

*The Commonwealth of Massachusetts*  
*Executive Office of Health and Human Services*  
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Marilyn Tavenner  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave, S.W., Room 314G  
Washington D.C., 20201

September 30, 2013

Re: Request to Extend the Massachusetts' 1115 Demonstration:  
MassHealth (11-W-00030/1)

Dear Administrator Tavenner:

In my capacity as Secretary of the Executive Office of Health and Human Services for the Commonwealth of Massachusetts, I am submitting to the Centers for Medicare and Medicaid Services (CMS) a request to extend the Massachusetts Section 1115 Demonstration Project (11-W-00030/1).

Since 1997, the Demonstration has enabled Massachusetts to implement new and innovative programs to provide high quality care for its residents. The Demonstration has since proven to be integral to the goals of health care reform for nearly two decades.

Massachusetts led the nation with Chapter 58 of the Acts of 2006, through which the state set itself on the path to providing access to affordable health care for all residents of the Commonwealth. Within a few years, the state demonstrated its ability to achieve near universal health care coverage. We are proud that Massachusetts' overall rate of insurance remains at 97 percent – the highest of any state in the nation – despite the challenges of the recent recession. MassHealth played a critical role in this process through expansions of the Medicaid program and the creation of the Safety Net Care Pool, which supported access to health insurance for many of the uninsured through the Commonwealth Care program and provided valuable support to safety net providers. These providers have been essential partners in making the expansion of health coverage successful by helping people enroll in the new health insurance programs and caring for thousands of the newly insured.



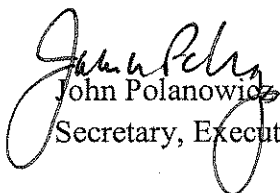
After the initial achievements of the 2006 legislation, the Commonwealth put the second phase of health reform into action. Chapter 224 of the Acts of 2012 serves as the next step in true reform of the health care system by enacting cost containment measures, promoting improvements in quality and health outcomes, and increasing transparency in the health care marketplace. The legislation sets ambitious goals for Massachusetts and MassHealth. A major provision requires MassHealth to continue to shift away from the traditional fee-for-service model towards alternative payment methodologies. This requirement presents an opportunity for MassHealth to bolster the sustainability of the Medicaid program and the broader health system by maintaining high-quality care, testing innovative models of care delivery, and reining in the rate of cost growth.

At the same time, Massachusetts is in the final stages of preparing to implement major elements of the national health care reform law, known as the Affordable Care Act (ACA). The ACA will further expand access to health insurance; strengthen consumer protections; and support innovation, efficiency, and long-term affordability in the health care system. Putting the ACA into action continues to be a major undertaking, with significant efforts underway across state government and throughout the health care sector.

As we tackle these challenges, it is an opportune time to renew the 1115 Demonstration. In the enclosed request we propose to extend the Demonstration for a five-year term. In order to show continued improvements, the state seeks time and stability to make longer-term investments in order to realize the full potential of the initiatives supported by the Demonstration. Massachusetts continues to pursue the goals of maintaining near-universal health care coverage; redirecting spending from uncompensated care to insurance coverage; enacting delivery system reforms that promote patient-centered care and improved health outcomes; and advancing alternative payment methodologies to plans and providers that reward quality and reduce costs. These goals are challenging, but we believe they are achievable and will yield meaningful results for the residents of the Commonwealth.

The state appreciates the support that CMS has provided for the Demonstration since 1997, and we look forward to discussing the proposed extension request with you and your staff in more detail. The achievements of these innovative programs would not have been possible without the guidance and support of CMS. The Commonwealth continues to value its partnership with CMS in our united efforts to transform the health care system and to improve the lives of Massachusetts residents.

Sincerely,



John Polanowicz

Secretary, Executive Office of Health and Human Services

cc: Cindy Mann  
Rich McGreal  
Julie McCarthy  
Juliana Sharp  
Erica Colbert