



**RICK SCOTT**  
GOVERNOR

January 31, 2011

Secretary Kathleen Sebelius  
Department of Health and Human Services  
200 Independence Avenue, SW, Room 120F  
Washington, DC 20201

Dear Secretary Sebelius:

It was a pleasure meeting with you today. Per our discussion, I am writing to request an expedited decision on extending the State of Florida's 1115 Research and Demonstration Waiver that is scheduled to expire on June 30, 2011.

The Florida Agency for Health Care Administration (AHCA) sent in a request to extend the waiver on June 30, 2010. Specifically requested was that the waiver be processed under 1115(e) of the Social Security Act. (Please see enclosed request.) The Centers for Medicare and Medicaid Services (CMS) responded on August 17, 2010, and informed the State that the renewal request would be processed under Section 1115(a) authority of the Act. Specifically, CMS noted that the decision was made as the program was not operational statewide and that processing the request under 1115(a) would permit CMS to make changes to the program as part of the approval process.

The State believes that it met the requirements for 1115(e) as CMS approved the waiver as a statewide waiver, with authorization to expand, as approved by the Florida Legislature. The State met with CMS in September 2010, and CMS committed to working with the State to provide for an expedited review. However, to date the State has only received general questions regarding the administration of the program and no further guidance regarding the changes noted by CMS officials during the September meeting.

The waiver extension request submitted documents that the program met all waiver requirements, including the special terms and conditions of the current waiver. A substantial review including multiple evaluations of the waiver have been conducted and indicate that the State has implemented all components of the waiver and has met or exceeded requirements and, in addition, has resulted in improved outcomes and increased satisfaction among participants. These findings were provided to CMS on a regular schedule as the documents became available and were then compiled and provided in total with the waiver extension request.

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CMS approval of the waiver will provide the State with the ability to maintain the program and budget certainty regarding the availability of Low Income Pool funding. While the State did not propose any changes to the waiver, any suggested changes to the waiver should be in the interest of the program and provide value to administering the program – such changes should not result in micromanagement of the State's Medicaid program. As such, CMS should not unilaterally require changes to the program without agreement from the State.

Thank you for your consideration and assistance in expediting our request. The State of Florida stands ready to expedite any clarifications requested by CMS. I look forward to working with you and your office.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott", written in a cursive style.

Rick Scott  
Governor

Enclosure



CHARLIE CRIST  
GOVERNOR

*Better Health Care for all Floridians*

THOMAS W. ARNOLD  
SECRETARY

June 30, 2010

Victoria Wachino, Director  
Family and Children's Health Programs Group  
Center for Medicaid, CHIP, and Survey and Certification  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Mail Stop: B2-15-24  
Baltimore, MD 21244

Dear Ms. Wachino:

The Agency for Health Care Administration (Agency), Florida Medicaid respectfully submits a request for extension to Florida Medicaid section 1115 Demonstration project No. 11-W 00206/4 entitled Florida Medicaid Reform Demonstration as directed by the Florida Legislature through Chapter 2010-144, Laws of Florida (also known as Senate Bill 1484), which states:

Section 1. By July 1, 2010, the Agency for Health Care Administration shall begin the process of requesting an extension of the Section 1115 waiver and shall ensure that the waiver remains active and current. The agency shall report at least monthly to the Legislature on progress in negotiating for the extension of the waiver. Changes to the terms and conditions relating to the low-income pool must be approved by the Legislative Budget Commission.

Currently the section 1115 Medicaid Demonstration is operating under the Secretary's authority under section 1115(a) of the Social Security Act (the Act) and is scheduled to expire June 30, 2011. Per legislative direction, the Agency requests the Demonstration be extended for an additional three (3) years. The Agency requests that the Centers for Medicare & Medicaid Services (CMS) review and process the request for renewal under section 1115(e) authority of the Act.

While the Agency has received a letter from CMS on March 15, 2010 suggesting that the request for extension be submitted for review and process under section 1115(a) authority of the Act to allow CMS to take into consideration the many reviews and evaluation of the Demonstration, as well as changes to the Demonstration the State may want to undertake. However, as noted above, the Legislature did not provide for changes in or grant authority to the Agency to request changes to the Demonstration, and, as such, no changes to the Demonstration are being requested. To the extent CMS requires changes to the waiver, the State respectfully requests that



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CMS provide the statutory basis for the changes so that the Agency may transmit the requirement in a monthly update to our Legislature. Furthermore, mandated changes to the Demonstration may be disruptive to beneficiaries and the State will seek to understand such changes.

The Agency understands the review of the extension request under section 1115(e) of the Act to be complete six months after submission of the request. Processing the extension under section 1115(e) of the Act provides the State and CMS with time certainty of the review and approval of the extension and allows the State the opportunity to properly allocate resources and manage the program. Budget certainty for programs operating under the Demonstration will be a priority as the State is facing continuing economic conditions that are projected to result in a budget gap.

The Agency pledges to work cooperatively with CMS in this Demonstration renewal request under section 1115(e) of the Act, and to create mutually agreed upon objectives that enhance service provision and program outcomes. We look forward to the review and approval process.

If you have any questions, please do not hesitate to contact me at (850)412-3603.

Sincerely,



Thomas W. Arnold  
Secretary

TWA/rb  
Enclosure

cc: Mark Pahl, CMS-CO  
Camile Dobson, CMS-CO  
Cheryl Brimage, CMS- RO  
Venesa Johnson Day, CMS-CO  
Jackie Glaze, CMS-RO