

**INTERIOR BOARD OF CONTRACT APPEALS**

YUKON-KUSKOKWIM HEALTH )  
CORPORATION, INC. )

Appellant, )

vs. )

IBCA 4785-4791/2006 )

MICHAEL O. LEAVITT, SECRETARY, )  
U.S. DEPARTMENT OF HEALTH AND )  
HUMAN SERVICES, *et al.* )

Appellees. )

**JOINT PROGRESS REPORT ON SETTLEMENT NEGOTIATIONS**

The parties, by and through undersigned counsel, hereby submit this Joint Progress Report on settlement Negotiations.

1. On October 18, 2006, Administrative Judge Parrette issued an Order Urging Settlement Negotiations. In the foregoing Order, the late Judge Parrette urged the parties "to undertake prompt ADR negotiations in an attempt to resolve these matters without an evidentiary hearing." Judge Parrette's Order further directed the parties "to file a joint written progress report with the Board by December 15, 2006."

2. Since the Board's October 18, 2006, Order, the parties have twice met by teleconference. Each teleconference has consumed approximately two hours. The parties have also exchanged written informal discovery requests. The parties' teleconference discussions have been devoted largely to discussing their respective discovery requests, to learning what documents are reasonably obtainable in the near term, and to exploring other issues related to

document production. The parties have embraced a shared goal of requesting the minimal number of documents the parties in good faith believe are necessary to engage in meaningful settlement negotiations. During the month of December 2006, the parties expect to produce to one another the documents they have agreed to produce in these informal discussions. The production is to occur on a rolling basis and will likely extend into the new year (2007).

3. The parties have also addressed the possibility of engaging a mediator to facilitate non-binding ADR negotiations. Appellee currently has under consideration appellant's proposal in this respect.

4. The parties have discussed the possibility of convening a meeting of their respective representatives most familiar with the contract funding issues raised in this case, so that such individuals might seek to achieve an informal reconciliation of the underlying financial data, thereby permitting the parties to focus their possible ADR negotiations on the various legal issues raised in this appeal. Appellee has Appellant's proposal in this respect under review.

5. The parties have a modest disagreement on how best to proceed with the next phase of the ADR process. Appellant proposes that the parties confer by teleconference with the Board in January 2007 to further discuss their progress and to seek the Board's guidance, and that the parties also report jointly to the Board in writing on a monthly basis. Appellee has no objection to convening a teleconference with the Board at its convenience in January 2007. Thereafter, however, Appellee prefers that the parties continue their informal discussions, and potential structured ADR, and that a second joint progress report be filed with the Board by March 15, 2007. Should informal discussions or structured, non-binding ADR reach an impasse prior to March 15, the Appellee recommends that the parties promptly report that result to the Board.

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Therefore, the parties respectfully request that the Board next convene a telephonic status conference at a convenient time in January 2007.

Respectfully submitted this 15th day of December 2006.

SONOSKY, CHAMBERS, SACHSE,  
MILLER & MUNSON, LLP

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U.S. DEPARTMENT OF HEALTH & HUMAN  
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BY FACSIMILE AND FIRST CLASS MAIL

December 14, 2006

Chief Administrative Judge Candida Staempfli Steel  
Interior Board of Contract Appeals  
801 N. Quincy Street, Suite 300  
Arlington, VA 22203  
FAX: 703.235.1281Re: IBCA 4785-4791/2006, Yukon-Kuskokwin Health Corporation, Inc. v.  
U.S. Department of Health and Human Services

Dear Judge Steel:

Please find enclosed an original and one copy of the parties' Joint Progress Report on Settlement Negotiations. We also enclose a copy of the said report and this letter on the enclosed floppy disk.

Should you have any questions, please contact me at 410.786.5770.

Sincerely,

A handwritten signature in black ink that reads "Jamie B. Insley". The signature is fluid and cursive, with a large initial "J" and "I".  
Jamie B. Insley

Enclosures

cc: Lloyd Benton Miller, Esq. (w/o floppy disk)  
Melanie Baca Osborne, Esq. (w/o floppy disk)  
BY FAX: 907.272.8332

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Facsimile Transmission Sheet

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TO: Lloyd Benton Miller, Esq. Melanie Baca Osborne, Esq.	FROM	Jamie Insley Procurement, Information and Fiscal Law Branch
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Total Pages

Fax Number: 907-272-8332

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Date: December 14, 2006

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