DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Roberts	8-30-12

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 10-064	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR cc: Mr. Keck, Singleton, Waldrep See attached e-mail.	[X] Prepare reply for appropriate signature DATE DUE 9-10-12
	[ ] FOIA DATE DUE _____
	[ ] Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

OFFICE OF THE INSPECTOR GENERAL

TO: MR. TED PITTS, DEPUTY CHIEF OF STAFF, OFFICE OF GOVERNOR NIKKI R. HALEY,
MR. ANTHONY KECK, DIRECTOR, SC DEPARTMENT OF HEALTH AND HUMAN SERVICES

FROM: INSPECTOR GENERAL PATRICK J. MALEY

SUBJECT: INVESTIGATION OF ALLEGED WASTE AND MISMANAGMENT WITHIN THE HEALTH AND HUMAN SERVCIES HOME AND COMMUNITY BASED WAIVER PROGRAMS

DATE: AUGUST 22, 2012

NOTE:

You are being provided a copy of the Final Report, #2012-104 regarding the recent investigation relative to allegations/complaints filed with Office of Inspector General. It is hoped you find this report a true and accurate presentation of the facts and findings associated with this investigation. In addition, any recommendations made by the OIG regarding this matter are set forth in the Report for the express purpose of assisting your agency in enhancing the effectiveness, efficiency, and/or accountability as you continue to serve the citizens of the State.

The OIG recognizes and appreciates the proactive efforts taken by the SC Department of Health and Human Services to reduce Medicaid waste and abuse in the Durable Medical Equipment program.

Should you choose to provide a formal response to this Report, please provide such comments in writing to the OIG within fifteen (15) calendar days from the date of this correspondence. Your response will be made a part of the Final Report of the OIG and will be disseminated along with any request for the identified Report.

It has been a pleasure working with you and your designated staff while fulfilling the mission of the OIG. The OIG appreciates the cooperation we received from you and your staff during this investigation.

Thank you.

Office of the Inspector General
110 Centerview Drive, Kingstree Building, Suite 201
Columbia, South Carolina 29210
Office: (803) 896-4729 Fax: (803) 896-4309

Office of the Inspector General

Patrick J. Maley

Investigation of Alleged Waste and Mismanagement within the Health and Human Services Home and Community Based Waiver Programs

Report prepared by:

Roger Myers, Investigator

Prepared for:
Governor Nikki R. Haley

Mr. Anthony Keck, Director
Department of Health and Human Services

August 21, 2012

Case 2012-104 RM

Background

On February 2, 2012, this office received a complaint from the owner of Health Related Products, Inc. located in Greenwood, South Carolina. The complainant made several allegations relating to South Carolina Department of Health and Human Services' (DHHS) single source procurement proposal for the Home and Community Based Waiver (HCBW) products. The complainant also had some concerns about the significant rate reduction in the provider fee schedule for Medicaid incontinence supplies. The procurement proposal was directly related to the incontinence supplies provided to recipients of HCBW and Community Long Term Care (CLTC) Programs.

The HCBW and the CLTC Programs are for persons that are eligible for nursing home care but who prefer to receive their services in the community. Medicaid pays for special services for those individuals who meet the eligibility requirements allowing them to participate in the Home and Community Based Waiver Programs. The HCBW approved recipients to remain in their home rather than going to an institution. Through a process of case management and individualized service packages, waiver clients are able to receive the necessary Medicaid services and remain in their home. The Medicaid Program realizes substantial savings in the HCBW Programs for individuals who chose to remain at home as compared to those clients receiving institutional care at a higher cost.

The HCBW and the CLTC are statewide programs. Currently, CLTC administers Community Choices Waiver, HIV/AIDS Waiver, Ventilator Dependent Waiver and Medically Complex Children as well as four other waivers that are operated by the Department of Disabilities and Special Needs (DDSN). DDSN clients may receive community based waiver services upon approval to participate in the Community Supports Waiver, Head and Spinal Cord Injury Waiver, Intellectual Disability and Related Disabilities Waiver or Pervasive Development Disorder Program.

Allegations/Complaints

There were six (6) allegations made in this complaint related to the DHHS Home and Community Based Waiver Program and procurement proposal. The specific allegations and complaints are as follows:

1. The complainant alleges that the Durable Medical Equipment (DME) Program sustained huge budget cuts because DME providers were targeted by DHHS. Other Medicaid Programs were cut an average of 5-6% and that the 35% cut to the Durable Medical Equipment Program was unfair.

2. The complainant alleges that DHHS was required to obtain approval from the Center for Medicare and Medicaid Services (CMS) before varying from its approved procedures as outlined in section 1915 (c) of the Social Security Act; and that DHHS did not receive the necessary approval to change its approved HCBW Programs.

3. DHHS and the Budget & Control Board (B&CB) may have violated State Ethics Code in that the invitation for bid (IFB) for the procurement of Medicaid incontinence supplies contained unusual and prohibitive guidelines.

4. The complainant alleges that DHHS agreed to conduct a sustainability project and work with DME providers to find ways to save money and identify problems in the DME Programs. The complainant stated that this project was never done.

5. The Medical Equipment Supply Association (MESA) received a mandate from DHHS requiring MESA members to provide in writing their acceptance of the 35% cut to the incontinence supplies; and that DHHS does not have the authority to mandate the acceptance of a 35% cut in writing.

6. Proviso 89.87, as amended required DHHS to submit a report to the Senate Finance Committee and House Ways and Means Committee reconciling actual savings by source within six months after receiving CMS' approval to adjust DME provider rates. The complainant stated that this report was never done.

Facts Determined

The OIG contacted the South Carolina Department of Health and Human Services' (DHHS) officials at their main office located in Columbia, South Carolina. The allegations as stated in the complaint were discussed with DHHS management staff. During this briefing, the OIG discussed a plan of action to adequately address each of the allegations made in the complaint.

This investigator conducted numerous interviews, reviewed official files, documents, applicable state rules and regulations relevant to each of the allegations. The OIG also reviewed policies and procedures governing the procurement process as well as State and Federal Code of Laws governing the South Carolina State Approved Medicaid Plan.

South Carolina's Medicaid State Plan is a large, comprehensive procedural manual that defines the scope and nature of the Medicaid Program. The plan outlines Medicaid eligibility standards, polices and reimbursement methods.

The Medicaid Program is a state program that receives matching federal funds. The Durable Medical Equipment (DME) Community Based Waiver and the Community Long Term Care statewide programs were the focus of this investigation.

As a result of an anticipated budget shortfall for fiscal year 2011- 2012, DHHS increased efforts to manage Medicaid cost more effectively in all programs. DHHS actively engaged in communication with Medicaid providers in multiple

program areas. The Agency conducted open forums and meetings with DME provider groups to discuss the need to reduce Medicaid expenditures, as well as the need to continue providing quality care for Medicaid recipients.

In an effort to reduce costs, DHHS examined research data in multiple programs. The Agency had information which indicated that South Carolina was paying a higher than average rate for DME incontinence products. In reviewing their billing process for incontinence supplies, DHHS also found that incontinence supply providers were using improper billing codes when submitting requests for Medicaid payment. DME providers were using miscellaneous codes which are often less descriptive of the products or supplies being provided by the vendors. DHHS researched ways to reduce DME costs, refine their billing processes and maintain the product quality.

DHHS found that other states elected to procure DME products utilizing a single source provider to reduce Medicaid waste and abuse. The states that procure DME products under state contacts were successful in saving a substantial amount of funds by reducing their incontinence supplies rates and monitoring their billing process.

In August of 2010, DHHS issued a public notice to DME providers advising them of the Agency's intent to make certain changes to the Medicaid HCBW Programs and their intent to procure incontinence supplies utilizing the bid process. Medicaid providers participating in the HCBW and the CLTC Programs were encouraged to contact the South Carolina Budget & Control Board Division of Materials Management and participate in the procurement process.

Health and Human Services' decision to acquire incontinence supplies through the bid process was based on the need to provide uniformity in the quality of products provided in the multiple HCBW Programs; and to provide consistency in the DME billing process. Procuring incontinence supplies through a single vendor would also reduce the risk of Medicaid fraud and abuse in the DME Programs.

The OIG reviewed federal and state research data relating to procurement of DME products through the competitive bid process. The OIG found that most of the research suggests that the competitive bid process has been shown to reduce the cost of DME supplies and waste in the DME Program areas. States that have either negotiated or procured DME products through the bidding process have been successful in saving a substantial amount of Medicaid funds and attained more consistency in product quality. Furthermore the OIG found that the Agency's current rate schedule appears to be appropriately aligned with other states that either negotiated or procured DME products through the bid process.

In the year 2010 State law prohibited DHHS from reducing provider rates or transferring funds from certain program areas as outlined in the proviso 89.87 as amended for the year 2010-2011. Proviso 89.87 as amended for the year 2010-2011 is provided as "Exhibit A" and made a part of this report. As a result of the budget shortfall and the inability to reduce provider reimbursement rates, it became necessary to implement an across the board cut in Medicaid Program areas. DHHS also increased efforts to manage costs more effectively and adhere to their budget as funded.

After a legislative review of proviso 89.87 the South Carolina Senate introduced and passed Senate Bill S434, Act Number 77 amending proviso 89.87. Senate Bill S434, Act Number 77 suspended the portion of proviso 89.87 prohibiting the Department of Health and Human Services from reducing provider rates and provided that all proposed changes in provider rates must include estimates of the projected dollar cost savings by source of funds and the number of providers and clients impacted. Furthermore the amendment required DHHS to submit certain reports reconciling actual savings in the comparison to the estimates. Senate S434, Act Number 77 amending proviso 89.87 is provided as "Exhibit B" and made a part of this report. The amendment was ratified and approved on April 6, 2011.

For the State fiscal year 2011-2012, DHHS made changes in the DME incontinence fee schedule, as well as across the board cuts in multiple Medicaid Program areas. The rate reduction for DME incontinence supplies was only one of the many changes made within DHHS to allow the Agency to manage costs and operate within the authorized appropriations for the fiscal year 2012.

Investigative Findings – Allegations

1. Complainant alleges that the Durable Medical Equipment (DME) Program sustained huge budget cuts because DME providers were targeted by DHHS. Other Medicaid Programs were cut an average of 5-6% and that the 35% cut to the DME Program was unfair.

   DHHS evaluated their Medicaid Programs to identify ways to reduce spending and eliminate waste. The Agency implemented an across the board cut in most Medicaid Program areas. In evaluating their DME Program, the Agency found information that showed the South Carolina rate schedule for DME incontinence supplies was higher than other states' fee schedules. The Agency focused on addressing problems identified in the DME Programs such as the inconsistency in product quality, provider use of incorrect billing codes and the improper use of miscellaneous codes. DHHS found that states that adjusted their DME fees and focused on eliminating waste realized substantial savings in the DME Program area.

   It is the opinion of the OIG that the changes made in their Medicaid HCBW Programs were not the result of or part of the across the board cuts sustained by other program areas. The reduction in DME fees for incontinence supplies was the result of management's efforts to effectively manage the DME services and eliminate waste in the HCBW Program. DHHS' current fee schedule appears to be consistent with other states which have negotiated incontinence products rate

reductions and states that procure incontinence products utilizing state contracts.

The OIG was unable to substantiate the allegation that there were significant cuts in the DME Programs as compared to other Medicaid services. The OIG identified no evidence that suggests DHHS targeted DME providers unfairly during the budget cuts or reduction in provider fees.

2. Complainant alleges that DHHS was required to obtain approval from the Center for Medicare and Medicaid Services (CMS) before varying from its approved procedures as outlined in section 1915 (c) of the Social Security Act; and that DHHS did not receive necessary approval to amend the approved HCBW Program.

The South Carolina Medicaid Plan outlines the state's Medicaid eligibility standards, policies and reimbursement methods. Section 1915 (c) of the Social Security Act outlines the manner in which the State of South Carolina's DME Programs and Medicaid providers are to be managed by the state. In accordance with Federal Regulation Section 42 CFR 431.151 a participant may select any willing and qualified provider to furnish waiver services included in the service plan unless the state has received approval to limit the number of providers under the provision of 1915 (c) or another provision of the act.

The CMS does allow states to amend their approved Medicaid HCBW Waiver Plans and allows states more flexibility when amending their State Medicaid Plans to address Medicaid products rate changes. On November 15, 2010, DHHS received approval from the CMS to amend the HCBW Waiver Program. The amendment to the South Carolina State Medicaid Plan became effective October 1, 2010. The CMS' letters of approval are provided as "Exhibit C" and made a part of this report. The approval authorized DHHS to utilize a competitive bid process to procure incontinence supplies. The OIG found that DHHS worked with

the CMS on a continuous basis while implementing proposed changes in the South Carolina State Medicaid Plan. The OIG found no evidence to substantiate the allegation that DHHS violated Act 1915 (c) of the Social Security Act or procedures as set forth by the CMS' Medicaid policy.

3. DHHS and the Budget & Control Board (B&CB) may have violated the State Ethics Code in that the invitation for bid (IFB) for the procurement of Medicaid incontinence supplies contained unusual and prohibitive guidelines.

After the announcement of the intent to award the contract to the winning bidder, the B&CB received a notice of formal protest from two unselected vendors. The protests alleged that the winning vendor did not meet the qualifications set forth in the IFB; and that the DHHS failed to obtain the CMS' approval before varying from the State approved Medicaid plan as required by Section 1915 (c) HCBW Waiver Program under the Social Security Act. After receiving the formal protests, the Division of Materials Management suspended the awarding of the state contract. DHHS withdrew the IFB and elected to pursue DME rates changes through the process of negotiating with DME providers to voluntarily reduce incontinence supply fees.

The OIG reviewed the State's IFB for procuring DME incontinence supplies and other procurement documents provided by the B&CB Division of Materials Management. The OIG found that the IFB did contain restrictive guidelines to monitor quality and consistency in products being quoted; as well as guidelines to ensure bidders an equal opportunity to bid similar products. The OIG found no evidence to substantiate the allegation that the IFB contained any unusual or prohibitive bidding guidelines. The suspension and withdrawal of the IFB were in accordance with the Division of Materials Management's policy and procedural guidelines. The OIG found no evidence that the DHHS or the B&CB violated State Ethics Codes during the bid process, the suspension of the award or DHHS' formal withdrawal of the IFB.

4. The complainant alleges that DHHS agreed to conduct a sustainability project and work with DME providers to find ways to save money and identify problems in the DME Programs. The complainant stated that this project was never done.

DHHS identified concerns within the DME incontinence supply billing process that showed the potential for waste and abuse of Medicaid funds. The DME billing process needed to be refined. DHHS found that DME providers were billing using incorrect codes and appeared to use miscellaneous codes excessively when requesting Medicaid payment. Miscellaneous codes are generally less descriptive of the product being provided. Therefore, a provider could potentially provide a lesser quality product and submit a request for Medicaid payment for a different product at higher rates.

The OIG found that the changes made in the DME Program areas directly targeted the problems identified by DHHS. It is the opinion of the OIG that DHHS actively engaged in communication and worked with a significant number of DME provider groups in their efforts to reduce costs and provide more consistency in DME Programs. The OIG did not identify any evidence to substantiate this allegation.

5. The Medical Equipment Supply Association (MESA) received a mandate from DHHS requiring MESA members to provide in writing their acceptance of the 35% cut to the incontinence supplies; and that DHHS does not have the authority to mandate the acceptance of a 35% cut in writing.

The attempt to procure incontinence products under competitive bid allowed DHHS to realize the lack of consistency in products being provided and amount of variance in vendor pricing. DHHS officials did meet with the MESA to discuss the possibility of the group voluntarily agreeing to a rate reduction in Medicaid fees paid to incontinence

supply providers. The group of individuals present agreed to lower their rate and adhere to guidelines addressing product quality.

Based on the OIG research of DME products, several states have negotiated rate reductions in incontinence supply rates. DHHS worked with a number of DME provider groups while implementing the changes in the DME Programs. The OIG found no evidence that DHHS violated policy or procedures by negotiating a reduction in the DME provider fees or requiring a written agreement of the rates reductions as negotiated.

6. Proviso 89.87, as amended required DHHS to submit a report to the Senate Finance Committee and House Ways and Means Committee reconciling actual saving by source within six months after receiving the CMS' approval to adjust DME provider rates. The complainant stated that this report was never done.

Senate Bill S434, Act Number 77 in amending a portion of proviso 89.87, which prohibited the Department of Health and Human Services from reducing provider rates was ratified on April 6, 2011. The amendment also required that DHHS submit any proposed rate changes to the Senate Finance Committee and House Ways and Means Committee; and to provide a report reflecting actual savings by source of funds as compared to estimated figures.

On July 14, 2011 DHHS submitted proposed rate change Amendment SC11-011 to the Regional Office of the CMS. The CMS officially approved the Medicaid State Plan Amendment SC 11-011 on February 10, 2012, with the effective date being July 11, 2011. The CMS letter of approval for DHHS Amendment SC 11-011 is provided as "Exhibit D" and is made a part of this report. The OIG found that DHHS has consistently worked with CMS during the approval process for the proposed amendment to the State Medicaid Plan as well as the implementation of the proposed DME rate changes.

DHHS received the CMS' official notification of the approval of amendments to the State Medicaid Plan on February 10, 2012; therefore the Agency remains within the six months time frame established by Proviso 89.87. The OIG found no evidence that DDHS failed to comply with proviso 89.87, as amended by Senate S434, Act Number 77.

Conclusion

DHHS publicized the proposed changes to the State Medicaid Plan and engaged in communication with DME providers during the evaluation and implementation of proposed changes to the DME Programs. The Agency's focus was directed toward cost savings and reducing waste. Data gathered by the Agency identified concerns about the quality of products being provided and the higher than average DME rates being paid in the HCBW Program areas. An evaluation of the bid responses and product pricing validated DHHS' research data, which suggested that the HCBW Programs lacked consistency in product quality as well as the need to reduce incontinence product fees.

Although, DDHS elected not to pursue the competitive bid process for procuring incontinence supplies, the Agency was able to negotiate with DME providers to achieve a reduction in incontinence supply fees which appears to be in line with other states that secure DME products under procurement contracts or states that have negotiated fee schedules. The OIG found that the Regional Office of the CMS has worked closely with and assisted DHHS in both the implementation of the proposed rate changes and approval process.

Recommendations

1. The OIG recommends that DHHS continue to monitor and evaluate the number of providers that are participating in the DME Programs to ensure that Medicaid recipients receive quality products and service. DHHS should also continue to evaluate the changes made in the HCBW Program areas to identify any adverse effects on the DME provider group and the effect on product quality.

2 The OIG recommends that DHHS prepare all reports required by the amendment to proviso 89.87. The necessary reports reconciling actual savings by source of funds, actual providers and clients impacted in comparison to the estimates should be submitted to the Senate Finance Committee and House Ways and Means Committee within the six months time frame specified in Senate S434, Act Number 77.

3. The OIG recommends that DHHS continue to monitor DME incontinence supply fees and evaluate whether it would be more advantageous to adopt the competitive bid process for procuring DME incontinence products.

OFFICE OF THE INSPECTOR GENERAL

CASE #2012-104 ▪ EXHIBIT A

Proviso 89.87

89.78 **AMEND** (LightRail) Authorizes and directs the three research universities, Clemson, MUSC, and USC-Columbia to plan, procure, administer, oversee, and manage all functions associated with the S.C. LightRail [HIGH SPEED INTERNET] and directs that they are exempt from the oversight and project management regulations of the B&C Board, Division of State Information Technology. Directs that S.C. LightRail is an academic network for the use of the state's 3 research universities for the exchange of information directly related to their mission and must not carry commercial or K-12 traffic originated in S.C. Directs that for FY 09-10 public or private organizations and entities may be provided access only through formal documented partnerships with one or more of the 3 research universities. Directs that a report be submitted on February 1, 2010 that identifies each entity with access to the network and any payment including without limitation in-kind payment, each organization and entity is making for network access.

WMC: AMEND proviso to update fiscal year reference from "2009-10" to "2010-11" and calendar year references from "2010" to "2011." Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC: ADOPT proviso as amended.

89.79 **DELETE** (Homeland Security Projects) Exempts any Homeland Security project, funded by FY 05-06 Unobligated General Fund Revenue appropriated to the B&C Board in Proviso 73.14, Item (90) of the FY 06-07 Appropriation Act, from Procurement Code requirements. Requires the President Pro Tempore of the Senate and Speaker of the House to authorize any expenditure of these funds.

SFC: DELETE proviso. *Project has been completed.* Requested by Budget and Control Board.

89.87 **AMEND FURTHER** (Flexibility) Authorizes agencies, in order to provide maximum flexibility to absorb general fund reductions mandated in this act as compared to the prior fiscal year general fund appropriations, to spend agency earmarked and restricted "special revenue funds" to maintain critical program previously funded with general fund appropriations. Requires prior Office of State Budget approval to increase spending authorization for these purposes and requires the increased authorization be reported to the Governor, Senate Finance and Ways and Means Committees. Authorizes the Comptroller General to implement procedures. Directs that this provision is provided notwithstanding any other provision that restricts the use of earned revenue. Allows agency transfers to exceed 20% of the program budget upon B&C Board Office of State Budget approval in consultation with the Chairmen of the Senate Finance and House Ways and Means Committees. Authorizes state institutions of higher learning whose budgets have been reduced from the FY 08-09 state funding level to be able to use other sources of available fund to support and maintain state funded programs affected by FY 09-10 state reductions and to adjust appropriations from special items or programs in an amount greater or less than the percentage of the reduction assessed to the institution's base budget. Requires institutions to submit the amount of base budget reductions associated with these programs to the Office of State Budget and the Senate Finance and House Ways and Means Committees. Directs that notwithstanding the flexibility authorized in this provision, specific agencies are prohibited from reducing or transferring funds from the following programs or areas. DHHS: Teen Pregnancy/Abstinence Programs including, but not limited to MAPPS; PACE; Federally Qualified Health Centers; and Provider Rates and prohibits the department from decreasing provider reimbursement rates from their current levels. Directs that this provision is not intended to restrict the annual updating of cost based rates and those rates indexed to methodologies described in the Medicaid State Plan. Lt.

Governor's Office: Home & Community Based Services (Meals on Wheels). Dept of Commerce: Regional Economic Development Organizations as defined by proviso 40.15. DNR: Law Enforcement Program/Enforcement Operations as contained in Program II.F.1. PRT: Program II.A. Special Item: Regional Promotions; Program II. A. Special Item: Advertising; and prohibits PRT from closing or reducing the FTE's in the State House Gift Shop and Santee Welcome Center. Authorizes DNR to reduce the specified programs or areas listed in this provision by an amount not to exceed the percentage associated with any mandated reduction.
WMC: AMEND proviso to update "2009-10" to "2010-11." Delete the term "increase" in reference to spending authorization associated with this provision. Update fiscal year references in higher ed portion from "2008-09" to "2009-10" and "2009-10" to "2010-11." Delete the PRT prohibition pertaining to "Program II.A. Special Item: Advertising" and instead prohibit Program II.C. Special Item: Palmetto Pride" funds from being reduced or transferred. Fiscal Impact: No impact on the General Fund.
HOU: ADOPT proviso as amended.
SFC: AMEND FURTHER to change "prior year" reference to "Fiscal Year 2008-09" in order to authorize agencies to spend agency earmarked and restricted accounts designated as "special revenue funds" in absorbing general fund reductions in FY 2010-11 as compared to FY 2008-09.

89.93 **DELETE** (Offset Corrections Budget Reduction) Authorizes the Governor to transfer agency earmarked and restricted accounts designated as "special revenue funds" as defined in the Comptroller General's records from DMV to the Department of Corrections to offset any FY 09-10 budget deficit that has been officially recognized by the Budget and Control Board.
WMC: AMEND proviso to change "2009-10" to "2010-11." Fiscal Impact: No impact on the General Fund.
HOU: ADOPT proviso as amended.
SFC: DELETE proviso.

89.96 **AMEND** (Solar Power Income Tax Credit Increased) Increases from 25% to 30%, the state income tax credit allowed by Section 12-6-3587 [PURCHASE AND INSTALLATION OF SOLAR ENERGY SYSTEM FOR HEATING WATER, SPACE HEATING, AIR COOLING, OR GENERATING ELECTRICITY] for purchase and installation costs of a qualifying solar energy system for taxable year ending in 2009.
WMC: AMEND proviso to change fiscal year reference from "2009" to "2010." Fiscal Impact: BEA indicates no additional impact on the General Fund income tax revenues in FY 10-11 since the proviso extends a credit that already exists and has been taken into account in the BEA forecast.
HOU: ADOPT proviso as amended.
SFC: ADOPT proviso as amended.

89.99 **AMEND** (ARRA Oversight) Directs that in order to provide transparency and accountability and to maintain the separation of duties as provided by our Constitution, the State Treasurer and the "Comptroller General" shall organize and co-chair a committee for monitoring funds associated with the ARRA of 2009 and that the committee shall collect information from state agencies and institutions regarding the funds they receive from ARRA. Directs that information collected shall include, but not be limited to, the name of the state agency or local government entity, program designation, purpose for which the funds were received and expended, and the amount of funds received and expended. Directs that the information collected also include data and documentation on jobs created resulting from receipt of the

OFFICE OF THE INSPECTOR GENERAL

CASE #2012-104 ▪ EXHIBIT B

Senate S434, Act Number 77-Amending Proviso 89.87

S*434

Session 119 (2011-2012)

S*0434 (Rat #0015, Act #0077 of 2011) **Joint Resolution, By Peeler, Bryant, Bright and Campsen**

A JOINT RESOLUTION TO SUSPEND PROVISOS 21.11, 21.15, AND 21.20 OF PART IB, ACT 291 OF 2010, THE FISCAL YEAR 2010-2011 GENERAL APPROPRIATIONS BILL AND TO SUSPEND A PORTION OF PROVISO 89.87 OF PART IB, ACT 291 OF 2010, PROHIBITING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FROM REDUCING PROVIDER RATES, TO PROVIDE THAT ALL PROPOSED CHANGES IN PROVIDER RATES MUST INCLUDE ESTIMATES OF THE PROJECTED DOLLAR COST SAVINGS BY SOURCE OF FUNDS AND THE NUMBER OF PROVIDERS AND CLIENTS IMPACTED, AND TO REQUIRE CERTAIN REPORTS RECONCILING ACTUAL SAVINGS IN COMPARISON TO THE ESTIMATES. - ratified title

01/26/11	Senate	Introduced and read first time (Senate Journal-page 8)
01/26/11	Senate	Referred to Committee on Finance (Senate Journal-page 8)
02/09/11	Senate	Committee report: Majority favorable with amend., minority unfavorable Finance
02/22/11	Senate	Special order, set for February 22, 2011 (Senate Journal-page 22)
02/24/11	Senate	Committee Amendment Adopted (Senate Journal-page 15)
02/24/11	Senate	Read second time (Senate Journal-page 15)
02/24/11	Senate	Roll call Ayes-24 Nays-11 (Senate Journal-page 15)
03/01/11	Senate	Read third time and sent to House (Senate Journal-page 14)
03/01/11	Senate	Roll call Ayes-24 Nays-8 (Senate Journal-page 14)
03/02/11	House	Introduced and read first time (House Journal-page 10)
03/02/11	House	Referred to Committee on Ways and Means (House Journal-page 10)
03/29/11	House	Committee report: Favorable Ways and Means (House Journal-page 2)
03/31/11	House	Objection by Rep. Cobb-Hunter
03/31/11	House	Requests for debate-Rep(s). Cooper, Skelton, Hiott, Clemmons, RL Brown, Ott, Hart, Butler Garrick, McLeod, Govan, Daning, Merrill, White, Jefferson, King, Knight, Sabb, Munnerlyn, Hosey, JR Smith, Weeks, and Hearn (House Journal-page 25)
03/31/11	House	Read second time (House Journal-page 44)
03/31/11	House	Roll call Yeas-67 Nays-45 (House Journal-page 44)
04/05/11	House	Read third time and enrolled (House Journal-page 27)
04/05/11	House	Roll call Yeas-63 Nays-44 (House Journal-page 27)
04/06/11		Ratified R 15
04/06/11		Signed By Governor
04/08/11		Effective date 04/06/11
08/23/11		Act No. 77

VERSIONS OF THIS BILL

1/26/2011
2/9/2011
2/24/2011
3/29/2011

S. 434

(A77, R15, S434)

A JOINT RESOLUTION TO SUSPEND PROVISOS 21.11, 21.15, AND 21.20 OF PART IB, ACT 291 OF 2010, THE FISCAL YEAR 2010-2011 GENERAL APPROPRIATIONS BILL AND TO SUSPEND A PORTION OF PROVISO 89.87 OF PART IB, ACT 291 OF 2010, PROHIBITING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FROM REDUCING PROVIDER RATES, TO PROVIDE THAT ALL PROPOSED CHANGES IN PROVIDER RATES MUST INCLUDE ESTIMATES OF THE PROJECTED DOLLAR COST SAVINGS BY SOURCE OF FUNDS AND THE NUMBER OF PROVIDERS AND CLIENTS IMPACTED, AND TO REQUIRE CERTAIN REPORTS RECONCILING ACTUAL SAVINGS IN COMPARISON TO THE ESTIMATES.

Be it enacted by the General Assembly of the State of South Carolina:

Provisions suspended, estimates and reports required

SECTION 1. (A) Provisos 21.11, 21.15, and 21.20 of Part IB, Act 291 of 2010, the Fiscal Year 2010-2011 General Appropriations Bill, are suspended.

(B) To the extent that Proviso 89.87 of Part IB, Act 291 of 2010 prohibits the Department of Health and Human Services from reducing provider rates from their current levels and expresses that this proviso is not intended to restrict the annual updating of cost base rates and those rates which are indexed to methodologies described in the Medicaid State Plan, this portion of the proviso is suspended. The remaining portion of Proviso 89.87 remains in effect and continues to have the force of law.

(C) All proposed changes must include estimates of the projected dollar savings by source of funds and the number of providers and clients impacted. Six months after receiving approval from the Centers for Medicare and Medicaid Services to implement rate changes, the Department of Health and Human Services must submit to the Senate Finance Committee and House Ways and Means Committee a report reconciling actual savings by source of funds and actual providers and clients impacted in comparison to the estimate. Where differences occur, an explanation must be provided to account for any discrepancies.

Time effective

SECTION 2. This joint resolution takes effect upon approval by the Governor.

Ratified the 6th day of April, 2011.

Approved the 6th day of April, 2011.

OFFICE OF THE INSPECTOR GENERAL

CASE #2012-104 ▪ EXHIBIT C

Center for Medicare and Medicaid Services
Letters of Approval

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

November 15, 2010

Emma Forkner, Director
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Dear Ms. Forkner:

I am pleased to inform you the request to amend South Carolina's Home and Community Based Waiver for Individuals with AIDS/HIV has been approved. This amendment, control number 0186-R04-02, is effective October 1, 2010.

This approval authorizes you to utilize a competitive bidding process to procure incontinence supplies under regulatory exceptions specified at §42 CFR 431.54(d). As required, the State assured adequate services will be available for waiver participants under the special procedures.

Estimates of the cost and utilization of waiver services are not affected by this amendment. The revised pages have been incorporated into the approved waiver. If there are any questions, you may contact Connie Martin at (404) 562-7412.

Sincerely,

Jackie Glaze

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

November 15, 2010

Emma Forkner, Director
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Dear Ms. Forkner:

I am pleased to inform you the request to amend South Carolina's Home and Community Based Waiver for Individuals with Head and Spinal Cord Injuries has been approved. This amendment, control number 0284.R03.02, is effective October 1, 2010.

This approval authorizes you to utilize a competitive bidding process to procure incontinence supplies under regulatory exceptions specified at §42 CFR 431.54(d). As required, the State assured adequate services will be available for waiver participants under the special procedures.

Estimates of the cost and utilization of waiver services are not affected by this amendment. The revised pages have been incorporated into the approved waiver. If there are any questions, you may contact Connie Martin at (404) 562-7412.

Sincerely,

Jackie Glaze

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

November 15, 2010

Emma Forkner, Director
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Dear Ms. Forkner:

I am pleased to inform you the request to amend South Carolina's Home and Community Based Waiver for Medically Complex Children has been approved. This amendment, control number 0675.01, is effective October 1, 2010.

This approval authorizes you to utilize a competitive bidding process to procure incontinence supplies under regulatory exceptions specified at §42 CFR 431.54(d). As required, the State assured adequate services will be available for waiver participants under the special procedures.

Estimates of the cost and utilization of waiver services are not affected by this amendment. The revised pages have been incorporated into the approved waiver. If there are any questions, you may contact Connie Martin at (404) 562-7412.

Sincerely,

Jackie Glaze

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

November 15, 2010

Emma Forkner, Director
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Dear Ms. Forkner:

I am pleased to inform you the request to amend South Carolina's Community Choices Waiver for Frail Elders and Persons with Physical Disabilities has been approved. This amendment, control number 0405.R01.07, is effective October 1, 2010.

This approval authorizes you to utilize a competitive bidding process to procure incontinence supplies under regulatory exceptions specified at §42 CFR 431.54(d). As required, the State assured adequate services will be available for waiver participants under the special procedures.

Estimates of the cost and utilization of waiver services are not affected by this amendment. The revised pages have been incorporated into the approved waiver. If there are any questions, you may contact Terrie Morris at (404) 562-7414.

Sincerely,

Jackie Glaze

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

OFFICE OF THE INSPECTOR GENERAL

CASE #2012-104 ▪ EXHIBIT D

Center for Medicare and Medicaid Services
Letter of Approval for DHHS Amendment SC 11-011

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

February 13, 2012

Mr. Anthony E. Keck, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Re: South Carolina Title XIX State Plan Amendment, Transmittal #11-011

Dear Mr. Keck:

We have reviewed the proposed amendment to the South Carolina Medicaid State Plan SC 11-011 that was received in the Regional Office on July 14, 2011. This State plan amendment allows South Carolina Department of Health and Human Services to implement a second round of rate reductions by reducing various non-institutional provider payments ranging from two (2 percent) to seven (7 percent) of the rate in effect on April 4, 2011. These reductions are in addition to a three (3 percent) reduction taken on April 4, 2011.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment SC 11-011. This SPA was approved on February 10, 2012. The effective date of this amendment is July 11, 2011. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Yvette Moore at 404-562-7327.

Sincerely,

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: SC 11-011

2. STATE: South Carolina

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
07/11/11

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR Part 440 Subpart A

7. FEDERAL BUDGET IMPACT: FMAP
a. FFY 2011 $(8,236,048)
b. FFY 2012 $(32,944,196)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, pages 0 & 0a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B, Page 0 & 0a

10. SUBJECT OF AMENDMENT:
Provider service rate reductions

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
Mr. Keck was designated by the Governor to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Anthony E. Keck

14. TITLE:
Director

15. DATE SUBMITTED:
July 11, 2011

16. RETURN TO:
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 07/14/11

18. DATE APPROVED: 02/10/12

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
07/11/11

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

Approved with the following changes to item 4 as authorized by State Agency on email dated 08/31/11:

Block #8 changed to read: Attachment 3.1-A pages 1b.4a, 1c and 4b; Attachment 4.19-B pages 0 and 0a.
Block #8 changed to read: Attachment 3.1-A pages 1b.4a, 1c and 4b; Attachment 4.19-B pages 0 and 0a.

FORM HCFA-179 (07-92)

4.b EPSDT cont.

Individual Speech Therapy: Individual Speech Therapy is the delivery of remedial services for identified speech and/or language handicaps to a child whose speech and/or language patterns deviate from standard based on evaluation and testing, including training of teacher or parent. Individual Speech Therapy services may be provided in a regular education classroom.

Group Speech Therapy: Group Speech Therapy is the delivery of remedial services for identified speech and/or language handicaps in a group setting to children whose speech and/or language patterns deviate from standard based on evaluation and testing, including training of teacher or parent. A group may consist of no more than six children. Group Speech Therapy services may be provided in a regular education classroom.

Providers of Speech-Language Pathology Services include:

- **Speech-Language Pathologist** in accordance with 42 CFR 440.110 (c)(2)(i)(ii)(iii) is an individual who meets one of the following conditions: (i) Has a Certificate of Clinical Competence from the American Speech and Hearing Association. (ii) Has completed the equivalent educational requirements and work experience necessary for the certificate. (iii) Has completed the academic program and is acquiring supervised work experience to qualify for the certificate.
- **Speech-Language Pathology Assistant** is an individual who is currently licensed by the South Carolina Board of Examiners in Speech-Language Pathology. The Speech-Language Pathology Assistant works under the direction of a qualified Speech-Language Pathologist pursuant to 42 CFR 440.110(c)(2)(i) and (ii).
- **Speech-Language Pathology Intern** is an individual who is currently licensed by the South Carolina Board of Examiners in Speech-Language Pathology and is seeking the academic and work experience requirements established by the American Speech and Hearing Association (ASHA) for the Certification of Clinical Competence in Speech-Language Pathology. The Speech-Language Pathology Intern works under the direction of a qualified Speech-Language Pathologist pursuant to 42 CFR 440.110(c)(2)(i) and (ii).

- **Speech-Language Pathology Therapist** is an individual who does not meet the credentials outlined in the 42 CFR 440.110(c)(2)(i)(ii) and (iii) that must work under the direction of a qualified Speech-Language Pathologist. The qualifications for a Speech-Language Pathology Therapist are (a) Bachelor's Degree in Speech-Language Pathology from a school or program approved by the State Board of Education for the preparation of speech language pathologists (b) Minimum qualifying score(s) on the area examination(s) required by the State Board of Education.

Audiological Services: In accordance with 42 CFR 440.110(c)(1), Audiological Services for individuals with hearing disorders means diagnostic, screening, preventive, or corrective services provided by or under the direction of an audiologist, for which a patient is referred by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law. A referral occurs when the physician or other LPHA has asked

4.b EPSDT continued:

Home Based Private duty nursing services are available in the home to all recipients under age 21 who are found to be in need of such services on the basis of State established medical necessity criteria. The services must be ordered by the attending physician and must be provided by a Licensed Practical Nurse (LPN) or a Registered Nurse (RN), licensed by the State Board of Nursing for South Carolina. Immediate family members cannot be reimbursed for providing these services. Home Based Private duty nursing services meet the requirements at 42 CFR 440.80.

The State will not preclude the provision of private duty nursing services during those hours of the day that the beneficiary's normal life activities take her outside of her home to attend school. Private duty nursing services rendered during those hours when the beneficiary's normal life activities take him or her outside of the home are coverable.

Personal Care services are available to all recipients under age 21 who live at home and who are found to be in need of such services on the basis of state established medical necessity criteria. Personal Care Services are designed to enable participants to accomplish tasks that they would normally do for themselves if they did not have a disability. This assistance may take the form of hands-on assistance (performing a task for the person) or cuing to prompt the participant to perform a task. Such assistance may include assistance in activities of daily living (bathing, dressing, toileting, transferring, maintaining continence, etc.). Instrumental Activities of Daily Living (IADL's) including home support (cleaning, laundry, shopping, home safety and errands) may be done as a part of the assistance given in the provision of activities of daily living. Personal care services may be provided on an episodic or on a continuing basis and are preformed by personal care agencies. Personal care services are furnished in the participant's home. Any services authorized outside a home setting must be prior approved by the State. Personal care agencies must meet SCDHHS scope of service requirements. A licensed nurse must oversee all direct care staff of a personal care agency. Personal Care Aides must be able to communicate effectively with both participants and supervisors, be fully ambulatory, capable of aiding with recipient's activities of daily living, capable of following a care plan, criminal background checks must verify that the participant has never been involved in substantiated abuse or neglect, be at least 18 years of age, pass a competency test and complete yearly training. The amount and duration of services must be prior authorized and re-authorized based on the recipient/s medical needs at regular intervals by the DHHS. Immediate family members cannot be reimbursed for providing these services.

The following policy applies to both home based private duty nursing and personal care services. Reimbursement for personal care and home based private duty nursing services, may be made to certain family members who meet South Carolina Medicaid provider qualifications. The following family members cannot be reimbursed: The spouse of a Medicaid consumer; A parent of a minor Medicaid consumer; A step parent of a minor Medicaid consumer; A foster parent of a minor Medicaid consumer; Any other legally responsible guardian of a Medicaid consumer. All other qualified family members can be reimbursed for their provision of the services listed above. Should there be any question as to whether a paid caregiver falls in any of the categories listed above, SCDHHS legal counsel will make a determination.

Physical and occupational therapy services as prescribed by a licensed physician, identified as a needed service through an EPSDT exam or evaluation and identified on a prior authorized treatment plan.

7. HOME HEALTH CARE SERVICES - Home health services are provided by a licensed and certified home health agency to eligible beneficiaries who are affected by illness or disability.

Medicaid SP Section 419-B (Reimbursement) Review

The South Carolina Department of Health and Human Services (SCDHHS) will revise and/or reduce reimbursement to providers effective for services provided on or after July 11, 2011 by the amount indicated. Providers incurred a 3% reduction for services provided on or after April 4, 2011. These reductions are in addition to the previous reduction.

Exempt from Reductions

The following are exempt from these reductions:

- J-Codes
- Hospice (except for room and board)
- Federally Qualified Health Center/Rural Health Center (FQHC/RHC) encounter rate
- Program for All-inclusive Care for the Elderly (PACE)
- Inpatient and outpatient hospital services provided by qualifying burn intensive care unit hospitals, critical access hospitals, isolated rural, small rural and certain large rural hospitals as defined by Rural/Urban Commuting Area classes. These large rural hospitals must also be located in a Health Professional Shortage Area (HPSA) for primary care for total population
- Services provided by state agencies
- Catawba tribal members are exempt when services are rendered by the Catawba Service Unit in Rock Hill, South Carolina and when referred to a specialist or other medical provider by the Catawba Service Unit.

SERVICE	4.19-B PAGE/SECTION	COMMENTS
Other Laboratory and X-Ray Services	Page 2/Section 3	Reduce reimbursement by 7%
Physician Services	Page 2a.2/Section 5	• Pediatric Subspecialist – 2% rate reduction (except Neonatologists) • Reduce Labor and Delivery reimbursement from $1164 to $1100 for Vaginal delivery and $1000 for C-section delivery • Family Practice, General Practice, Osteopath, Internal Medicine, Pediatrics, Geriatrics - 2% rate reduction • Anesthesiologists – 3% rate reduction • All other physicians except Obstetrics, OB/GYN, Maternal Fetal Medicine - 5% rate reduction • EPSDT Well Visit codes – 2% rate reduction
Private Duty Nursing	Page 2 and 4.19-D, page 30	Reduce reimbursement by 4%.
Children's Personal Care	Page 2.1	Reduce reimbursement by 2%
Medical Professionals		
Podiatrists' Services	Page 3/Section 6.a	Podiatrist reimbursement reduced by 7%
Optometrists' Services (Vision Care Services)	Page 3/Section 6.b	5% for Optometrist to be consistent with Opthalmologists
Chiropractor's Services	Page 3/Section 6.c	Chiropractor reimbursement reduced by 7%
Certified Registered Nurse Anesthetist(CRNA)	Page 3/section 6.d	CRNA reduced 3% reflected from Anesthesiologist rate

Medicaid SP Section 419-B (Reimbursement) Review

Nurse Practitioner	Page 3	Nurse Practitioner reduction reflected as a percentage of applicable physician rate
Psychologists	Page 3	Psychologist reimbursement reduced by 7%
Licensed Midwives' Services	Page 3	Licensed Nurse Midwife reduction reflected as a percentage of applicable physician rate
Physical Therapy Occupational Therapy	Page 3b/Section 11.a & 11b	All therapy services reduced by 7%
Speech/Language and Audiological Services	Page 3b/Section 11.c Page 6.2/Section 17	All therapy services reduced by 7%
Nurse Midwife Services		Nurse Midwife Services reduction reflected as a percentage of applicable physician rate
Integrated Personal Care	Page 6e of 3.1-A	Reduce reimbursement by 7%.
Home Health Services	Pages 3.1, 3a & 5/Section 12c; Att. 3.1A, page 4B	Reduce reimbursement by 4%. Eliminate medical social work visits.
Clinical Services:	Page 3a/Section 9	Reduce reimbursement by 4%. (Exempt FQHCs and RHCs)*Covers ambulatory surgical centers, end stage renal disease clinics, mental health clinics and county health departments.*
Dental Services	Page 3a/Section 10	Aggregate reduction of 3%.
Prescribed Drugs	Page 3b/Section 12.a	Reduce dispensing fee from $4.05 to $3.00. Reduce reimbursement from AWP minus 13% to 16%.
Prosthetic Devices and Medical Supplies Equipment and Services (DME)	Page 5/Section 12.c	Expenditure reductions through updated state specific fee schedule
Transportation	Page 6h-6h.4/Section 24a	Reduce reimbursement by 4% for non-broker provided transportation.

SC: 11-011
EFFECTIVE DATE: 07/11/11
RO APPROVED: 02/10/12
SUPERSEDES: SC 11-005

Log # 000064

Byron Roberts

From: SAM WALDREP
Sent: Thursday, September 06, 2012 12:24 PM
To: Roy Smith; Byron Roberts
Cc: Marie Brown; Teeshla Curtis
Subject: RE: Log 000064

Agreed. Have not seen the final but assume nothing changed. Did they include a response from the provider/complainant?

From: Roy Smith
Sent: Thursday, September 06, 2012 11:31 AM
To: Byron Roberts; SAM WALDREP
Cc: Marie Brown; Teeshla Curtis
Subject: RE: Log 000064

I read this some time ago and thought it was the best we could have hoped for. We are vindicated and I don't think it needs a response.

From: Byron Roberts
Sent: Thursday, September 06, 2012 11:28 AM
To: SAM WALDREP; Roy Smith
Cc: Marie Brown; Teeshla Curtis
Subject: RE: Log 000064

This is the Final Report. Did we respond to the Draft Report (Log 000038)? It's a very positive report; I don't see any need to respond. The report speaks for itself. What do y'all think? Other than reading the report, I haven't had any involvement with this. So if a response is necessary, since this deals with Waivers I would think Roy would take a stab at it. I'll be happy to review it and comment.

From: Teeshla Curtis
Sent: Tuesday, September 04, 2012 9:24 AM
To: Byron Roberts
Cc: Marie Brown
Subject: Log 000064

Please let me know if you will need our assistance with the response.

Teeshla Curtis
Administrative Coordinator
Office of Information Management
South Carolina Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29202
(803) 898-2502