'i is pleased to provide this Declaration Letter for the implementation of a State-Based Exchange consistent with the Affordable Care Act for the Citizens of Hawai'i. The Hawai'i Health Connector (the "Connector") was established pursuant to Hawai'i Act 205 in 2011 to implement Hawai'i's Health Insurance Exchange. Hawai'i is actively pursuing the establishment of a State-Based Exchange through the Connector and respectfully declares its intention to apply to the Centers for Medicare & Medicaid Services (CMS) for its operation.

The Connector was established by the state Legislature as a private, non-profit corporation and is recognized as a quasi-governmental entity. It is governed by a fifteen-member board of directors (Board) that represents a diversity of interests and expertise, including consumers, employers, insurers and dental benefits providers. In addition, representatives of the state Departments of Commerce and Consumer Affairs, Labor and Industrial Relations, Human Services, and Health are ex officio voting members. The Board has adopted articles of incorporation and by-laws to govern its ongoing operations and is driving the development and implementation of Connector functions.

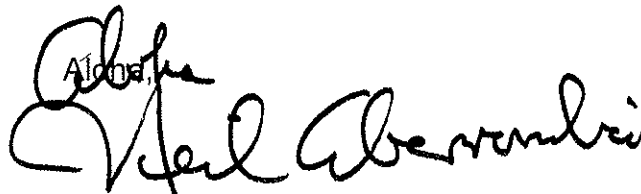
The Connector has as its Executive Director, Coral T. Andrews, FACHE, who is responsible for overseeing its day-to-day functions. Ms. Andrews' duties include the overall administration of the Connector, including managing all policy, financial, personnel, and operational requirements, advising and assisting the Board on all policy matters and serving as the liaison between the Connector and federal entities. Accordingly, consistent with state law, Ms. Andrews will serve as Hawai'i's Exchange

Designee and is authorized to act as the primary point of contact with the Department of Health and Human Services (HHS) regarding the Connector as Hawai'i's Exchange. Ms. Andrews will also complete and sign the Exchange Application.

To implement its State-Based Exchange, Hawai'i will perform its Advance Premium Tax Credit (APTC)/Cost-Sharing Reduction (CSR) eligibility determinations. The Connector is currently working with the Hawai'i Department of Human Services and an array of stakeholder groups to develop the best processes and procedures for conducting eligibility determinations.

With regard to premium stabilization, Hawai'i intends for the Connector to use federal government services to administer its risk adjustment program beginning in 2014. Likewise, Hawai'i intends to use federal government services to implement its reinsurance program.

In conclusion, Hawai'i looks forward to working collaboratively with CMS in order to ultimately obtain approval for a State-Based Exchange and to ensure the Connector's operational readiness for 2014.


NEIL ABERCROMBIE
Governor, State of Hawai'i