



STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

March 12, 2007

Name
Title
HD Name
Street Address
City, State Zip

Dear Health Officer:

On February 7, 2007, Letter L 07-03 was mailed stating that Michigan Department of Community Health (MDCH) would process settlements on a limited basis to allow for continued cash flow to Local Health Departments (LHDs). We continued to hear from LHDs regarding concerns about their current cash flow and the impact on their programs.

After further consideration and discussion we have decided to resume processing of settlements for 2005 and 2006 in our normal manner. We will continue to process settlements in this routine until a final decision is reached between the Centers for Medicare and Medicaid Services (CMS) and the MDCH on cost-based reimbursement policy. The 2005 settlements will be sent out within 60 days.

We continue to work with the CMS auditors and will vigorously contest any adverse decision. We will keep you informed of the final report and outcome. If you have any questions, please contact David Stirdivant at (517) 335-5353.

Sincerely,

A handwritten signature in cursive script that reads 'Janet Olszewski'.

Janet Olszewski
Director