



March 5, 2013

Ms. Julie Weinberg
Director
Medical Assistance Division
New Mexico Human Services Department
P.O. Box 2348
Santa Fe, NM 87504

Dear Julie:

I am writing to memorialize the work we have accomplished together to date on New Mexico's request for a section 1115 demonstration waiver to implement Centennial Care. We have made significant progress in developing terms for a demonstration that will enable the state to assure Medicaid beneficiaries access to a fully integrated, coordinated service delivery system. We particularly appreciate the focus on care coordination as a means to assuring the delivery of the right care at the right time and in the right settings. We believe the combination of an integrated service delivery system combined with robust care coordination requirements has the potential to benefit all New Mexicans in the Medicaid program. We also appreciate the state's participation in our second tribal consultation with New Mexico tribes on January 23, 2013, and the state's willingness to offer additional managed care protections for Native Americans. We are eager to continue working together to resolve all outstanding issues.

Moving ahead, we look forward to developing terms and conditions of the demonstration waiver to include:

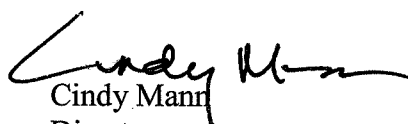
- Support for a comprehensive managed care delivery system under which contracted health plans will offer the full array of current Medicaid services and for a new, integrated Community Long Term Benefit that will enable those individuals who meet nursing facility level of care access to a wide range of services designed to keep them in their homes and communities;
- Required enrollment of Native American beneficiaries who meet nursing facility level of care or who are dually eligible in managed care, as is the case today under CoLTS. All other Native American Medicaid beneficiaries will have the opportunity to voluntarily opt-in to managed care. The terms and conditions will promote and encourage voluntary enrollment but there will be no expansion of mandatory managed care enrollment for Native Americans.

We will continue to work with you on payment issues related to the state's Sole Community Provider Program. As we have also discussed, we will postpone our decision on the state's request for a waiver of retroactive eligibility until the state can provide more data on the implementation of its eligibility system improvements that are expected in 2014.

We recognize that you have already begun work on program implementation and we appreciate that the State has planned a long lead time to ensure successful implementation.

We look forward to working with you further on moving the waiver towards final completion. Please feel free to call me if you have any concerns or questions as we continue our work together.

Sincerely,


Cindy Mann
Director