

Center for Medicaid and CHIP Services

Children and Adults Health Programs Group

NOV 17 2011

Mr. Neville Wise, Acting Commissioner
Cabinet for Health and Family Services
Department for Medicaid Services
275 E. Main Street, 6W-A
Frankfort, KY 40621

Dear Mr. Wise:

The Centers for Medicare & Medicaid Services (CMS) is approving a temporary extension of the Kentucky Health Care Partnership section 1115 Demonstration (Project No. 11-W-0000-5/4). This extension is effective November 23, 2011, and will allow the Demonstration to operate through December 31, 2012, under the authority of section 1115(a) of the Social Security Act.

The Demonstration will continue to operate under the current Special Terms and Conditions (STCs), and waiver and expenditure authorities. The Commonwealth may deviate from the Medicaid State plan requirements to the extent those requirements have been specifically waived or, with respect to expenditure authorities, listed as inapplicable to expenditures for Demonstration populations and other services not covered under the Medicaid State plan. The per member per month (PMPM) costs approved for the 2011 Demonstration year will be used to determine budget neutrality through this extension period. The State must submit a final budget neutrality assessment to CMS by June 30, 2013.

Upon the December 31, 2012, expiration date of the Demonstration, the Commonwealth must continue the delivery of Medicaid services for beneficiaries previously covered under the Demonstration. The 13-month extension period allows the Commonwealth time to explore options and transition Demonstration enrollees to a delivery model that ensures adequate choice for Medicaid beneficiaries. CMS will also work with the Commonwealth to consider any proposals to transform the Demonstration's current delivery model into an alternative delivery model should the Commonwealth decide to make such a change.

The Commonwealth must submit a plan, no later than June 30, 2012, to close out the Demonstration by December 31, 2012. The plan is subject to CMS approval and must provide for the seamless transition and continuity of care of Demonstration enrollees (e.g. transition of enrollees under case management and those with complex medication needs, and maintaining existing care relationships) to the new delivery model selected by the Commonwealth. Should the Commonwealth elect to close out the Health Care Partnership Demonstration earlier than December 31, 2012, CMS will work with the Commonwealth to meet that timeframe, in which case a close out plan would be submitted earlier.

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Your project officer is Mr. Mark Pahl. He is available to answer any questions concerning the Demonstration. Mr. Pahl's contact information is as follows:

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Official communications regarding program matters should be sent simultaneously to Mr. Pahl and Ms. Jackie Glaze Associate Regional Administrator in our Atlanta Regional Office. Ms. Glaze's contact information is as follows:

Centers for Medicare & Medicaid Services
Atlanta Federal Center, 4th Floor
61 Forsyth Street, SW, Suite 4T20
Atlanta, GA 30303-8909

If you have questions regarding this correspondence, please contact Ms. Victoria Wachino, Director, Children and Adults Health Programs Group, Center for Medicaid and CHIP Services, at (410) 786-5647. We look forward to continuing to work with you and your staff.

Sincerely,

/Victoria Wachino/

Victoria Wachino
Director

Enclosures

cc: Jackie Glaze, ARA, Region IV