

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850



June 14, 2013

Justin Senior
Deputy Secretary for Medicaid
Florida Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 8
Tallahassee, FL 32308

Dear Mr. Senior:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving your request to amend Florida's section 1115 Demonstration project, retitled Managed Medical Assistance Program (MMA) from Medicaid Reform (Project Number 11-W-00206/4). This amendment allows the state to implement a new model of managed care to all counties in Florida subject to approval of an implementation plan and a determination of readiness based on the elements of that plan. It also retains improvements to the demonstration that were added in the December 2011 renewal, including enhanced managed care requirements, a Medical Loss Ratio (MLR) requirement of 85 percent and the continuation of the Low Income Pool (LIP) of \$1 billion (total computable) annually.

In order to assure readiness, the state shall implement the MMA program on a staggered region-by-region basis, no sooner than January 1, 2014. The state must assess plan readiness in each region, including capacity, access to care outside of the network, access to care for enrollees with special health care needs and cultural considerations. Mandatory enrollment in any region cannot proceed until CMS has approved the implementation plan, which will include identified risks, mitigation strategies, and fail safes that must be met before any region "goes live."

As noted in our February 2013 letter, priorities for CMS in considering this amendment request included the development of enhanced stakeholder engagement strategies, strengthened beneficiary protections, a comprehensive quality improvement strategy, and new provisions relating to monitoring, evaluation and transparency. To that end, with agreement by the state, the terms and conditions for this amendment include new stakeholder engagement processes and consumer protections to ensure beneficiary education, assistance and continuity of care. In addition, the state will develop a comprehensive quality strategy that reflects the health needs of Florida beneficiaries across the state's Medicaid program at large, that has specific data-driven achievable goals and strategies, and that is aligned with the broader goals of improving care, and lowering cost through care improvements. All participating health plans will be required to perform Performance Improvement Projects (PIPs). The terms and conditions and the state's

associated invitation (to plans) to negotiate also include enhancements regarding data collection, monitoring and evaluation.

CMS approval of this section 1115 demonstration amendment is subject to the limitations specified in the approved waiver and expenditure authorities and the list of requirements that are not applicable to the expenditure authorities. The state may deviate from the Medicaid State plan requirements only to the extent those requirements have been specifically listed as waived or not applicable to the expenditure authorities. All requirements of the Medicaid program as expressed in law, regulation, and policy statement not expressly waived or identified as not applicable shall apply to Florida's Managed Medical Assistance program. This approval is also conditioned upon continued compliance with the enclosed special terms and conditions (STCs) defining the nature, character, and extent of federal involvement in this project.

These approvals are conditioned upon written acceptance from the state that it agrees with the amendments, expenditure authorities, and STCs. This written acceptance is needed for our records within 30 days of the date of this letter.

If you have any questions about this approval, please contact Jennifer Ryan, Acting Director for the Children and Adults Health Programs Group at CMS. Your project officer is Ms. Heather Hostetler. Ms. Hostetler's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Division of State Demonstrations and Waivers
7500 Security Boulevard
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Telephone: (410) 786-4515
Facsimile: (410) 786-8534
E-mail: Heather.Hostetler@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Hostetler and to Ms. Jackie Glaze, Associate Regional Administrator in our Atlanta Regional Office. Ms. Glaze's address is:

Jackie Glaze
Centers for Medicare & Medicaid Services
Atlanta Federal Center, 4th Floor
61 Forsyth Street, SW Suite 4T20
Atlanta, GA 30303-8909
Telephone: (404) 562-7417
E-mail: Jackie.Glaze@cms.hhs.gov

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Thank you for your and your staff's thoughtful work on this demonstration amendment. We look forward to a successful implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann", with a long horizontal flourish extending to the right.

Cindy Mann
Director

Enclosures

cc: Jennifer Ryan, CMCS
Jackie Glaze, Associate Regional Administrator, Region IV
Heather Hostetler, CMCS