



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAY 6 2002

The Honorable Max Baucus
United States Senate
Washington, DC 20510

Dear Senator Baucus:

Thank you for your April 23, 2002 letter regarding information on Medicaid waivers under Section 1115 authority.

I am personally concerned about your possible perception that information we have provided to the Congress about Medicaid waivers has declined from what you have previously received. As you know, I was a harsh critic of the Health Care Financing Administration (HCFA) and pledged to make the agency more responsive to the public. From reducing the state plan amendment (SPA) backlog to reducing the amount of time to answer correspondence, we have made great strides in improving our responsiveness. I believe the information we have provided you regarding more than 1,500 actions taken on SPAs and waivers is unprecedented.

For example, last December and again in early March, we provided you with information that identifies all SPAs, all 1915(b) waiver applications, all 1915(c) waiver applications, and all 1115 waiver applications that have been approved since January 22, 2001. An update on this information will be sent to you under separate cover. The currently pending comprehensive 1115 waiver applications that we have received since the March update will be included. Review of past Administration practices shows that this type of information was provided to the Finance Committee only on as-requested basis.

At your request, the General Accounting Office (GAO) has been conducting a review of our SPA and waiver approval process. I understand that you have instructed GAO to focus on the 1115 waivers themselves. GAO has had full access to material and staff at Central Office and Regional Offices. This review has been conducted over several months.

You have also raised a concern about public access to information. The website for the Centers for Medicare & Medicaid Services (CMS), www.cms.gov, already provides some material regarding individual state waivers. The website contains the waiver application and approval (including supporting material) of the two Health Insurance Flexibility and Accountability (HIFA) waivers that have been granted to Arizona and California. It also provides a list of states that have 1115 waivers and indicates pending action. Although the applications themselves are not currently on the web, a Federal project officer contact at CMS, with telephone number, is listed for each state. I can

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assure you the public makes use of this resource.

While we have made improvements, we can and will do better. I have instructed CMS to post official comprehensive 1115 waiver applications and background on the CMS website as soon as possible after receipt. Section 1115 waiver approvals including terms and conditions will also be posted on the website immediately after approval and notification to the state. CMS is taking steps to place such information on the website and this effort should be completed in a few weeks. I trust this will satisfy your needs, as the information will be updated continuously. If you would like to be briefed on a specific waiver or SPA, my staff will be happy to accommodate you as we did in the case of the Utah waiver.

I am also enclosing a State Medicaid Director letter which was released May 3 that emphasizes the importance of public input in all types of waivers including home and community-based waivers and reaffirms that public input is part of the review of 1115 waivers.

I am proud of the record we have built to date in eliminating the backlog of nearly 400 state plan amendments and approving waivers and SPAs that have expanded eligibility to 1.8 million Americans and expanded benefits to 4.5 million Americans. Please do not hesitate to contact me if you have any additional questions. I am sending an identical letter to Senator Grassley.

Sincerely,



Tommy G. Thompson

Enclosure