



STATE OF GEORGIA
OFFICE OF THE GOVERNOR
ATLANTA 30334-0900

November 16, 2012

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

Dear Secretary Sebelius,

In response to your August 14, 2012 guidance, I am writing to indicate Georgia's intended approach toward health insurance exchanges under the Affordable Care Act.

As you know, I remain concerned with the one-size-fits-all approach and high financial burden imposed on states by this federal mandate. Therefore, the state of Georgia:

- Will not pursue a state-based exchange
- Will not operate its own reinsurance program
- Will maintain separate small group and individual insurance markets
- Will continue to define "small group employer" as up to 50 employees for the purposes of the small group insurance market.

We believe that a well designed, private free-market approach to small business exchanges could be beneficial to small businesses but the regulations promulgated by your administration take those options away.

The State of Georgia takes seriously its legal authority over the state's Medicaid program. We will continue to determine eligibility for all individuals seeking Medicaid in our state.

I remain committed to common sense health care solutions that empower consumers to take responsibility for their own health, motivate the private sector and drive efficiencies for consumers, employers and governments alike. I continue to hope that we might finally engage in a serious conversation about restoring meaningful flexibility to states around health care programs.

Please direct all questions regarding these matters to me or Commissioner David Cook, Georgia Department of Community Health.

Sincerely,

A handwritten signature in cursive script that reads "Nathan Deal".

Nathan Deal
Governor