

FACTS ON NEBRASKA WAIVER

- o Nebraska submitted two managed care waivers on February 21, 1995. Governor Nelson's letter to Sec. Shalala refers to both waivers, but his letter to the chief of staff refers to only one.
- o The Governor wants to implement both waivers on July 1.
- o The Secretary told the Governor last Friday that HHS will make a decision on one waiver by June 9.
- o HHS did stop the clock on the second waiver by sending the state a set of questions only a few days before the end of the statutory 90-day period. This is not unusual. Once the clock is stopped, the statute allows HHS another 90 days to act. The clock may only be stopped once.
- o Once Nebraska responds to HHS's questions on the second waiver, HHS has agreed to provide the state with a timeline within a week. However, HHS predicts that approval before July 1 is unlikely because of unresolved concerns about the waiver. HHS received letters opposing the waiver from some consumers, advocates, and providers.
- o HHS is investigating whether lower-level staff made commitments to act within 45 days, as the Governor has charged.

SUGGESTED DRAFT RESPONSE TO GOVERNOR NELSON

Dear Ben:

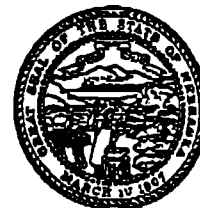
Thank you for your letter about Nebraska's proposed Medicaid managed care waiver. I understand that Secretary Shalala spoke to you last week about the status of the waiver, and that she gave you her assurance that HHS will work expeditiously to resolve this matter.

This administration is committed to reviewing waivers under a flexible and streamlined process, and to ensuring high quality and cost-effective care in the Medicaid program. Thank you for bringing this to my attention.

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



E. Benjamin Nelson
Governor

May 15, 1995

Honorable Leon E. Panetta
Director
Office of Management and Budget
The White House
1600 Pennsylvania Avenue
Washington, DC 20503

Dear Leon:

Enclosed please find a copy of a letter that I sent to Donna Shalala today. The purpose of the letter is to request her immediate attention to Nebraska's request for an 1915(b) waiver for Medicaid Managed Care which was submitted on February 17 of this year.

I am copying you on this letter for the reason that the Health Care Finance Authority (HCFA) appears to be dragging its feet in granting the waiver. Over the last 3 months, HCFA has violated every one of its timelines for review and responding to waivers. As a result of HCFA's neglect and disrespect for their own guidelines developed as a result of President Clinton's mandate to make waivers less complex, Nebraska is in jeopardy of violating state statute to implement managed care by July 1, 1995.

HCFA officials have worked with us since the initial stages of developing the managed care plan, beginning in 1993. HCFA provided technical assistance on the waiver process. The State of Nebraska relied on the verbal commitment from HCFA that we would receive final action within 45 days of receipt of the waiver request. Unfortunately, not only has the 45 days come and gone, but the State just received questions by fax on the 77th day.

It is clear to me that HCFA is not following the spirit of the President's order regarding streamlining of waivers. I don't believe that I am asking for special treatment due to the level of HCFA involvement in the process. Instead, I simply ask that we not be victims of bureaucracy. I would appreciate any help you can give to expedite the process.

Sincerely,

A handwritten signature in dark ink, appearing to be "Ben Nelson", written over a horizontal line.

E. Benjamin Nelson
Governor

jmc

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone: (402) 471-2244



May 11, 1995

E. Benjamin Nelson
Governor

The Honorable Donna E. Shalala
U.S. Department of Health and Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Dear Dr. Shalala:

Nebraska is requesting your assistance in urging the Health Care Financing Administration's (HCFA) cooperation in moving expeditiously the approval of the 1915 (b) waivers for Medicaid which were submitted on February 17, 1995.

As our staff worked to develop these waivers, your regional office was a partner in the process. This fine cooperation brought the verbal assurances from both HCFA Baltimore and HCFA Kansas City that the waivers should be approved within 45 days. Such has not been the case; in fact, after 77 days and numerous inquiries, the state received, by fax, questions that demonstrated that the review process lacked the thoroughness and professionalism that we have become accustomed to. Evidence of this is demonstrated by questions that indicate that much of the documentation included with the waiver request had not been subjected to review.

I have full confidence in your willingness to provide Nebraska the same assistance with this request as you did with our Welfare Reform requests -- which was exceptional.

If there is anything we can do to assist with this, please notify Mary Dean Harvey at 402/471-9105, or me.

Respectfully,

A handwritten signature in dark ink, appearing to read "Ben Nelson", written over a horizontal line.

E. Benjamin Nelson, Governor

Enclosure

cc: Sen. Bob Kerrey
Sen. J. James Exon
Rep. William E. Barrett
Rep. Douglas Bereuter
Rep. Jon Christensen

FACTS ON NEBRASKA WAIVER

- o Nebraska submitted two managed care waivers on February 21, 1995. Governor Nelson's letter to Sec. Shalala refers to both waivers, but his letter to the chief of staff refers to only one.
- o The Governor wants to implement both waivers on July 1.
- o The Secretary told the Governor last Friday that HHS will make a decision on one waiver by June 9.
- o HHS did stop the clock on the second waiver by sending the state a set of questions only a few days before the end of the statutory 90-day period. This is not unusual. Once the clock is stopped, the statute allows HHS another 90 days to act. The clock may only be stopped once.
- o Once Nebraska responds to HHS's questions on the second waiver, HHS has agreed to provide the state with a timeline within a week. However, HHS predicts that approval before July 1 is unlikely because of unresolved concerns about the waiver. HHS received letters opposing the waiver from some consumers, advocates, and providers.
- o HHS is investigating whether lower-level staff made commitments to act within 45 days, as the Governor has charged.

SUGGESTED DRAFT RESPONSE TO GOVERNOR NELSON

Dear Ben:

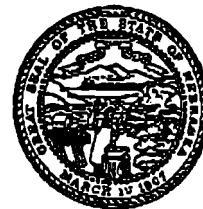
Thank you for your letter about Nebraska's proposed Medicaid managed care waiver. I understand that Secretary Shalala spoke to you last week about the status of the waiver, and that she gave you her assurance that HHS will work expeditiously to resolve this matter.

This administration is committed to reviewing waivers under a flexible and streamlined process, and to ensuring high quality and cost-effective care in the Medicaid program. Thank you for bringing this to my attention.

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



E. Benjamin Nelson
Governor

May 15, 1995

Honorable Leon E. Panetta
Director
Office of Management and Budget
The White House
1600 Pennsylvania Avenue
Washington, DC 20503

Dear Leon:

Enclosed please find a copy of a letter that I sent to Donna Shalala today. The purpose of the letter is to request her immediate attention to Nebraska's request for an 1915(b) waiver for Medicaid Managed Care which was submitted on February 17 of this year.

I am copying you on this letter for the reason that the Health Care Finance Authority (HCFA) appears to be dragging its feet in granting the waiver. Over the last 3 months, HCFA has violated every one of its timelines for review and responding to waivers. As a result of HCFA's neglect and disrespect for their own guidelines developed as a result of President Clinton's mandate to make waivers less complex, Nebraska is in jeopardy of violating state statute to implement managed care by July 1, 1995.

HCFA officials have worked with us since the initial stages of developing the managed care plan, beginning in 1993. HCFA provided technical assistance on the waiver process. The State of Nebraska relied on the verbal commitment from HCFA that we would receive final action within 45 days of receipt of the waiver request. Unfortunately, not only has the 45 days come and gone, but the State just received questions by fax on the 77th day.

It is clear to me that HCFA is not following the spirit of the President's order regarding streamlining of waivers. I don't believe that I am asking for special treatment due to the level of HCFA involvement in the process. Instead, I simply ask that we not be victims of bureaucracy. I would appreciate any help you can give to expedite the process.

Sincerely,

A handwritten signature in dark ink, appearing to be "Ben Nelson", followed by a horizontal line.

E. Benjamin Nelson
Governor

jmc

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



May 11, 1995

E. Benjamin Nelson
Governor

The Honorable Donna E. Shalala
U.S. Department of Health and Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Dear Dr. Shalala:

Nebraska is requesting your assistance in urging the Health Care Financing Administration's (HCFA) cooperation in moving expeditiously the approval of the 1915 (b) waivers for Medicaid which were submitted on February 17, 1995.

As our staff worked to develop these waivers, your regional office was a partner in the process. This fine cooperation brought the verbal assurances from both HCFA Baltimore and HCFA Kansas City that the waivers should be approved within 45 days. Such has not been the case; in fact, after 77 days and numerous inquiries, the state received, by fax, questions that demonstrated that the review process lacked the thoroughness and professionalism that we have become accustomed to. Evidence of this is demonstrated by questions that indicate that much of the documentation included with the waiver request had not been subjected to review.

I have full confidence in your willingness to provide Nebraska the same assistance with this request as you did with our Welfare Reform requests -- which was exceptional.

If there is anything we can do to assist with this, please notify Mary Dean Harvey at 402/471-9105, or me.

Respectfully,

A handwritten signature in dark ink, appearing to read "Ben Nelson", with a long horizontal flourish extending to the right.

E. Benjamin Nelson, Governor

Enclosure

cc: Sen. Bob Kerrey
Sen. J. James Exon
Rep. William E. Barrett
Rep. Douglas Bereuter
Rep. Jon Christensen

410-966-
8060

THE WHITE HOUSE

Chief of Staff

Carol -

FYI. How do
you think how
should respond?

thanks,

Jim P.

Talking Points for your Call to Governor Nelson
about the Nebraska 1915(b) Medicaid Managed Care Waivers

- I am calling in response to your concerns about the status of Nebraska's Medicaid managed care 1915(b) waivers. It is my understanding that Nebraska submitted two 1915(b) waiver requests on February 21, 1995. One is for a primary care case management program and the other is for a mental health and substance abuse services program. I recognize that State law provides for implementation of both waivers on July 1, 1995.
- As you know, the Health Care Financing Administration has 90 days in which to review a 1915(b) waiver. However, if HCFA needs additional information in order to make a determination, it can request it. Such a request stops the clock. Once HCFA receives a complete response to the questions, it has 90 days to reach a final decision. By law, the clock may only be stopped once.
- I am aware that you have concerns about HCFA's review of Nebraska's waiver requests. I can assure you that we are investigating the issues you raised. John Monahan has asked your chief of staff to identify the individuals who made the 45-day assurances and to provide us with a list of the duplicative questions that HCFA has asked. Such information will assist us in our investigation. If there is a problem, we are determined to correct it and to report back to your office.
- Our investigation is important but on a separate track from working to provide you with timely decisions on your waiver requests.
- HCFA has made a commitment to me to provide you with a final decision on your primary care case management waiver no later than June 9, 1995.
- HCFA has also promised me that once it receives a complete set of responses to the questions it submitted to Nebraska about the mental health and substance abuse services waiver, it will evaluate the responses and provide you with a timeline for a final decision. This evaluation will occur as soon as possible but will not take longer than one week from receipt of the State's responses.

[NOTE: Rodney Armstead, HCFA Office of Managed Care, believes that the problems with this waiver make approval before July 1, 1995 unlikely; he will know much more after reviewing the State's responses.]

- Your chief of staff indicated that HCFA should receive Nebraska's responses early next week.
- We want to assure that Nebraska uses measures of quality that are appropriate for the populations covered under this waiver and that the waiver is cost-effective. Additionally, HCFA and I received at least 20 letters from consumers, advocates, providers and other providers in your State expressing serious concerns about this waiver.
- The Administration is committed to State flexibility, particularly in the area of health reform. Your programs are excellent examples of state creativity to assure access to health care services to low income Americans.

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



May 11, 1995

E. Benjamin Nelson
Governor

The Honorable Donna E. Shalala
U.S. Department of Health and Human Services
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Dear Dr. Shalala:

Nebraska is requesting your assistance in urging the Health Care Financing Administration's (HCFA) cooperation in moving expeditiously the approval of the 1915 (b) waivers for Medicaid which were submitted on February 17, 1995.

As our staff worked to develop these waivers, your regional office was a partner in the process. This fine cooperation brought the verbal assurances from both HCFA Baltimore and HCFA Kansas City that the waivers should be approved within 45 days. Such has not been the case; in fact, after 77 days and numerous inquiries, the state received, by fax, questions that demonstrated that the review process lacked the thoroughness and professionalism that we have become accustomed to. Evidence of this is demonstrated by questions that indicate that much of the documentation included with the waiver request had not been subjected to review.

I have full confidence in your willingness to provide Nebraska the same assistance with this request as you did with our Welfare Reform requests - which was exceptional.

If there is anything we can do to assist with this, please notify Mary Dean Harvey at 402/471-9105, or me.

Respectfully,

E. Benjamin Nelson, Governor

Enclosure

cc: Sen. Bob Kerrey
Sen. J. James Exon
Rep. William E. Barrett
Rep. Douglas Bereuter
Rep. Jon Christensen

STATE OF NEBRASKA

EXECUTIVE SUITE

P.O. Box 94848
Lincoln, Nebraska 68509-4848
Phone (402) 471-2244



E. Benjamin Nelson
Governor

May 15, 1995

Honorable Leon E. Panetta
Director
Office of Management and Budget
The White House
1500 Pennsylvania Avenue
Washington, DC 20503

Dear Leon:

Enclosed please find a copy of a letter that I sent to Donna Shalala today. The purpose of the letter is to request her immediate attention to Nebraska's request for an 1915(b) waiver for Medicaid Managed Care which was submitted on February 17 of this year.

I am copying you on this letter for the reason that the Health Care Finance Authority (HCFA) appears to be dragging its feet in granting the waiver. Over the last 3 months, HCFA has violated every one of its timelines for review and responding to waivers. As a result of HCFA's neglect and disrespect for their own guidelines developed as a result of President Clinton's mandate to make waivers less complex, Nebraska is in jeopardy of violating state statute to implement managed care by July 1, 1995.

HCFA officials have worked with us since the initial stages of developing the managed care plan, beginning in 1993. HCFA provided technical assistance on the waiver process. The State of Nebraska relied on the verbal commitment from HCFA that we would receive final action within 45 days of receipt of the waiver request. Unfortunately, not only has the 45 days come and gone, but the State just received questions by fax on the 77th day.

It is clear to me that HCFA is not following the spirit of the President's order regarding streamlining of waivers. I don't believe that I am asking for special treatment due to the level of HCFA involvement in the process. Instead, I simply ask that we not be victims of bureaucracy. I would appreciate any help you can give to expedite the process.

Sincerely,

A handwritten signature in dark ink, appearing to be "Ben Nelson", written over a horizontal line.

E. Benjamin Nelson
Governor

jmc

STATE OF NEBRASKA

DEPARTMENT OF SOCIAL SERVICES

Mary Dean Harvey
Director



E. Benjamin Nelson
Governor

May 11, 1995

Mr. Richard P. Brummel
Associate Regional Administrator for Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, MO. 64106

RE: Nebraska's 1915(b) Primary Care Waiver Request

Dear Mr. Brummel:

This is the Department's response to your request for additional information to clarify Nebraska's 1915(b) primary care case management waiver request. Our responses are listed on the enclosed pages, one question per page. The responses contain references to various documents; these documents have been numbered and enclosed in a single notebook.

Certain acronyms are used in the waiver program and in our response. These include NMMCP (the Nebraska Medicaid Managed Care Program); MH/SA (Mental Health and Substance Abuse); QA (Quality Assurance); HMO (Health Maintenance Organization); PCCM (Primary Care Case Management); PCP (Primary Care Physician); and E/CHN (Enrollment/Community Health Nursing, which may also be referred to as the enrollment broker).

Please substitute the enclosed pages (2, 4, 19, 20, 21, Appendix C2 - page 1 and Appendix A.6.b.) for those initially submitted.

The Department was under the assumption that using the streamlined waiver application would simplify the waiver approval process and allow for a timely review of the waiver application. The questions on this waiver application were received formally by the State on day 79 of the 90-day period for review and approval of the waiver. DSS staff are willing and available to resolve any issues via conference call.

This waiver has been developed on a "fast track." In January, when DSS staff began drafting the waiver request, many of the "fine details" of the program had not been developed. We now have contracts, regulations, etc., that detail those processes.

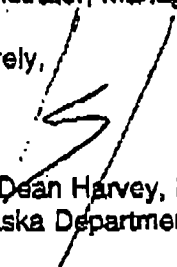
Because we are anticipating implementation of the waiver program on July 1, 1995, the State requests a speedy approval of this waiver request. Plans have been in the process since January 1995 to implement the waiver program July 1.

May 11, 1995

Page Two

If you have any further questions about the waiver request, please contact David Cygan, Administrator, Managed Care Unit, at (402) 471-9050.

Sincerely,



Mary Dean Harvey, Director
Nebraska Department of Social Services

NS:HH5129H

Enclosures



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Care Financing Administration

Memorandum
Office of Managed Care

DATE: MAY 16 1995

FROM: Rodney C. Armstead, M.D. *RCA*
Director

RE: Nebraska Medicaid Managed Care Program for Mental Health and
Substance Abuse Services

TO: Bruce C. Vladeck, Ph. D
Administrator

The State of Nebraska submitted the Nebraska Medicaid Managed Care Program for Mental Health and Substance Abuse Services (NMMCP/MHSAS) Section 1915(b) waiver request to the Health Care Financing Administration (HCFA) on February 21, 1995. The NMMCP/MHSAS managed care waiver would implement a program to enroll Aid to Families with Dependent Children (AFDC) and AFDC-related Medicaid recipients in the Douglas, Sarpy, and Lancaster county areas into capitated Prepaid Health Plans. The State's waiver application requested an effective date of July 1, 1995.

The allotted 90-day clock for the Health Care Financing Administration (HCFA) analysis ends on May 19, 1995. After a primary detailed analysis of the waiver application, HCFA is submitting a formal Additional Information Request (AIR) to the State. The AIR reflects this office's analysis of the waiver, the regional offices' analysis as well as issues raised in the 20 or more letters sent to HCFA from numerous consumers, providers, advocacy groups and other service entities.

This will stop the 90-day clock until the State responds to the request. The following areas of the waiver request are those which this office feels need clarification: general structural issues, issues regarding the relationship between the NMMCP/MHSAS request and the State's other waiver request submittal (a PCCM program, also submitted on 2/21; clock stopped on 4/28; Additional Information Request received on 5/12), issues regarding access and quality monitoring, important issues regarding the services offered, the enrollment process, and the cost effectiveness of the proposed program.

This office has made it clear to Nebraska that it would like to work with the State to create an approvable 1915(b) Mental Health and Substance Abuse Services waiver program. A conference call was scheduled for May 5, 1995 between HCFA and the State to discuss issues pertaining to this particular waiver request, however the State,

through the Kansas City Regional Office cancelled the call. The Medicaid Managed Care Team has been and continues to be willing to work with the State in any way possible.

If you would like a copy of the additional information request, or need additional information please let me know.