



STATE OF WASHINGTON

September 28, 2011

Melanie Bella, Director
Department of Health and Human Services
Medicare-Medicaid Coordination Office
Hubert H. Humphrey Building
200 Independence Avenue SW, Room 315-H
Washington DC, 20201

Dear Ms. Bella:

SUBJECT: Notice of Intent to Pursue Financial Alignment Models for Duals

Washington State intends to pursue both financial alignment models offered in the July 8, 2011 State Medicaid Director's letter. Though our plans are not solidified, we are considering the applicability of these models to better serve dually eligible beneficiaries in Washington. It is our understanding that this letter is non-binding.

Below is a high level description of what we may propose with regard to each of these models:

Capitated Managed Care Model

- Integration of primary, behavioral health and long term services and supports through a health plan and/or the Program for All-Inclusive Care for the Elderly (PACE) model.
- Limited to specific geographic areas within the state, based upon service delivery network expertise, capacity and readiness.
- Target implementation date: No later than the end of 2012.

Managed Fee-For-Service Model

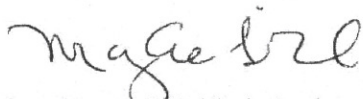
- Integration of primary, behavioral health and long term care services and supports through one or more of the following:
 - Accountable Care Organization(s);
 - Administrative Service contract;
 - Global budgeting arrangement.
- Limited to specific geographic areas within the state, based upon service delivery network expertise, capacity and readiness.
- Target implementation date: No later than the end of 2012.

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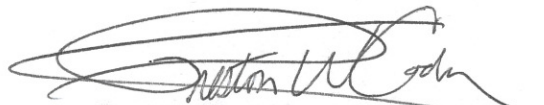
In addition, we wish to reserve the ability to propose an alternate type of financial model or possibly alternate implementation timelines in our design plan under the Duals Innovation Grant Washington was awarded.

Our Duals project team is looking forward to the additional information that will be provided on each of the models. Bea Rector 360-725-2254, bea.rector@dshs.wa.gov and Kathy Pickens-Rucker 360-725-2135, kathy.pickens-rucker@hca.wa.gov will remain our primary contacts for this work.

Sincerely,



MaryAnne Lindeblad, Assistant Secretary
Aging and Disability Services Administration
Department of Social and Health Services



Preston W. Cody, Assistant Director
Health Care Authority

By email

Melanie.Bella@cms.hhs.gov

cc: Doug Porter, Director, HCA
Jessica May, Project Officer, CMS
Kathy Pickens-Rucker, Project Management Office Manager, HCA
Bea Rector, Duals Integration Project Director, ADSA