

EXHIBIT 220

MODEL AUDIT DISALLOWANCE LETTER - TITLE XIX

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

(Date)

1. Director, State Health Department
(State) State Health Department
Address
City, State, ZIP Code

2. Director, State Department of Welfare
(State) State Health Department of Welfare
Address
City, State, ZIP Code

Re: Section 1864/Section 1903(a) Audit ACN_____

This is the determination of the Centers for Medicare & Medicaid Services concerning unallowable costs identified through the HHS audit of provider survey and certification program activities of the **(State Agency)** during **(period)**. The auditors identified the following questioned or unallowable costs.

<u>Year</u>	<u>Item</u>	<u>Amount Questioned or Unallowable</u>
_____	_____	\$ _____
_____	_____	\$ _____

This determination does not necessarily cover all the above auditor-questioned or unallowable items, since on **(date)** the **(State Agency)** and the Centers for Medicare & Medicaid Services Regional Administrator reached agreement on certain of the auditor-questioned and unallowable items. This determination refers only to the audit-questioned or unallowable items on which the agencies did not reach agreements.

(Recitation of Issues, Findings, and Conclusions. Insert paragraphs explaining how each disallowed item is determined. Refer to any worksheets or more detailed calculations attached to the determination, if necessary. If a full explanation is being given in the body of the text, it may be useful to offer additional review of RO worksheets, if the SA requests. Summarize net adjustments separately for Medicare and Medicaid, by the separate fiscal years.)

You may make a complete repayment of the disallowed Federal Financial Participation amounts, **(amount -title XVIII only, to the extent actually spent by the State)** by the check made out to the Centers for Medicare & Medicaid Services, within 30 days. If you choose to have this amount offset against your current Medicaid award, notify this office promptly.

(Name - ACN Number _____)

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(Date)

This notice concerns only the title XIX grant/subcontract aspects of this subject audit and the disallowance of Federal Financial Participation. A separate determination (**is being, has been**) made concerning title XVIII certification activity costs. As this disallowance includes FFP previously paid the State for expenditures for services furnished on or after October 1, 1980, it is subject to the provision of section 961(a) of the Omnibus Reconciliation Act of 1980 (Public Law 96-499) as amended by section 2163 of the Omnibus Reconciliation Act of 1981 (Public Law 97-35). If you appeal this disallowance under section 1116(d) of the act, Public Law 96-499 provides you the option of retaining the funds disallowed by this notice pending a final administrative decision. If the final decision upholds the disallowance and you elected to retain the funds during the appeal process, the proper amount of the disallowance, plus interest computed pursuant to Public Laws 96-499 and 97-35, will be offset in a subsequent grant award. You may exercise your option to retain the disputed funds by notifying the Regional Administrator in writing no later than 30 days after the postmarked date of this letter. In the absence of your notification that you elect to retain the funds, the Secretary will recover the disputed funds pending the final decision of the Grant Appeals Board.

Under section 1116(d) of the Social Security Act, you have the right to request reconsideration of this disallowance. If reconsideration is requested, your application must be submitted to the Executive Secretary, Departmental Grant Appeals Board, U. S. Department of Health and Human Services, Washington, D.C. 20201, no later than 30 days after your receipt of this letter. Your application must include a copy of this decision, a brief statement of the amount in dispute in your appeal, and a brief statement as to why you believe this decision is incorrect. Please send one copy of your application to me and one to the Associate Regional Administrator, Division of Health Standards and Quality. Your application will be processed pursuant to the rules and regulations of the Departmental Grant Appeals Board which are currently found at 45 CFR Part 16. (See "Federal Register," Vol. 46, No. 168, published August 31, 1981.)

Sincerely,

Regional Administrator

Enclosure (if any)

cc: Regional Audit Director
Division of Accounting/OMB
Audit Liaison Staff/OEO
Office of Intergovernmental Affairs