

**EXHIBIT 186**

**SAMPLE MEMORANDUM DISALLOWING CLAIMS  
FOR FEDERAL PAYMENTS  
(USED IN LOOK-BEHIND DISAPPROVALS)**

FROM: Associate Regional Administrator  
(or its equivalent)  
Region

SUBJECT: Recommendations to Disallow Claims for Federal Payments (Name of  
Facility)

TO: Associate Regional Administrator  
(or its equivalent)  
Division of Financial Operations  
Region

As you are aware, title XIX regulations (42 CFR 442.30) provide for Centers for Medicare & Medicaid Services (CMS) to examine the validity of title XIX provider agreements issued to SNFs and ICFs by the State Medicaid agency. Further, these regulations provide that where CMS finds that such agreements are not valid for purposes of Federal financial participation due to improper actions by the State agencies, claims for Federal payment may be denied.

This Division, in the course of monitoring the title XIX SNF/ICF survey and certification process, has determined that the (**name of institution**) nursing home, a swing-bed/skilled nursing/intermediate care facility, received title XIX funds during the period from October 1, 1984, through February 13, 1988, despite the absence of a valid provider agreement.

You will note that we asked the State Medicaid agency in a letter dated June 15, 1986, to provide us with any evidence which would have indicated that there was a valid provider agreement. We have received no response to this letter.

Accordingly, we are proceeding to disallow all claims for Federal payments made by the Department of Health and Human Services for expenses on behalf of the (**name of institution**) for the period October 1, 1984, through February 13, 1988.

We have attached copies of the most pertinent data. Our entire file is available for your review if you require further documentation.

Attachments