



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

February 12, 2013

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Hatch:

Thank you for your interest in the proposed rules recently published by the Department of Health and Human Services (HHS) along with the Departments of Labor and the Treasury (collectively, the Departments). I am responding on behalf of the Departments, which have been working with employers, health insurance issuers, states, providers, and other stakeholders to help them come into compliance with the Affordable Care Act. We are also working with families and individuals to help them understand the new law and how it will benefit them.

As you know, the Departments issued proposed rules on incentives for nondiscriminatory wellness programs in group health plans on November 20, 2012, with a 60-day opportunity to comment, which closed on January 25, 2013. Additionally, HHS issued three proposed rules soliciting comments on a number of issues: the *Health Insurance Market Rules; Rate Review* proposed rule and the *Standards Related to Essential Health Benefits, Actuarial Value and Accreditation* proposed rule on November 20, 2012, and the *HHS Notice of Benefit and Payment Parameters for 2014* proposed rule on November 30, 2012. The comment periods for these proposed rules closed on December 26 and December 31, 2012, respectively, providing a 30-day opportunity to comment as provided for under the Administrative Procedure Act (APA). We are reviewing these comments, including those pertaining to the important issues you raise, and will finalize the rules soon. HHS is responsive to the fact that states, issuers, and other stakeholders are waiting for the final rules to prepare for 2014.

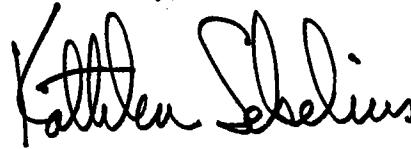
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Sincerely,

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Kathleen Sebelius



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

February 12, 2013

The Honorable Michael Enzi
Ranking Member
Committee on Health, Education, Labor & Pensions
United States Senate
Washington, DC 20510

Dear Senator Enzi:

Thank you for your interest in the proposed rules recently published by the Department of Health and Human Services (HHS) along with the Departments of Labor and the Treasury (collectively, the Departments). I am responding on behalf of the Departments, which have been working with employers, health insurance issuers, states, providers, and other stakeholders to help them come into compliance with the Affordable Care Act. We are also working with families and individuals to help them understand the new law and how it will benefit them.

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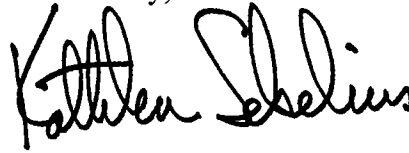
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Kathleen Sebelius



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

February 12, 2013

The Honorable Pat Roberts
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Roberts:

Thank you for your interest in the proposed rules recently published by the Department of Health and Human Services (HHS) along with the Departments of Labor and the Treasury (collectively, the Departments). I am responding on behalf of the Departments, which have been working with employers, health insurance issuers, states, providers, and other stakeholders to help them come into compliance with the Affordable Care Act. We are also working with families and individuals to help them understand the new law and how it will benefit them.

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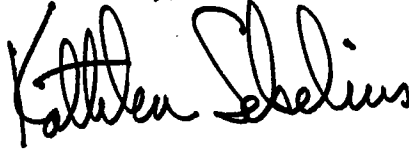
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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

February 12, 2013

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your interest in the proposed rules recently published by the Department of Health and Human Services (HHS) along with the Departments of Labor and the Treasury (collectively, the Departments). I am responding on behalf of the Departments, which have been working with employers, health insurance issuers, states, providers, and other stakeholders to help them come into compliance with the Affordable Care Act. We are also working with families and individuals to help them understand the new law and how it will benefit them.

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Kathleen Sebelius



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

February 12, 2013

The Honorable Lamar Alexander
Ranking Member
Committee on Health, Education, Labor & Pensions
United States Senate
Washington, DC 20510

Dear Senator Alexander:

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
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February 12, 2013

The Honorable John Cornyn
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Cornyn:

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THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

February 12, 2013

The Honorable Tom Coburn
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Coburn:

Thank you for your interest in the proposed rules recently published by the Department of Health and Human Services (HHS) along with the Departments of Labor and the Treasury (collectively, the Departments). I am responding on behalf of the Departments, which have been working with employers, health insurance issuers, states, providers, and other stakeholders to help them come into compliance with the Affordable Care Act. We are also working with families and individuals to help them understand the new law and how it will benefit them.

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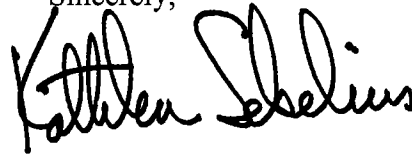
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THE SECRETARY OF HEALTH AND HUMAN SERVICES
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February 12, 2013

The Honorable John Thune
Ranking Member
Committee on Finance
United States Senate
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Dear Senator Thune:

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The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor & Pensions
United States Senate
Washington, DC 20510

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These three proposed HHS rules are the result of a process that began more than a year ago, of providing guidance and soliciting feedback on matters related to the establishment of the new health insurance marketplaces. For example, in an effort to engage stakeholders early in the process, HHS issued two bulletins indicating the intent to propose many of the policies in these rules. These were the Essential Health Benefits Bulletin published on December 16, 2011, and the Actuarial Value and Cost-Sharing Reductions Bulletin published on February 24, 2012. Both bulletins solicited comments for an extended period of time on policies that are substantially similar to those contained in these proposed rules, and we took those comments into account as we developed the proposed rules. In addition, HHS issued a final rule on *Standards Related to*

Reinsurance, Risk Corridors, and Risk Adjustment on March 23, 2012, followed by bulletins on the operations of reinsurance and risk adjustment in May 2012. These documents offered opportunities for stakeholders to offer comment on many of the major policies included in the proposed *HHS Notice of Benefit and Payment Parameters for 2014*. Similarly, HHS took steps to provide additional information to employers, issuers, and other stakeholders through postings on our website regarding the protections that the *Health Insurance Market Rules; Rate Review* proposed rule provides.

I appreciate your interest and concern about ensuring the highest level of detail in the regulatory impact analysis (RIA). The Departments are committed to estimating the regulatory impact of all regulations in compliance with the APA and subject to Office of Management and Budget (OMB) approval. We provided quantitative estimates of the costs and benefits associated with the specific provisions of the proposed regulations where possible, and supplemented those estimates with qualitative discussions. The relevant Departments and OMB review the RIAs to confirm that they address all critical components required by Executive Orders 12866 and 13563, including a description of regulatory alternatives that we considered.

The Departments take seriously the obligation to solicit stakeholder input as we develop regulations to implement the Affordable Care Act. Thank you again for your letter and your ongoing interest in the implementation of the law. I will also provide a copy of this response to the cosigners of your letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Sebelius". The signature is fluid and cursive, with the first name "Kathleen" written in a larger, more prominent script than the last name "Sebelius".

Kathleen Sebelius



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

February 12, 2013

The Honorable Rand Paul
Ranking Member
Committee on Health, Education, Labor & Pensions
United States Senate
Washington, DC 20510

Dear Senator Paul:

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Sincerely,



Kathleen Sebelius

Kathleen Sebelius