



Minnesota Department of **Human Services**

February 13, 2012

Kathleen Sebelius, Secretary
United States Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Long Term Care Realignment Section 1115 Waiver Request

Dear Secretary Sebelius:

I am pleased to present you with the first phase of a bipartisan Medicaid reform package that the 2011 Minnesota Legislature enacted and Governor Dayton signed. The reform package will include numerous projects to support the goals of achieving better health outcomes, increasing independence and community integration, reduced reliance on institutional care, and overall simplification and sustainability of the program.

This first request asks for federal authority to test reforms that promote more appropriate use of long-term care resources in the face of the challenges posed by an aging population and rising health care costs. Minnesota is a national leader in providing care to low-income people with long-term care needs. Minnesota has led many successful efforts to create viable community alternatives to institutional care, integrate coordination of care for dual eligible, and promote quality care.

Minnesota seeks to move its Medicaid program closer to a new equilibrium in which people with lower needs have their needs met with lower cost, lower intensity services. First, Minnesota proposes to modify its nursing facility level of care criteria to target services to those in greater need and manage utilization of high-cost services more effectively. In addition, Minnesota proposes to provide home and community-based services to people who do not otherwise qualify for home and community-based waiver programs but have some need for community support. The Alternative Care program provides an expansive home and community services benefit to people age 65 or older who need a nursing facility level of care but do not yet meet Medicaid financial eligibility requirements. Essential Community Services will provide a more modest package of home and community services to people who do not meet a nursing facility level of care but have been assessed to have some need for community support. Both programs provide valuable support to at-risk people to avert or delay the need for institutional care.

I invite you to review the enclosed proposal for thoughtful, incremental reform to Minnesota's Medicaid program. The second phase of this reform effort will include a larger request for waivers to be submitted in late April of this year. If you have any questions regarding this request, please contact my

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Medicaid Director, David Godfrey, at (651) 431-2192. I look forward to working with you and your staff to continue to develop important health care reforms.

Sincerely,



Lucinda Jesson
Commissioner

cc: Cindy Mann, Deputy Administrator and Director, Center for Medicare & Medicaid Services
Verlon Johnson, Associate Regional Administrator, Center for Medicare & Medicaid Services