

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

Dear Ms. Weinberg:

I am pleased to inform you that New Mexico's request for a new section 1115(a) Medicaid demonstration, entitled "Centennial Care" (Project Number 11W 00285/6), has been approved by the Centers for Medicare & Medicaid Services (CMS) in accordance with section 1115(a) of the Social Security Act (the Act). This approval is effective as of the date of this letter, and the demonstration will be implemented from January 1, 2014, through December 31, 2018.

Under this demonstration, New Mexico will consolidate its existing 1915(b) and 1915(c) waivers to create a comprehensive managed care delivery system. Centennial Care's contracted health plans will offer the full array of current Medicaid services, including acute, behavioral health, institutional, and community-based long term services and supports. Other features of Centennial Care will include expanded care coordination for all beneficiaries and a beneficiary reward program, offered through managed care organizations, to provide incentives for beneficiaries to pursue healthy behaviors. Centennial Care also creates a Safety Net Care Pool made up of two sub-pools: an Uncompensated Care (UC) Pool and a Hospital Quality Improvement Incentive (HQII) Pool.

As we have previously agreed, the approval of this demonstration will not include any new requirement for Native Americans to enroll in managed care. Native American Medicaid beneficiaries will have the opportunity to voluntarily opt-in to managed care. Native American beneficiaries who meet nursing facility level of care or who are dually eligible will continue to be enrolled in managed care as is the case today under the CoLTS 1915(b)(c) waiver.

Our approval of this demonstration is subject to the limitations specified in the enclosed approved expenditure and waiver authorities, and special terms and conditions (STCs). These documents specify the agreement between the New Mexico Human Services Department and CMS. The state may deviate from the Medicaid state plan requirements only to the extent those requirements have been specifically listed as granted expenditure authority or waived. All requirements of the Medicaid programs as expressed in law, regulation, and policy statement not expressly identified as waived in the waiver authorities shall apply to Centennial Care.

This approval is also conditioned upon continued compliance with the enclosed STCs which set forth in detail the nature, character, and extent of federal involvement in this demonstration and the state's obligations to CMS, including an evaluation of this demonstration, during the term of the approval period. This award letter is subject to our receipt of your written acceptance of the award, including the waiver and expenditure authorities and the STCs, within 30 days of the date of this letter.

Your project officer is Mr. Robert Nelb, who may be reached at (410) 786-1055 or at Robert.Nelb@cms.hhs.gov. Mr. Nelb is available to answer any questions concerning your section 1115 demonstration. Communications regarding program matters and official correspondence concerning the demonstration should be submitted to Mr. Nelb at the following address:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

Official communication regarding program matters should be submitted simultaneously to Mr. Nelb and Mr. Bill Brooks, Associate Regional Administrator for the Division of Medicaid and Children's Health Operations in the CMS Dallas Regional Office. Mr. Brooks' contact information is as follows:

Centers for Medicare & Medicaid Services
1301 Young St. Suite 714
Dallas, TX 75202
Telephone: (214) 767-4461
E-mail: Bill.Brooks@cms.hhs.gov

We extend our congratulations to you on this approval, and we appreciate your cooperation throughout the review process. If you have additional questions, please contact Ms. Jennifer Ryan, Acting Director of the Children and Adults Health Programs Group within the Center for Medicaid & CHIP Services at (410) 786-5647. We look forward to our continuing work together to extend and improve Medicaid coverage for the residents of New Mexico.

Sincerely,

/s/

Marilyn Tavenner
Administrator

Enclosures

cc:

Ms. Cindy Mann, Director, Center for Medicaid and CHIP Services
Ms. Jennifer Ryan, Acting Director, Children and Adults Health Programs Group
Mr. Bill Brooks, Associate Regional Administrator, Dallas Regional Office
Ms. Diane Gerrits, Director, Division of State Demonstrations and Waivers