



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

November 2, 2010

I am pleased to announce that the federal government has approved California's five-year, "Bridge to Reform" Section 1115 waiver proposal. Through the section 1115 comprehensive waiver, California will receive approximately \$10 billion in federal funds to invest in our health delivery system to prepare for national health care reform. These investments are also designed to help slow the rate of growth in health care costs within the Medi-Cal program. These are the key elements of the waiver:

Expanded Coverage. The waiver builds on our coverage initiative offering participation to all the counties in the state to cover as many as 500,000 uninsured individuals.

Increased Funding for Uncompensated Care. The waiver expands the existing Safety Net Care Pool to provide additional support to finance uncompensated care.

Improved Care for Vulnerable Populations. The waiver provides for enrollment of seniors and persons with disabilities in managed care to achieve better care coordination and management of chronic conditions.

Promotion of Public Hospital System Transformation. The waiver implements a series of improvements in the public hospital delivery system to strengthen their infrastructure and prepare them for full implementation of health reform.

Over the next 30 days we will be undergoing a "technical review" of the Special Terms and Conditions, and we plan to release them publicly in the next few weeks. We are very excited about the approval of this waiver and the opportunities it presents. We look forward to our next journey, implementation of the waiver initiatives!

The approval of the waiver is a major milestone in the effort to improve California's health system. I want to thank each of you for the contribution you have made in participating in the planning and formulation of our waiver proposal.

We are planning to offer a Webinar presentation on Thursday, November 4, at 1 PM PDT to share more of the details of the approved waiver. Please go to <https://www1.gotomeeting.com/register/342289728> to register for the presentation.

Sincerely,

A handwritten signature in black ink that reads 'David Maxwell-Jolly'.

David Maxwell-Jolly
Director