



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

AUG 19 2010

Ms. Gloria Nagle  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations  
Centers for Medicare & Medicaid Services  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706

Mr. Steven Rubio, Project Officer  
Division of State Demonstrations and Waivers  
Center for Medicaid and State Operations  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mailstop S2-01-06  
Baltimore, MD 21244-1850

Dear Ms. Nagle and Mr. Rubio:

This letter is to request a 60 day extension of the Section 1115(a) *Medi-Cal Hospital/Uninsured Care Demonstration* (Waiver 11-W-00193/9) (Demonstration), continuing all provisions of the current Demonstration, with an additional spending authority for the two month extension representing a pro rata of the \$1.532 billion total computable (\$255 million). The additional federal funding during the extension period will be drawn down based on the American Reinvestment and Recovery Act Federal Medical Assistance Percentage rate and will not be subject to the budget neutrality expenditure caps for the Demonstration year 5 and the new Section 1115(a) Comprehensive Demonstration Project Waiver: A Bridge to Reform (Bridge to Reform Waiver). The Department also requests the ability to draw down the additional \$720 million total computable, which is available in year 5, using state only program and designated public hospital certified public expenditures that are incurred during the extension period.

We appreciate the significant time and resources the Centers for Medicare & Medicaid Services (CMS) has dedicated to the Bridge to Reform Waiver discussions. It is California's goal to lead the nation in moving deliberately and thoughtfully towards full implementation of the Medicaid expansion populations and to create more accountable, coordinated and modern service delivery systems, affirm and further strengthen the health care safety net, including private and public hospitals and community health centers, reward health care quality and improved outcomes and slow the long-term expenditure growth rate of the Medi-Cal program.

Ms. Gloria Nagle and Mr. Steven Rubio

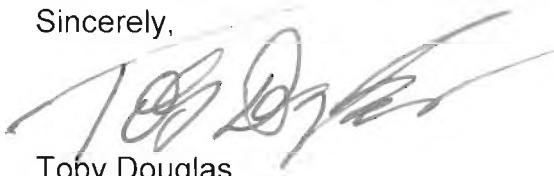
Page 2

AUG 19 2010

We are committed to completing the Bridge to Reform Waiver negotiations as quickly as possible and anticipate CMS's continued support. We, therefore, expect to receive CMS's approval of the Bridge to Reform Waiver Special Terms and Conditions (STCs) within the 60 day extension period.

If you have any questions regarding this request to extend the Demonstration and the year 5 claiming ability for 60 days, please contact Ms. Jalyne Callori, Acting Chief, Safety Net Financing Division, Department of Health Care Services, at (916) 552-9215.

Sincerely,

A handwritten signature in black ink, appearing to read 'Toby Douglas', is written over a faint, larger signature.

Toby Douglas  
Chief Deputy Director  
Health Care Programs

cc: Mr. Brian Burdullis, Financial Analyst  
Division of Medicaid & Children's Health  
Centers for Medicare & Medicaid Services  
801 I Street, Room 219  
Sacramento, CA 95814

Ms. Jalyne Callori, Acting Chief  
Safety Net Financing Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4504  
P.O. Box 997436  
Sacramento, CA 95899-7436

Mr. Joseph Gaiser, Acting Director  
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Ms. Gloria Nagle and Mr. Steven Rubio

Page 3  
AUG 19 2010

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Mr. David Maxwell-Jolly, Director  
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Ms. Victoria Wachino, Director  
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Mr. Mark Wong  
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