

April 28, 2008

Bill Woodruff Senior Vice President ACS Government Solutions 300 Capital Mall, Suite 1550 Sacramento, CA 95814

Dear Mr. Woodruff:

The purpose of this letter is to respond to your letter dated April 10, 2008, regarding my draft Strategic Plan.

In your letter you observed that a central claims payment system has numerous advantages. We concur that properly coordinated, such a system is best from both a processing and an information gathering point of view. A pilot project is already underway to centralize and automate the processing of invoices from medical providers. Six institutions have already been converted and a plan is in place to continue the statewide roll-out.

If you have any questions, please contact Richard Kirkland, Director, Plata Support Division at (916) 327-1427.

Sincerely,

J. Clark Kelso Receiver