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

March 30, 2011

The Honorable Sam Brownback
Governor of Kansas
Topeka, KS 66612

Dear Governor Brownback:

Thank you for your letter regarding the Kansas Medicaid program in which you expressed your interest in working with my staff on identifying savings opportunities and program flexibilities. My time as Governor of Kansas informs my work at the Department of Health and Human Services (HHS) every day. I am in regular contact with governors throughout the nation, and I want to assure you that I understand the very difficult fiscal issues that you and other governors are facing. I reiterate my ongoing commitment, as I stated in my February 3, 2011, letter to governors, to help states find ways to lower Medicaid costs, particularly by focusing on the cost drivers in the program.

President Obama and I both believe that states should have the opportunity to implement health reforms that work for them. This is why the President endorsed legislation allowing State Innovation Waivers to begin sooner than they are currently slated to start – in 2014 rather than 2017. These waivers allow states to implement different reforms than those in the Affordable Care Act so long as they provide coverage that is at least as comprehensive and affordable, cover as many residents, and do not increase the federal deficit as compared to what otherwise would happen under the Affordable Care Act. We believe these principles should be considered in evaluating state innovation proposals in Medicaid and the Children's Health Insurance Program as well.

You asked for my commitment to work with Kansas on your development of a "global waiver" and a waiver of the "maintenance of effort" (MOE) provisions of the Affordable Care Act. I look forward to learning more details about your proposals. Optional Medicaid coverage in Kansas is quite limited, and it is provided mostly to very frail and disabled children and adults, so it would help HHS to know which groups of Kansans you seek to drop from coverage under an MOE waiver.

HHS has a long history of working with states on a broad range of Medicaid innovations, and I continue to welcome state proposals to improve care and lower costs. I assure you that my team and I will give full and serious consideration to any proposal Kansas submits, and I look forward to continuing to work with you to improve health care and health coverage for Kansans.

Sincerely,

Kathleen Sebelius

Kathleen Sebelius