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Subject: Hidalgo UPL

As you know, HHSC has been in negotiations with CMS regarding the transition of the existing UPL programs to its proposed Waiver. HHSC has received approval from CMS to make both the fourth quarter 2011 UPL payment and the first quarter waiver payment. To that end, HHSC is requesting feedback from each of the governmental entities with regard to their intended IGT amount for the fourth quarter UPL payment by noon on **Monday, November 21, 2011**. Because it is likely that the fourth quarter UPL payments will be constrained by the aggregate cap, HHSC will use the projected IGT amounts to calculate the proportional reduction necessary to accommodate the aggregate cap limitation.

HHSC will calculate the maximum IGT amount and provide that information later next week. IGTs will occur on **Tuesday, November 29th**, with a settlement date of Wednesday, November 30th. Is the County planning to contribute \$2,062,500 per quarter for 2012? Please let us know when would be a good time to discuss the upcoming IGT. We will inform HHSC of the amount Hidalgo County is willing to contribute and will then inform you of the final amount the County is able to contribute after the reduction.

We appreciate your assistance in promptly responding to HHSC.

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