



Administrator
Washington, DC 20201

APR 06 2012

Mr. Michael Hales
Deputy Director, Utah Department of Health
Division of Medicaid and Health Financing
P.O. Box 143106
Salt Lake City, UT 84114-3106

Dear Mr. Hales:

The letter responds to the proposed amendment submitted on December 30, 2011, to the Primary Care Network (PCN) section 1115 Demonstration (11-W-00145/8) to operate a Community Service Medicaid Pilot Program. The proposed amendment would require up to 100 new enrollees in the PCN program with household incomes between 134 and 150 percent of the Federal Poverty Level to complete a monthly community service requirement as a condition for continued enrollment in the PCN program.

The Centers for Medicare & Medicaid Services (CMS) is unable to approve the request because the State has not established that the proposed community service requirement would serve any Medicaid purpose or objective. Section 1115 authorizes the Secretary to approve experimental, pilot, or demonstration projects only to the extent that she determines that the projects are "likely to assist in promoting the objectives" of the Medicaid program. The foundation of the Medicaid program is the provision of health care coverage and services to low-income individuals and families. The State's community service proposal would impose an obligation on beneficiaries for access to health care coverage and services that is unrelated to the provision of health care coverage and services. Therefore, we have concluded that the proposed obligations are not likely to assist in promoting the objectives of title XIX of the Act.

Although we are not able to approve this proposal, we look forward to working with the State on other approaches that ensure the availability of affordable coverage for low-income individuals and families.

Sincerely,

Marilyn Tavenner
Acting Administrator

**cc: Cindy Mann, Director, CMCS
Victoria Wachino, CMCS
Richard Allen, ARA, Region VIII
Nicole Kaufman, CMCS**