



GOVERNOR GRAY DAVIS

October 20, 1999

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

To: Mickey Ibarra
Ray Martinez
Andy Hyman - HHS
Chris Jennings
Deborah Adler
Jackie Lain
From: Todd Blyskal

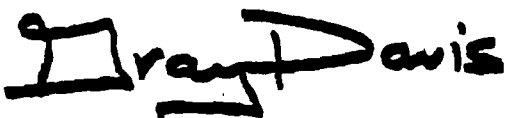
Dear President Clinton:

I appreciated your taking the time to discuss with me the Family PACT Program. Thank you for agreeing to speak to Health and Human Services Secretary Donna Shalala to help us reach closure on California's request for approval of a demonstration project for family planning services. As I mentioned, we are seeking a Medicaid 1115 waiver to facilitate the goal of reducing teen and unplanned pregnancies, a goal that is shared by both of us.

Although we have not yet received final terms and conditions from the Health Care Financing Administration (HCFA), most points have been resolved except for the important issue of the waiver's effective date. We have asked that the effective date be retroactive to July 1, 1999. This date has considerable impact on California's state budget and failure to adopt it could potentially cost California tens of millions of dollars. We began these discussions in February when I went to Washington, D.C., and met with Secretary Shalala. I was pleased to hear of the support for this important waiver proposal, which included an effective date of July 1, 1999. The waiver proposal was also discussed at length with several federal officials, including HCFA management staff. There was no indication in those discussions that a July 1, 1999, effective date would be a problem and we believed a waiver would be forthcoming before the beginning of California's fiscal year of July 1. Many months have now passed with no final action. We would greatly appreciate favorable action by HCFA on our request to grant retroactive funding - which we understand has been done on at least two other occasions.

Thank you in advance for contacting Secretary Shalala about this matter. I look forward to hearing from you in the very near future.

Sincerely,



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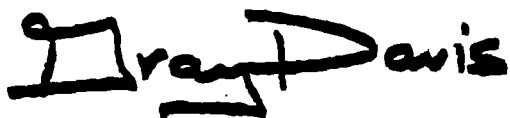
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