

Center for Medicaid and State Operations

SMDL #06-023

November 9, 2006

Dear State Medicaid Director:

The Centers for Medicare & Medicaid Services (CMS) previously issued a letter dated July 17, 2001, encouraging States to engage with federally recognized Tribes (hereafter referred to as "Tribes") in the planning and development of Medicaid and State Children's Health Insurance Program demonstration proposals. In light of the new Deficit Reduction Act of 2005 (DRA) and our continued desire for Medicaid programs to effectively serve Tribal communities, CMS is taking this opportunity to again encourage States to consult with Tribes in open, good faith dialogue, as a number of provisions within the DRA have the potential to impact Tribes and American Indian and Alaska Native (AI/AN) Medicaid beneficiaries. Given the States' new flexibility to change their Medicaid programs through State Medicaid plans rather than through Medicaid demonstrations, maintaining ongoing communication between States and Tribes in the redesign of Medicaid programs and services is even more important.

As States are well aware, Federal Agencies are required by Presidential Order and Executive Memorandum to consult with Tribal Governments. CMS, through the establishment of a Tribal Technical Advisory Group, is working to strengthen our ongoing Tribal consultation process. Many States also have continued their efforts to strengthen their State-Tribal consultation mechanisms. CMS is encouraged by this, particularly as it relates to Medicaid programs, which the States and Federal Government jointly fund.

The Medicaid program is critical to the ability of health programs administered by the Indian Health Service, Tribes, and Tribal organizations, and Urban Indian health programs, to ensure the provision of needed medical services. It has been widely documented that the AI/AN population suffers significant health disparities. It has been reported that a large percentage of this population is eligible for Medicaid services. To access even the most basic of healthcare, this population must overcome barriers such as poor economic conditions, remote or isolated geographic locations, or language barriers.

Tribal Consultation has become a regular institutional practice among Federal Agencies and we know many States also work closely with Tribes. CMS strongly encourages all States to consult with Tribes as they implement the DRA. If you have questions, please feel free to contact your CMS Regional Office Native American Contact. The list of these individuals and their contact information is enclosed.

Sincerely,

/s/

Dennis G. Smith
Director

Enclosure

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cc:

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