Administrator Washington, DC 20201

DEC 22 2009

Mr. Stephen Fitton Acting Director Medical Services Administration Department of Community Health Capital Commons Center 400 South Pine, 7th Floor Lansing, Ml 48909

Dear Mr. Fitton:

We are pleased to inform you that Michigan 's section 1115 Medicaid Demonstration project, entitled "Medicaid Nonpregnant Childless Adults Waiver (Adult Benefits Waiver)" (Project No. 11-W-00245/5) has been approved, beginning January 1, 2010, through September 30, 2014, under the authority of section 1115(a) of the Social Security Act (the Act).

Section 2111(a)(3)(C) of the Act and this new demonstration will allow Michigan to continue offering coverage to non-pregnant childless adults (at or below 35 percent of the Federal poverty level) who currently are served by the Adult Benefits Waiver Demonstration Project No. 21-W-00017/5.

With respect to expenditures for dates of service that were incurred prior to the approval of this Demonstration, the State must follow routine CMS-64.21 reporting instructions as outlined in section 2115 and 2500 of the State Medicaid Manual.

Our approval of the Medicaid Non-pregnant Childless Adults Waiver (Adult Benefits Waiver) section 1115(a) demonstration project is limited to the extent of granting approval for the necessary expenditure authorities in the accompanying list, and is conditioned upon compliance with the enclosed Special Terms and Conditions (STCs). The STCs set forth in detail the nature, character, and extent of Federal involvement in the demonstration. The STCs are effective January 1, 2010, unless otherwise specified. All the requirements of the Medicaid program expressed in law, regulation, and pol icy statement , not expressly waived or identified as not applicable i n the enclosed expenditure authority list, shall apply to the demonstration.

Written notification to our office of your acceptance of this award must be received within 30 days after your receipt of this letter. Your project officer is Ms. Wanda Pigatt-Canty. She is available to answer any questions concerning this demonstration project. Ms. Pigatt-Canty's contact information is as follows:

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Center for Medicare & Medicaid Services Center for Medicaid and State Operations 7500 Security Boulevard Mailstop S2-01-16 Baltimore, MD 212144-1850

Telephone: 410-786-6177 Facsimile: 410-786-5882

Email: wanda.pigatt-canty@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Pigatt-Canty and Ms. Verlon Johnson, Associate Regional Administrator in our Chicago Regional Office. Ms. Johnson's contract information is as follows:

Centers for Medicare & Medicaid Services 233 N. Michigan Avenue, Suite 600 Chicago, IL 60601-5519

If you have questions regarding this correspondence, please contact Ms. Victoria Wachino, Acting Director, Family and Children's Health Programs Croup, Center for Medicaid and State Operations, at (410) 786-5647

We look forward to continuing to work with you and your staff.

Sincerely,

/Charlene Frizzera/

Charlene Frizzera Acting Administrator

Enclosure

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cc: Jacqueline Coleman – Michigan, Department of Community Health $Verlon\ Johnson - CMS,\ Region\ V$ $Leslie\ Campbell\ - CMS,\ Region\ V$