

**Exhibit 1**

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Richmond Division

DAVID KING, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Case No. 3:13-cv-00630-JRS
	)	
KATHLEEN SEBELIUS, in her official capacity	)	
as U.S. Secretary of Health and Human Services,	)	
<i>et al.</i> ,	)	
	)	
Defendants.	)	
_____	)	

**DECLARATION OF DONALD B. MOULDS**

I, Donald B. Moulds declare as follows:

1. I am the Acting Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services (HHS). I have held this position since August, 2012. In this position, I am responsible for major activities in policy coordination, legislation development, strategic planning, policy research, evaluation, and economic analysis of Health Insurance Marketplace premiums. The statements made in this declaration are based on my personal knowledge, information contained in agency files, and information furnished to me in the course of my official duties.

2. On October 1, 2013, the Health Insurance Marketplace became open to public use. HHS operates Virginia’s Health Insurance Marketplace (“the Marketplace”). The premiums on the Marketplace vary by, among other factors, rating area, tobacco use, and the age of the covered individual.

3. I understand that, according to the September 19, 2013 declaration filed by plaintiff David King in the above-captioned matter, Mr. King resides in Fredericksburg, Virginia, will be 63 years old on January 1, 2014, is a smoker, is married, and has no dependents. *See* September

19, 2013 King Decl., No. 5-1. I also understand from this declaration that Mr. King projects his modified adjusted gross income for 2014 to be \$39,000. *See id.*

4. I understand that, according to the September 19, 2013 declaration filed by plaintiff Douglas Hurst in the above-captioned matter, Mr. Hurst resides in Virginia Beach, Virginia, will be 62 years old on January 1, 2014, is married, and has no dependents. *See* September 19, 2013 Hurst Decl., No. 5-3. I also understand from this declaration that Mr. Hurst projects his modified adjusted gross income for 2014 to be \$35,000. *See id.*

5. I understand that, according to the September 19, 2013 declaration filed by plaintiff Brenda Levy in the above-captioned matter, Ms. Levy resides in Richmond, Virginia, will be 63 years old on January 1, 2014, is unmarried, and has no dependents. *See* September 19, 2013 Levy Decl., No. 5-4. I also understand from this declaration that Ms. Levy projects her modified adjusted gross income for 2014 to be \$43,000.

6. I understand that, according to the September 19, 2013 declaration filed by plaintiff Rose Luck in the above-captioned matter, Ms. Luck resides in Petersburg, Virginia, will be 55 years old on January 1, 2014, is a smoker, is married, and has no dependents. *See* September 19, 2013 Luck Decl., No. 5-5. I also understand from this declaration that Ms. Luck projects her modified adjusted gross income for 2014 to be \$45,000.

7. Assuming the facts set forth in paragraph 3, above, Mr. King, according to the Virginia Marketplace, would pay – before the application of any premium tax credits – a monthly premium of \$564.33 for the lowest-cost catastrophic qualified health plan (QHP) and \$648.38 for the lowest-cost bronze QHP. Assuming the facts set forth in paragraph 3, above, because Mr. King's household income in 2014 will be \$39,000, under 26 U.S.C. § 36B, he will be eligible for a 36B premium tax credit of \$373.00 per month. After applying this tax credit to the lowest cost

bronze QHP, that plan will cost Mr. King \$275.38 per month. Because the cost of that plan, after applying the tax credit, would exceed 8% of Mr. King's household income for 2014 (*i.e.*, \$260 per month), Mr. King would be exempt from the penalty that could be assessed for a failure to maintain minimum essential coverage (again, assuming the facts set forth in paragraph 3, above). *See* 26 U.S.C. § 5000A(e)(1).

8. Assuming the facts set forth in paragraph 4, above, Mr. Hurst, according to the Virginia Marketplace, would pay – before the application of any premium tax credits – a monthly premium of \$415.61 for the lowest-cost catastrophic QHP and \$477.49 for the lowest-cost bronze QHP. Assuming the facts set forth in paragraph 4, above, because Mr. Hurst's household income in 2014 will be \$35,000, under 26 U.S.C. § 36B, he will be eligible for a 36B premium tax credit of \$415.00 per month. After applying this tax credit to the lowest cost bronze QHP, that plan will cost Mr. Hurst \$62.49 per month.

9. Assuming the facts set forth in paragraph 5, above, Ms. Levy, according to the Virginia Marketplace, would pay – before the application of any premium tax credits – a monthly premium of \$245.56 for the lowest-cost catastrophic QHP and \$392.72 for the lowest-cost bronze QHP. Assuming the facts set forth in paragraph 5, above, because Ms. Levy's household income in 2014 will be \$43,000, under 26 U.S.C. § 36B, she will be eligible for a 36B premium tax credit of \$244.00 per month. After applying this tax credit to the lowest cost bronze QHP, that plan will cost Ms. Levy \$148.72 per month.

10. Assuming the facts set forth in paragraph 6, above, Ms. Luck, according to the Virginia Marketplace, would pay – before the application of any premium tax credits – a monthly premium of \$373.08 for the lowest-cost catastrophic QHP and \$428.67 for the lowest-cost bronze QHP. Assuming the facts set forth in paragraph 6, above, because Ms. Luck's household income

in 2014 will be \$45,000, under 26 U.S.C. § 36B, she will be eligible for a 36B premium tax credit of \$96.00 per month. After applying this tax credit to the lowest cost bronze QHP, that plan will cost Ms. Luck \$332.67 per month. Because the cost of that plan, after applying the tax credit, would exceed 8% of Ms. Luck's household income for 2014 (*i.e.*, \$300 per month), Ms. Luck would be exempt from the penalty that could be assessed for a failure to maintain minimum essential coverage (again, assuming the facts set forth in paragraph 6, above). *See* 26 U.S.C. § 5000A(e)(1).

11. The calculations described above assume that each of the plaintiffs intends to buy individual coverage on the Marketplace. The plaintiffs who are married – Mr. King, Mr. Hurst, and Ms. Luck – have not, to my knowledge, made any allegations regarding the coverage status of their spouses. Without further information regarding these plaintiffs' spouses, it is not possible to calculate the projected costs of premiums for family coverage for these plaintiffs, but it is possible that even greater savings may be available to these plaintiffs if they purchase family coverage.

I declare under penalty of perjury that the foregoing is true and correct and to the best of my knowledge and belief.

Executed this 16<sup>th</sup> day of October, 2013, in Washington, District of Columbia.

A handwritten signature in black ink, appearing to read "Donald B. Moulds", written over a horizontal line.

Donald B. Moulds