

EXHIBIT 59

(Rev.)

EXAMPLE OF DEFERRAL LETTER

(NOTE: This letter is to be sent prior to the disallowance letter with regard to amounts deferred.)

(Date)

Facility or Provider Name
Address
City, State, ZIP Code

Dear _____:

We have reviewed your Quarterly Statement of Expenditures, Form CMS-435, for title XIX survey and certification activities for the quarter ending _____. Our review disclosed that consultant claims on section I of the Statement of Expenditures were claimed by the State at 75 percent Federal financial participation (FFP).

In accordance with section 1903(a)(2) of the Social Security Act and 42 CFR 432.50, Code of Federal Regulations, 75 percent FFP is available in expenditures for salaries or other compensation, fringe benefits, travel, per diem, and training for personnel of the State agency responsible for inspection of providers which participate in the Medicaid program.

No evidence was found during our review to indicate that the services provided by consultants are allowable at 75 percent FFP. Therefore, I am deferring your claim for FFP by \$_____ in accordance with the requirement of 45 CFR 201.15.

Please make available for review, within 60 days from the date of this letter, documentation that shows the type of work performed by consultants. If you find that you require additional time to make the requested documentation available for review, you may request in writing (in accordance with 45 CFR 201.15) an extension of up to an additional 60 days. If documentation reflects that services provided were directly related to the inspection of facilities, the deferred amount of \$_____ will be reinstated on your next grant award.

(Name)

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(Date)

Inquiries regarding this matter may be directed to my office, or you may contact me at **(phone number)**.

Sincerely,

Regional Administrator

Enclosures: (if any)

cc: Central Office