



State of Wisconsin
Department of Health Services

Scott Walker, Governor
Kitty Rhoades, Secretary

August 12, 2013

Ms. Melanie Bella
Director, Medicare-Medicaid Coordination Office
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Ave, SW
Washington, DC 20201

Dear Ms. Bella:

The Wisconsin Department of Health Services (DHS) is extremely appreciative of the collaboration with the Centers for Medicare and Medicaid Services (CMS) and the Medicare-Medicaid Coordination Office (MMCO) over the past two-and-a-half years in developing Wisconsin's proposal for an integrated demonstration program. Attached is a completed draft of Wisconsin's proposed Memorandum of Understanding (MOU) under which such a program could operate. As you know, local stakeholder input has been critically important in shaping this Wisconsin-specific proposal, as well as refining the details. The Department gratefully acknowledges and thanks these individuals for their significant contributions.

This MOU delivers on the initial, shared vision that this program be an important catalyst for modernizing the nursing home provider community in Wisconsin, and fundamentally improve the quality of care for Wisconsin's most vulnerable citizens. The Department's submission of this MOU completes the responsibility for deliverables under the demonstration grant and the bridge funding. The Department will honor any other commitments CMS may identify based on the planning contract. However, Department staff are not aware of any outstanding deliverables.

I recognize, and appreciate, the pressures CMS has faced in carrying out this complex initiative. This has posed challenges to achieving the original shared vision of a fully integrated service model. The proposed MOU incorporates compromises between the originally-envisioned, fully integrated model and the alignment pathway CMS has subsequently established, to the extent consistent with Wisconsin's program objectives. Department staff started with the MMCO-provided template and revised it based on subsequent negotiations with CMS and stakeholder feedback on the draft version published on the DHS website in April of 2013. This version represents the limits for the Department's goals to be met. This moves from the original goal of full integration towards an aligned, but not integrated, model such as the Financial Alignment Demonstrations.

I expect that CMS will review the proposed MOU and determine within six months whether it intends to proceed with the demonstration outlined therein. The proposed MOU contains some notes on issues that would require further analysis, or work that would take place between agreement on an MOU and implementation of a program, particularly regarding funding. However, it is my expectation that CMS will determine whether it is willing and able to sign the MOU as currently drafted, without additional major revisions to the program design. Wisconsin is not interested in becoming a Financial Alignment Demonstration.

By March 1st, 2014, DHS would expect CMS's agreement to this MOU along with its assent to provide federal implementation funding. If this cannot be achieved by this date, then DHS will consider its participation in CMS's integrated initiative concluded.

The Department shares your deep commitment to reshaping and improving the quality of care that is provided to dual eligible individuals in Wisconsin, as well as identifying meaningful financial savings. While CMS considers the proposed Wisconsin MOU, DHS intends to make use of many of the innovative ideas within the DHS proposal, and use the knowledge gained in developing the proposal, by applying them to current programs and systems. The federal investment in continuing, and building on, Wisconsin's strong tradition of innovation and integration has been critical. Those investments will be fully leveraged in building the next generation of integrated programs, which I expect will be models for other states.

The integration opportunity has taught DHS a great deal about methods to continue the State's vision of improving care for Medicaid enrollees. Wisconsin's intentions are to more independently leverage the innovative ideas and investments in building more integrated systems by applying the "lessons learned" to current Wisconsin-administered Medicaid programs. One key priority is making better use of integrated data sources to inform quality of care improvements in Wisconsin's nursing homes. Another priority is identifying improvements in integrated processes that might be applied to Wisconsin's current managed care programs, such as Family Care Partnership. DHS will seek further collaboration from CMS on these projects; for example, with respect to using the Medicare data, the Department will submit a new Data Use Agreement to CMS in the near future.

Once again, please accept my deepest gratitude for the time and energy you and your team have invested in supporting the development of Wisconsin's vision thus far. It is my hope that there is a pathway for continued collaboration between DHS and CMS.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kitty Rhoades".

Kitty Rhoades
Secretary