

Susana Martinez, Governor Sidonie Squier, Secretary

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May 29, 2012

Ms. Victoria Wachino Director Children and Adults Health Programs Group Center for Medicaid and CHIP Centers for Medicare and Medicaid Services Department of Health and Human Services 7500 Security Boulevard Baltimore, MD 21244

Dear Ms. Wachino,

Thank you for taking the time to meet with me last week when I was in Washington. Per our discussions, and as you are aware from previously submitted documentation of our consultation process with tribal governments and Indian health care providers, the New Mexico Human Services Department (HSD) engaged in robust discussions, workgroups and both formal and informal Tribal Consultations about the design and development of our Centennial Care Concept Paper and the subsequent Section 1115 wavier application. In fact, as you know, we made changes to our concept paper in direct response to a letter from the Albuquerque Area Indian Health Service. We also made a change to our previously published list of waivers we intended to seek in order to respond favorably to a request from our Native American communities that their members be protected from the modest co-payments in the waiver.

However, as you have noted, the Indian Health Service and other Indian Health Programs (I/T/Us) were not notified by letter 60 days prior to the submission of the waiver, as provided for in New Mexico's State Plan's tribal consultation process, and we recognize that this has raised a concern on the part of the Centers for Medicare and Medicaid Services. Therefore, we mailed the requisite notification letter to the I/T/Us with a copy of the waiver on Tuesday, May 22, 2012, to the I/T/Us. The letter is attached for your review.

We have engaged in wide-ranging and open dialogue with all of our stakeholders in New Mexico throughout the almost full year we took to design the program. We have been committed to openness and transparency in the design of the waiver, and we remain committed to this as we begin to work through the operational details. Given this commitment, HSD Secretary Sidonie Squier has decided that while we pursue the additional round of tribal and 1/T/U consultation, we will also follow the new public engagement and transparency process established in the CMS regulations that became effective April 27, 2012. Towards that end, we will not only continue to post our waiver document on our website and continue to receive comments and suggestions from the public, but we will also conduct two additional public meetings over the course of the next 60 days. We will also have an additional discussion with our Medicaid Advisory Committee and update our legislature at a meeting on June 25th. Accordingly, we

ask that you not consider the waiver document submitted to you on April 26th to be our formal proposal; we will send a proposal to you once our consultation process as described above, and our consideration of the comments received, is complete. We appreciate your willingness to continue to work with us even as this additional process is being completed but also understand that CMS is committed to assuring meaningful public comment at the federal level.

We are proud of the work that we've done on Centennial Care. We believe it is a thoughtful, creative proposal that seeks to provide quality care by wrapping a robust, patient-centered care coordination program around our most vulnerable beneficiaries and by working with plans and our provider community to focus on paying for outcomes rather than process. As you know, we have developed an innovative approach to expanding our ability to provide long term care services to our Medicaid recipients who meet Nursing Facility level of care and to reduce what is an unacceptably large waiting list for services.

We appreciate your willingness to work with us on our plan, your commitment to helping us achieve our goals, and your appreciation of the timeframe we have set forth in our waiver. We are determined to give our health plans, our providers and, most importantly, our beneficiaries, a full year to implement Centennial Care so that every component of the system is ready to go on January 1, 2014. Towards that end, we appreciate your willingness to continue to work with us as we go through the additional transparency processes to assure that every voice has had the opportunity to provide input into our program.

Sincerely,

/Nancy Smith-Leslie/ for Leslie B. Weinberg

Julie B. Weinberg Director Medical Assistance Division New Mexico Human Services Department

cc: Cynthia Mann, Deputy Administrator and Director, CMS Sidonie Squier, Secretary, HSD Brent Earnest, Deputy Secretary, HSD