



New Mexico Human Services Department

Office of the Secretary

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Susana Martinez, Governor
Sidonie Squier, Secretary

April 25, 2012

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., SW
120F
Washington, D.C. 20201-0004

Dear Secretary Sebelius:

I am pleased to submit the attached Section 1115 Research and Demonstration waiver on behalf of the State of New Mexico. The waiver is the culmination of almost a full year of engaging stakeholders throughout New Mexico in dialogue about how best to modernize our Medicaid program so that it is sustainable now and into the future. In honor of the 100th year anniversary of New Mexico statehood and to reflect our commitment to sustainability for the next 100 years, we have named our program Centennial Care.

We began our journey last year with a series of public meetings held throughout the State during which we asked our stakeholders to engage with us around the four basic principles that we wanted to incorporate into our program. Those principles were and are:

- A single, comprehensive, coordinated system of care that will assure that our recipients get the right care at the right time and in the right settings;
- Providing incentives for individuals to take a great sense of personal responsibility for their own health and for accessing the system more effectively;
- Developing pilot payment reform strategies directed at dealing more effectively with disease state prevalent in New Mexico; and
- Seeking administrative simplicity and increased flexibility in the design and management of our Medicaid program.

Over the fall months, we held a series of workgroup meetings focused on our four principles. We invited participation from providers, advocates, Native Americans and, of course, our own staff. We used these workgroups to solidify

specific approaches to achieving our goals and to “vet” ideas with those who would ultimately have to operationalize the program.

I want to specifically address our extensive outreach to the Native American community. Yesterday, we sent a timeline of all of our formal and informal consultations with the Native American stakeholders in our state; for each event or meeting noted, we also submitted documents that were either presented or discussed at those meetings. We specifically sent a copy of our Concept Paper to every Tribal Governor and to representatives from the Indian Health Service. We believe we have followed not only the letter of the law but have gone beyond to assure that we invited open and honest dialogue with our Native American community. The documentation of our efforts was sent to Ms. Cindy Mann and key members of her staff yesterday.

We do not intend to stop consultation at this point. We have now begun the process of developing a contract document that will provide in even greater detail the specifications of the business arrangement we intend to enter into with managed care plans. We hope to spend the fall in the procurement process. As we develop our procurement documents, we will continue to use the workgroup approach and to invite our stakeholders to participate in these meetings to assure that the program we ultimately implement is the program that best serves New Mexico’s unique population.

I had the pleasure of meeting with Ms. Mann in Washington in early March and was able to share with her not only our process but our detailed concept for our Centennial Care program. Ms. Mann was encouraging and graciously agreed to let us “pilot” a new, streamlined waiver format that CMS hopes to use with states seeking to blend their long term care and acute services into a single delivery system. This is the format we have used with the waiver application we submit today.

I mention this specifically because I have high hopes that, using the new format, your staff and mine will quickly reach agreement on Terms and Conditions for our waiver approval. New Mexico is working on a timeframe that assumes we will have our procurement out by this fall and our plans selected and under contract by January 1, 2013. We plan for a program “go-live” on January 1, 2014. We believe that a full year for implementation is critical to assuring that our plans, our providers and, most importantly, our recipients are fully educated and informed and understand exactly how the program will operate on that go-live date.

We can only achieve that goal if your agency works diligently with us for a quick approval of our waiver. We hope not to experience the lengthy and sometimes contentious and prolonged negotiations that can occur with the 1115 waiver process. Towards that end, we pledge that we will respond quickly and thoroughly to questions raised by your staff.

In closing, I want to reiterate that our project is the culmination of almost a year of statewide community input. While not everyone agrees with every aspect of our program, we have had fundamentally positive responses from our stakeholders and all have expressed an eagerness to continue to work with us as we move towards the specifics of a contract document. We hope that you will encourage your staff to work with us in a timely manner to approve our waiver so that we can move on to modernize our program for the benefit of those New Mexicans who rely on our ability to deliver excellent care tailored to the unique needs of our state.

Sincerely,

A handwritten signature in blue ink that reads "Sidonie Squier". The signature is written in a cursive, flowing style.

Sidonie Squier
Secretary
Human Services Department
Santa Fe, New Mexico

Cc: Ms. Cynthia Mann
Mr. Bill Brooks
Ms. Victoria Wachino
Ms. Nicole Kaufman