



November 22, 2013

200 Independence Avenue SW
Washington, DC 20201

Kitty Rhoades
Secretary
Wisconsin Department of Health Services
1 West Wilson Street
P.O. Box 7850
Madison, WI 53707-7850

Dear Secretary Rhoades:

Thank you for your letter requesting approval of Wisconsin's proposed "Demonstration to Integrate Care for Dual Eligible Individuals" (demonstration). You have requested that CMS make a determination as to whether we intend to proceed with the demonstration, as proposed, in the Memorandum of Understanding (MOU) that accompanied your letter.

The Centers for Medicare & Medicaid Services (CMS) is supportive of the state's goal of integrating care for dual eligibles and recognizes that Wisconsin has been a pioneer in this field. However, upon careful review of the information supplied by the State in the August 12, 2013 draft MOU, CMS has determined it is unable to meet the state's request to approve the MOU as currently proposed.

We appreciate that the state has shown a willingness to work with CMS throughout this process in pursuit of the Department of Health Services' (DHS) vision for integrated care. In several instances, CMS has been able to compromise on policies and processes built for the financial alignment models in pursuit of that same vision. Nonetheless, despite the opportunity that the demonstrations provide, there are too many unresolved issues to meet the state's request to approve the MOU without major revision.

Your letter indicates that DHS would be unable to proceed if major revisions to the program design would be required. Therefore, per your request, CMS will consider DHS' participation in the Financial Alignment Initiative concluded and agrees that the state has fulfilled its responsibility for deliverables under the initiative. If, however, you prefer to continue working through specific issues to attempt to establish a demonstration that meets both Wisconsin and CMS objectives and requirements, please let me know.

We greatly appreciate all the time and effort invested by you and your team, particularly Deb Rathermel, and commend them for their hard work in working through a number of issues throughout this process. I share your belief that our collective efforts have been positive for us both, even without establishing a new demonstration. Additionally, CMS

remains committed to supporting the state's integration efforts in other ways, such as a new Data Use Agreement to make better use of integrated data.

CMS shares your goal of better serving people dually eligible for Medicaid and Medicare, and we look forward to continued collaboration in the future.

Sincerely,

A handwritten signature in black ink that reads "Melanie Bella". The signature is written in a cursive, flowing style.

Melanie Bella
Director
Medicare-Medicaid Coordination Office
Centers for Medicare & Medicaid Services (CMS)