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September 21, 2012

Ms. Michelle Feagins
Grants Management Officer
Office of Acquisition and Grants Management
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
Room 733H-02
Washington, DC 20201

Dear Ms. Feagins:

I am writing to formally request that the Centers for Medicare and Medicaid Innovation accept the Commonwealth of Massachusetts' proposal for the *State Innovation Models: Funding for Model Design and Testing Assistance* application, developed by our Executive Office of Health and Human Services. Our proposal will advance the Commonwealth's goal of lowering health care costs and making quality, affordable care a reality for all Massachusetts residents.

Massachusetts leads the nation in health care coverage for its residents. Thanks to the successful implementation of our 2006 landmark health care reform law, more than 98% of Massachusetts residents have health care coverage, including 99.8% of children – something no other state in America has achieved. In 2012, my Administration launched the next phase of health care reform, signing legislation that commits the Commonwealth to achieve lower health care costs while transitioning the payment system away from the traditional fee-for-service structure to a payment system that supports patient-

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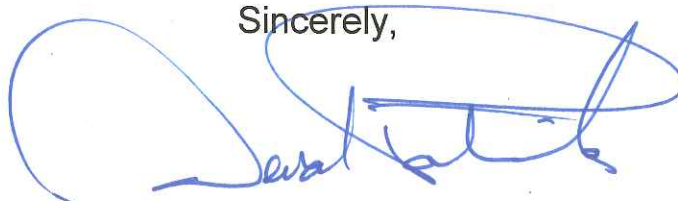
centered, accountable care. This legislation caps the annual growth of health care spending for both the public and private sector over the next 15 years and provides guidance and support for payment and delivery system reform.

The attached proposal, *Improving the Quality of Health Care and Reducing Costs through Health Care Innovation*, will advance our state's vision by strengthening the primary care system, promoting coordinated, integrated care and creating the infrastructure needed for delivery system transformation. Our application proposes targeted investments to support public payers' transition to alternative payment methodologies, integration of public health and community-based programs with primary care, data infrastructure for care coordination and accountability, a statewide quality strategy, and evaluation and dissemination of best practices.

I am pleased that many agencies and departments will be collaborating with the Executive Office of Health and Human Services on this project, including the Executive Office of Administration and Finance, the Department of Mental Health, the Department of Public Health, the Division of Health Care Finance and Policy, the Executive Office of Elder Affairs, the Group Insurance Commission, and MassHealth. I am also pleased by the strong support for this proposal from many stakeholders in Massachusetts. Dr. JudyAnn Bigby, Secretary of Health and Human Services, will be the principal contact for this project.

Massachusetts is leading the nation in addressing the problem of surging health care costs thanks to our strong history of partnership with an active and engaged stakeholder community including patients, providers, and payers, as well as our tradition of health care innovation and leadership. We look forward to the opportunity to work with the Centers for Medicare and Medicaid Innovation on this project that promises to further transform health care in Massachusetts.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah [unclear]", written over the word "Sincerely,".