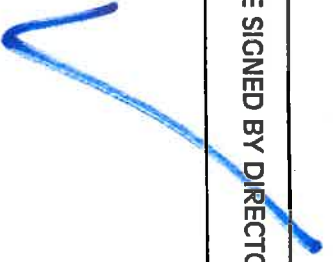


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>7-17-06</i>
DIRECTOR'S USE ONLY	
1. LOG NUMBER <i>000093</i>	<input type="checkbox"/> I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<input type="checkbox"/> I Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> I FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action

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



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

7500 Security Boulevard
Baltimore, MD 21244

Mr. Robert M. Kerr
Executive Director
Department of Health and Human Services
P.O. Box 8206
Columbia, S.C. 29202-8206

RECEIVED

JUL 17 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

JUL 7 2006

Dear Sir or Madam:
SUPPLEMENTAL

The grant awards listed below have been approved for the period 07/01/2006 - 09/30/2006 under Appropriation 75X0512 Centers for Medicare & Medicaid Services. Any unused grant award authority may be carried forward and used in a subsequent period.

Medical Assistance Payments	\$230,619,000
Medicaid State Children's Health Insurance Program Payments	\$0
Administration Payments	\$0
Total Grant Awards	\$230,619,000

The above listed grant awards provide Federal funds for expenditures made in accordance with your State plan approved under Title XIX of the Social Security Act. Computation of the awards is shown on the enclosed statement.

With the acceptance of these awards, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised) and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with the grant award should be referred to the appropriate Centers for Medicare & Medicaid Services regional office financial contact for your State.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center. Inquiries regarding payment should be directed to:

Director, Division of Payment Management Post Office Box 6021 Rockville, Maryland 20852-0605	Telephone Number (301) 443-1660
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Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

John H. Brown
Director,
Division of Financial Management

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATE	South Carolina			
FISCAL YEAR	2 0 0 6			
QUARTER	1ST <input type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input checked="" type="checkbox"/>

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

	MEDICAL ASSISTANCE PAYMENTS	M-SCHIP PAYMENTS	ADMINISTRATION PAYMENTS
1. ADJUSTMENTS FOR QUARTER ENDED March 31, 2006		0	\$
A. ACTUAL FEDERAL SHARE OF EXPENDITURES.....	0	0	0
B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED....		0	
C. DIFFERENCE.....	0	0	0
D. NET ADJUSTMENTS APPLICABLE TO PRIOR PERIODS.....			
E. COLLECTIONS.....			
F. OTHER.....			
G. TOTAL ADJUSTMENTS.....	0	0	0
2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING July 1, 2006	A. 230,619,000	A. 0	A. 0
3. NET AMOUNT TO BE CERTIFIED.....	\$ 230,619,000	0	\$ 0

TOTAL AMOUNT TO BE CERTIFIED.....\$B. 230,619,000

DATE APPROVED JUL 7 2006 COMPUTATION CHECKED BY *[Signature]*

INTERNAL TRANSMITTAL NO. 5 *[Signature]*

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR Fourth/2006

A. The estimate of expenditures for the fourth quarter fiscal year 2006 has been changed from \$525,738,000 to \$756,357,000 for Medical Assistance Payments. See attachment 1.

B. The funding authorized by this grant award is paid subject to any future financial management review or audit.

This grant award may include funding that relates to a state plan amendment submitted by the state, but not yet approved by the Centers For Medicare & Medicaid Services (CMS). If the pending plan amendment is not subsequently approved with an effective date covering the funding included in this grant award, that funding is subject to recovery by CMS.

JUL 7 2006

FORM CMS-152 (10/14/93) Supporting Schedule
ATTACHMENT: 1

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

CALCULATION OF SUPPLEMENTAL AWARD

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	MEDICAL ASSISTANCE PAYMENTS	M-SCHIP PAYMENTS	ADMINISTRATION PAYMENTS
Secretary's Estimate of Funding Need for the Quarter	\$ 756,357,000	\$	\$ 15,074,000

Less:

SPR Penalty, Attachment	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	
MEQC Penalty, Attachment		XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Third Party Liability/Assignment of Rights-Billing Offset Attachment	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	
Part A (Buy-In) Premiums Attachment		XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B (Buy-In) Premiums Attachment		XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part A Interest Attachment		XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B Interest Attachment		XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX

FUNDING ADJUSTMENT

Adjusted funding for the quarter	\$ 756,357,000	\$	\$ 15,074,000
Amount Previously Funded	525,738,000		15,074,000
Net Amount of Funding	\$ 230,619,000	\$	\$ 0