



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

AUG 3 2016

The Honorable Bill Walker
Governor of Alaska
Juneau, AK 99811

Dear Governor Walker:

Thank you for your letter informing me of your plans to expand Medicaid in Alaska. I appreciate your leadership on this critical issue, as well as the opportunity to meet with you in July. Expanding Medicaid will lower the number of Alaskans without health insurance coverage by providing access to quality and affordable care, reduce the uncompensated care burden on Alaska's health care providers, and bring additional federal resources into the state's economy, promoting jobs and growth. HHS has been happy to work with you to take this important step toward better serving Alaska residents, and we stand ready to continue to assist you as you work to improve the health of Alaskans.

I would like to respond to the specific areas of interest you identified in your letter:

Expansion Readiness

We recognize that targeted enrollment strategies can help transition eligible people to coverage quickly and accurately, and minimize administrative burdens and burdens to state systems. For that reason, CMS is approving Alaska's request for a streamlined enrollment waiver under section 1902(e)(14)(A) of the Social Security Act. We are also continuing to work with your staff to develop an approach to adult dental coverage to assure that it is sufficient in amount, duration and scope to reasonably achieve its purpose.

Support for Continuation of Reform and Sustainability Efforts

We are committed to working with you and your team to develop strong, sustainable approaches for Alaska's Medicaid program and to serve your beneficiaries. In our conversations, you have made clear the importance of improving access to and the quality of care for Alaska Natives. You asked that HHS better support some services provided by Indian Health Service/Tribal facilities to Medicaid eligible Alaska Natives by extending the availability of 100 percent Federal Medical Assistance Percentage (FMAP) for the cost of these services. As a result of these discussions, CMS intends to update its guidance so that CMS' policy on the availability of 100 percent FMAP better supports the delivery of care and access to certain facility services, including non-emergency medical transportation, for Alaska Native and American Indian (AI/AN) populations generally.

Pursuant to HHS' Tribal Consultation Policy, CMS will work with the AI/AN population, and in collaboration with Alaska and other states, to identify the most effective ways of extending the availability of the enhanced matching rate to some additional services that would improve care delivery to AI/AN populations through Medicaid. We look forward to working with Alaska as we develop potential approaches.

You also expressed interest in an 1115 demonstration related to costs of services in an Institution for Mental Disease (IMD). As you know, CMS has launched a section 1115 demonstration initiative available to states seeking to undertake significant improvements in the delivery of substance use disorder (SUD) care. This opportunity is designed to support state efforts to introduce service, payment and delivery system reforms to improve the care for individuals with SUDs.

We also appreciate your commitment to expanding the availability of home and community-based services for Medicaid beneficiaries, and to providing more opportunities for Medicaid beneficiaries to retain their ability to live independently and continue to be a part of their communities rather than in institutions. As you continue to develop approaches to increasing the availability of home and community based care, including through 1915(i) and (k) options, CMS staff will be available to provide technical assistance and work with your team toward approvable approaches as quickly as possible.

Funding Opportunities

You also asked whether financial assistance is available for HHS to support Alaska's reform activities, such as premium rate review or State Innovation Models. The Rate Review grant program has ended and no additional funds can be awarded under this program. While additional funding through the State Innovation Models initiative is not planned at this time, the CMS Innovation Center is considering possible future funding opportunities that include solicitations supporting delivery system reform activities. To stay informed about possible future funding opportunities we encourage your staff to join our online community via the CMS Innovation Center listserv <http://innovation.cms.gov/>.

Again, thank you for your commitment to improving health care in Alaska. HHS remains committed to working with you to improve quality and access to health coverage for all Alaskans. Please do not hesitate to contact me if you have further thoughts or concerns.

Sincerely,

A handwritten signature in black ink that reads "Sylvia M. Burwell". The signature is written in a cursive, flowing style.

Sylvia M. Burwell