

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP and Survey & Certification

JUL 22 2011

Toby Douglas
Chief Deputy Director, Health Care Programs
Department of Health Care Services
1501 Capitol Avenue, MS 0000
P.O. Box 997413
Sacramento, CA 99859

Dear Mr. Douglas:

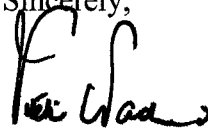
The Centers for Medicare & Medicaid Services (CMS) appreciates your inquiry of June 17, 2011, seeking technical assistance to amend the California section 1115 "Bridge to Reform" demonstration project to make individuals diagnosed with HIV/AIDS ineligible for benefits under the county-based Low-Income Health Program (LIHP). The State's proposal was intended to facilitate access on the part of low-income people with HIV/AIDS to Ryan White services and providers, which under current law must serve as payer of last resort. In this case, Medicaid is available as a source of coverage for these individuals; therefore, Medicaid must serve as the primary payer.

While we share the State's concerns that individuals with HIV maintain access to HIV-related services through Ryan White service providers, CMS does not have the authority to approve an exclusion of such individuals for all or part of LIHP benefits under the demonstration. This includes proposals that make distinctions in Medicaid eligibility by excluding people living with HIV, suspending enrollment for people with HIV on a temporary or ongoing basis, or providing different benefits and services for these individuals based on the group, class, or category to which the person belongs. Further, CMS does not have the authority to change the Ryan White program into the primary payer (rather than the "payer of last resort") for HIV-related services.

As you know, the demonstration's special terms and conditions (STCs) require the State to ensure that benefits within the LIHP must be sufficient in amount, duration, and scope to reasonably achieve its purpose. We are committed to working with the State in our readiness review of the LIHPs to ensure that benefits and provider networks offered ensure access to quality care and support the effective transition of individuals with HIV from Ryan White to LIHP.

If you have additional questions, please contact Mr. Richard Jensen, Director, Division of State Demonstrations and Waivers at (410) 786-6126. We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Wachino". The signature is fluid and cursive, with the first name being more prominent.

Victoria Wachino

Director

Children and Adults Health Programs Group

cc: Gloria Nagle, San Francisco Regional Office
Richard Jensen, Children and Adults Health Programs Group
Steven C. Rubio, Children and Adults Health Programs Group