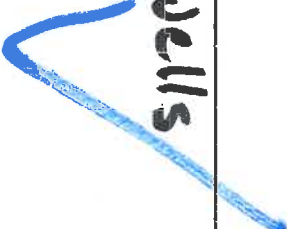


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Bowling</i>	DATE <i>1-3-07</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000431</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Kerr, Wells</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



December 20, 2006

Mr. Robert M. Kerr, Director
Department of Health and Human Services
P. O. Box 8206
Columbia, South Carolina 29202-8206

*Log. Bowlin
"Mac. Action
cc: Kerr
Willis*

RECEIVED

DEC 28 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

RE: Model Contract for Primary Care Case Management Entity, known as Medical Homes
Network for 2007

Dear Mr. Kerr:

We have reviewed the proposed 2007 Model Contract for the Primary Care Case Management Entity known as Medical Homes Network. We found that the model contract meets the requirements contained in 42 CFR 438 effective August 13, 2003. Based on our review of the submitted documents and information provided by your staff, we approve the model contract for use in 2007.

If any future changes are made to the model contract, it will be necessary to submit the revised model to CMS for approval. Also if a financial review reveals inaccuracies in the submitted financial data, we reserve the right to recover the federal share of any unallowable costs resulting from the inaccuracies. In addition, if errors in the per member per month rates are later determined, you will be required to adjust your quarterly expenditure report to the Centers for Medicare & Medicaid Services.

We appreciate the effort and cooperation provided by your staff during our review of this request. Should you have any questions, please contact Elaine Elmore at 404-562-7408.

Sincerely,

for Renard L. Murray, D.M.
Associate Regional Administrator
Division of Medicaid & Children's Health