



Susana Martinez, Governor
Sidonie Squier, Secretary
Raymond W. Mensack, General Counsel

December 12, 2012

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

Dear Madam Secretary:

This letter is submitted with the Blueprint application for the establishment and operation of a health insurance exchange by the New Mexico Human Services Department. The undersigned, chief legal counsel for the applicant, herein certifies that the State of New Mexico is authorized to establish a health insurance exchange, in accordance with the Patient Protection and Affordable Care Act (“PPACA”), under existing State law.

Enclosed is a copy of the New Mexico Health Insurance Alliance Act, NMSA Sections 59A-56-1, *et seq.*, upon which the State relies for its authority to establish an exchange. The HIAA, promulgated in 1994, created the New Mexico Health Insurance Alliance (“Alliance”), the board of which will implement and operate the State’s health insurance exchange. Pursuant to the HIAA, the Alliance is now tasked with, *inter alia*, providing increased access to voluntary health insurance coverage for small employer groups in New Mexico and providing access to voluntary health insurance coverage for individuals in the individual market who have met eligibility criteria established by the Act.

The Alliance currently functions as a health insurance exchange, providing small businesses and certain individuals with access to coverage that is not available in the commercial marketplace. It provides coverage for more than 4,200 individuals and processes in excess of \$18 million in premiums and \$11 million in assessments annually.

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As the HIAA currently authorizes the Alliance to operate a health insurance exchange that provides health coverage for small employers and individuals, the State of New Mexico is fully authorized, under existing legislation, to operate an exchange that is compliant with Section 1321(b) of PPACA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Mensack', with a long horizontal flourish extending to the right.

Raymond W. Mensack
General Counsel

RWM/lat

cc: Honorable Susana Martinez, Governor
Sidonie Squier, HSD Secretary