



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Consumer Information and
Insurance Oversight

200 Independence Avenue SW
Washington, DC 20201

AUG 16 2010

Lucinda A. Ehnes
Director
Department of Managed Care
980 9th Street, Suite 500
Sacramento, CA 95814

Dear Director Ehnes:

The Office of Consumer Information and Insurance Oversight (OCIO) is pleased to inform you that you have been awarded a grant under the funding opportunity announcement entitled Grants to States for Health Insurance Premium Review Grants-Cycle 1. Your grant application is approved jointly with the California Department of Insurance (CDI). As specified, The Department of Managed Care (DMHC) is designated as the lead agency. Congratulations on your successful application. The Notice of Grant Award is included in the attachments to this Award Letter.

Pursuant to the HHS Grants Policy Statement there are terms and conditions associated with the receipt of this grant, and these are also attached to this Award Letter. These include the Standard and Special Terms and Conditions (STCs). Also attached are the templates for quarterly programmatic reporting and the required data collection and instructions on how to obtain disbursement of grant funds.

OCIO requests affirmation that the Maintenance of Effort requirement as outlined on page 7 of the Funding Opportunity Announcement is in place. Please confirm that grant funds will not be used to fund costs relating to existing state activities, including salaries of employees performing these activities.

Please carefully review all the standard and special terms and conditions of the grant award and provide OCIO with a written letter of acceptance of these terms and conditions by September 13, 2010. The letter of acceptance may be submitted electronically to Jacqueline Roche at Jacqueline.Roche@hhs.gov and Gladys Bohler at Gladys.Bohler@hhs.gov.

We at OCIO thank you for your commitment to this program and we look forward to continued collaboration with California as you embark upon an ambitious program to enhance the premium review process in your state and take important strides to help protect consumers from unjustified and/or excessive premium increases.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Angoff".

Jay Angoff
Director

Enclosures

Cc: Steve Poizner, Commissioner, California Department of Insurance