



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region IX

Division of Medicaid & Children's Health Operations

90 Seventh Street, Suite 5-300 (5W)

San Francisco, CA 94103-6706

Helen Sablan, Administrator
Department of Public Health
P.O. Box 500409
Saipan, MP 96950

FEB 10 2011

Dear Ms. Sablan:

I am writing to inform you that the Commonwealth of the Northern Mariana Islands' (CNMI) State Plan Amendment (SPA) 11-001, requesting an exception from the Medicaid Recovery Audit Contractor (RAC) Program, has been approved effective January 1st, 2011.

The Centers for Medicare and Medicaid Services reviewed the SPA submission, and determined that the reasons cited by CNMI, including the public nature of the health care system and the fact that Medicaid funds are received in the form of a capped annual block grant, created appropriate grounds for the exception.

As a result of this decision, CNMI will not be obligated to take part in the Medicaid RAC Program. If you have any questions, please contact Tom Schenck at (415) 744-3589, or tom.schenck@cms.hhs.gov.

Sincerely,

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Mary Rydell, CMS Pacific Area Representative