

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C3-14-00
Baltimore, Maryland 21244-1850



February 13, 2006

Refer to: FAHB2

Mr. Solomon Melamed
Progressive Provider Services, LLC.
10395 W. Colfax Avenue, Suite 210
Lakewood, Colorado 80215

Dear Mr. Melamed:

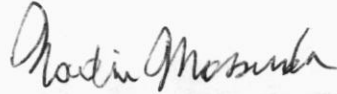
We have reviewed and approved your computer prepared worksheets (submitted in lieu of Centers for Medicare and Medicaid Services (CMS) cost reporting forms (Form CMS 287-05)) for a Chain Home Office Cost Statement. The trade name of your system is known by this office as **MED-CALC**. This approval is for submission cost reports for the cost reporting period which includes any part of a provider's cost reporting under prospective payment of capital for the cost reporting periods ending on or after **September 30, 2005**.

Notification will be sent to all fiscal intermediaries as needed. It will no longer be necessary for the provider to attach a copy of the approval letter with their cost report submission.

Our approval does not apply to any alternatives to the bases or sequence of allocation recommended for cost finding in the official CMS forms. Any variations in the bases or sequence of allocation for Medicare reimbursement purposes must be reviewed and approved by the affected provider's Medicare fiscal intermediary prior to the beginning of the first cost reporting period to which such variation is to apply. The procedures that providers must follow to obtain intermediary approval are contained in the Provider Reimbursement Manual, Part I (CMS Pub. 15-I), section 2313.

Our approval of these computer prepared cost reports is subject to all of the terms and conditions contained in the Provider Reimbursement Manual, Part II (CMS Pub. 15-II), section 108.

Sincerely,



Nadia Massuda
Technical Advisor
Division of Cost Reporting
Chronic Care Policy Group
Center for Medicare Management

cc:
Eric Swanson
Richard Reeves