



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

JAN 17 2017

The Honorable Bill Walker
Governor of Alaska
Juneau, AK 99811

Dear Governor Walker:

Thank you for letter and for Alaska's application for a State Innovation Waiver under Section 1332 of the Affordable Care Act (ACA), under which Alaska has proposed to waive section 1301(a)(2) of the ACA and implement the Alaska Reinsurance Program (ARP) for 2018 and future years.

On January 17, 2017, the Departments of Health & Human Services and the Department of the Treasury (the Departments) indicated that they had reviewed your application and made a preliminary determination that the application is complete, in accordance with 45 CFR 155.1308(c). The decision of the Departments regarding approval of the waiver will be issued within 180 days in accordance with 45 CFR 155.1308(d).

We have not yet reviewed the State's application for compliance with statutory and regulatory requirements, but as Alaska begins its legislative session and issuers in Alaska prepare for the 2018 plan year I wanted to provide additional feedback on the material in your application. A waiver under which the state seeks to implement the ARP under a state plan contingent upon approval of the waiver should be approvable under our guidance and section 1332, if these requirements are met. In addition, the state should be able to receive pass-through funding associated with any resulting reduction in federal spending on Marketplace financial assistance due to the structure of the state plan.

Your application describes a process under which the state would appropriate funds in future legislation to fully fund the ARP, consistent with the actuarial analyses and assurances in your application, and contingent upon approval of the waiver. I would note that before the Departments can approve the waiver as proposed, legislation appropriating the funds for the ARP, contingent upon approval of the waiver, must be enacted in Alaska. Such legislation must be fully consistent with the terms outlined in the waiver application in order for us to be able to approve the application, should we determine that it meets all statutory and regulatory requirements.

We will be in touch if we need additional information as we review Alaska's application. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Sylvia M. Burwell". The signature is written in a cursive, flowing style.

Sylvia M. Burwell

cc: The Honorable Jack Lew, Department of the Treasury