

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>6/17/10</i>
--------------------	------------------------

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>001488</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>C: Emma Fulkner</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-12-10</i> DATE DUE _____		
<i>Em's file</i>		<input 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. <i>Cleared 6/23/10, letter attached.</i>			
2. <i>* Letter signed by Ms. Fulkner</i>			
3. <i>also attached. Dated 6/23/10</i>			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

JUN 07 2010

RECEIVED

Mr. William Wells
South Carolina Department of Health and Human Services
1801 Main Street
Columbia, SC 29202-8206

JUN 17 2010
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Wells:

I am pleased to inform you of your award of a Children's Health Insurance Program Reauthorization Act (CHIPRA) Prospective Payment System (PPS) for Federally-Qualified Health Centers (FOHCs) and Rural Health Clinics (RHCs) Transition Grant. Congratulations on your successful application!

We at the Centers for Medicare & Medicaid Services (CMS) look forward to working with you as you implement your proposal to transition to a PPS, as described in section 1902(b) of title XIX, for benefits provided by FOHCs and RHCs to Children's Health Insurance Program (CHIP) enrollees. We thank you for your efforts in preparing the application and look forward to working closely with you on these efforts.

Please review this offer and respond to both your CMS Grants Management Specialist and CMS Project Officer by July 14, 2010. When you respond, please send: a notice of your acceptance of this award; the accompanying standard terms and conditions; and special terms and conditions (STCs). Please note that both the requirements outlined in the solicitation and the STCs apply to this grant. If you accept this award, you may begin immediately to work with CMS to implement your grants.

For program matters, including any questions about this letter, your CMS Project Officer will be Ticia Jones. She can be reached by phone at (410) 786-8145, or by email at Ticia.Jones@cms.hhs.gov. Your CMS Grant Management Specialist is Nicole Nicholson. She can be reached by phone at (410) 786-5158, or by email at Nicole.Nicholson@cms.hhs.gov.

Enclosed are three important documents regarding your Grant Award:

- **Terms and Conditions** – This is the legal document that cites the statute, regulations and

CMS policies governing the grant. Additionally, it sets forth the general requirements, assurances, reporting requirements, and other terms and conditions that apply specifically to the grant.

- **Financial Assistance Award** – This document is the “official” notification of your award from the CMS Office of Acquisition and Grants Management.
- **Letter of Acceptance (recommended format)** – A letter of acceptance of the grant award serves as the official acceptance. Please submit your letter of acceptance to your CMS Grants Management Specialist and send a copy to your CMS Project Officer by close of business on Wednesday, July 14, 2010. If you do not plan to accept the grant award, please send a letter of declination to the CMS Grants Management Specialist and send a copy to the CMS Project Officer by close of business on Wednesday, July 14, 2010.

Congratulations again on your grant award. We look forward to working with you on this endeavor.

Sincerely,



Cindy Mann
Director

Enclosures

Cc: Ticia Jones
CMS Project Officer

South Carolina Department of Health and Human Services

Special Terms and Conditions

When the Notice of Grant Award requires the Grantee to submit a revision as outlined below, these documents must be submitted within 60 days of the start of the grant period, (August 14, 2010). CMS will notify the Grantee of the approval or disapproval of the proposed revisions within 30 days from the date the revised documents are received by CMS.

1. CMS shall limit the amount of funding available to 40 percent of the budget until the Grantee can demonstrate that they have adequately addressed the weaknesses identified and are given CMS approval to receive full funding.
2. The Grantee shall revise the work plan with a goal, measurable outcome and timeline that clarifies activities support development of an alternative CHIP PPS rate from FQHC Medicaid audited cost reports.
3. The Grantee shall revise the work plan to clarify if the auditing activities and personnel perform the training and technical assistance to FQHC staff on the cost report audit requirements.
4. The Grantee shall revise the work plan to link the timelines to the effective date of the implementation of the CHIP PPS.
5. The Grantee shall revise the work plan to assure FQHC Medicaid covered services are included in the 2009 Medicaid cost report.
6. The Grantee shall revise the work plan to eliminate the activities that surround a Medicaid State Plan amendment.
7. The Grantee shall revise the work plan with a goal, measurable outcome and timeline to approve managed care contract amendments for the possibility of a supplemental payment that is the difference between the managed care payment and the FQHC and RHC PPS rate.

CMS STANDARD TERMS AND CONDITIONS

Terms of Award

With the acceptance of a grant or cooperative agreement from CMS, the grantee has the responsibility to be aware of and comply with the terms and conditions of award.

Individual awards are based on the application submitted to, and as approved by, CMS and are subject to the terms and conditions incorporated either directly or by reference in the following:

- The grant program legislation and program regulation cited in the Notice of Grant Award.
- The restrictions on the expenditure of Federal funds in the appropriation acts, to the extent those restrictions are pertinent to the award.
- 45 CFR Part 74 and 45 CFR Part 92 as applicable.
- The Notice of Award including all terms and conditions (standard and special) cited on the document or attachments.
- DHHS Grants Policy Statement (at <http://www.hhs.gov/grantsnet>)

45 CFR Part 74 and 45 CFR Part 92 (Regulations Governing CMS Grants)

Regulations found at Title 45, Code of Federal Regulations (CFR), Part 74 and Part 92, are the rules and requirements that govern the administration of Department of Health and Human Services (DHHS) grants.

Part 74 is applicable to all grantees except those covered by Part 92, which governs awards to state and local governments.

These regulations are a term and condition of award. Grantees must be aware of and comply with the regulations. (May be accessed by internet from DHHS at <http://www.hhs.gov/grantsnet>.)

Cost Principles

Cost Principles of allowable and unallowable expenditures for CMS grantees are provided in the following documents:

- Institutions of Higher Education: OMB Circular A-21 ("Cost Principles for Educational Institutions")
- State and Local Governments: OMB Circular A-87 ("Cost Principles for State, Local, and Indian Tribal Governments")
- Nonprofit Organizations: OMB Circular A-122 ("Cost Principles for Non-Profit Organizations")
- Appendix E Hospitals: 45 CFR Part 74
- For-profit Organizations: 48 CFR (Federal Acquisition Regulations System), Subpart 31.2 (Contract Cost Principles and Procedures)

Administrative Standards

In addition to the cost principles, OMB has established administrative standards and audit requirements for organizations receiving Federal assistance. These administrative standards are contained in the following documents:

- State and Local Governments: OMB Circular A-102 ("Grants and Cooperative Agreements with State and Local Governments")
- Higher Education, Hospitals, and Other Nonprofit Organizations: OMB Circular A-110 ("Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations")
- Audits of States, Local Governments, and Nonprofit Organizations: OMB Circular A-133
- Copies of the Office of Management and Budget (OMB) Circulars are available on the Internet at: <http://www.whitehouse.gov/OMB/circulars/>
- Federal Acquisition Regulations (FAR) (48 CFR Part 31) are also available from the Internet at: <http://www.arnet.gov/far/>

Grant Payment

Payments under these awards are made available through the Payment Management System (PMS). PMS is administered by the Division of Payment Management

<http://www.dpm.psc.gov>. Grantees should contact PMS directly for instructions on how to obtain payments. Inquiries should be directed to:

Director, Division of Payment Management, OS/ASAM/PSC/FMS/DPM
P.O. Box 6021
Rockville, MD 20852
Telephone: 1-877-614-5533

Reporting Requirements

Financial Reports - The grantee agrees to submit financial status reports (SF-269 or SF-269A) to the CMS Grants Management Officer with a copy to the CMS Project Officer as stipulated in the special terms and conditions. Unless specified as quarterly or semi-annual in the Special Terms and Conditions, financial reports are due annually and at the end of the project. This financial status report will account for all uses of grant monies during the previous period and project uses of grant money for the ensuing period. Quarterly and semi-annual reports are due 30 days after the end of the reporting period. Annual reports are due 90 days after the budget period ending date. Final SF-269a reports are due for all grants 90 days after the end of the project and encompass costs throughout the project as required in 45 CFR Part 74 and 92 and the HHS Grants Policy Statements.

Grantees shall liquidate all obligations incurred under the award not later than 90 days after the end of the project period. IMPORTANT- Both the SF-425 (Federal Financial Report submitted to PMS) and the SF-269A must equal before submitting final reports to CMS.

Progress Reports - The grantee agrees to submit progress reports to the CMS Grants Management Officer with a copy to the CMS Project Officer as stipulated in the special terms and conditions. Unless specified as quarterly or semi-annual in the Special Terms and Conditions, progress reports are due annually. These reports are to be consistent with a format and content specified by CMS. CMS reserves the right to require the grantee to provide additional details and clarification on the content of the report. Quarterly and semi-annual reports are due 30 days after the end of the reporting period. Annual reports are due 90 days after the budget period ending date.

Final Progress Report - The final report is due within 90 days after the project period date of the last year of the grant. A draft final report should be submitted to the CMS Project Officer for comments. CMS's comments should be taken into consideration by the grantee for incorporation into the final report.

The final progress report may not be released or published without permission from the CMS Project Officer within the first four (4) months following the receipt of the report by the CMS Project Officer.

The final report will contain a disclaimer that the opinions expressed are those of the grantee and do not necessarily reflect the opinion of CMS.

Failure to submit reports (i.e., financial, progress, or other required reports) on time may be basis for withholding financial assistance payments, suspension, termination or denial of refunding. A history of such unsatisfactory performance may result in designation of “high risk” status for the grantee organization and may jeopardize potential future funding from DHHS.

Use of Federal Funding

When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants shall clearly state (1) the percentage of total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the program or project, and (3) the percentage and dollar amount of the total costs or the program or project that will be financed by nongovernment sources.

Project and Data Integrity

The grantee shall protect the confidentiality of all project-related information that identifies individuals.

The grantee shall assume responsibility for the accuracy and completeness of the information contained in all technical documents and reports submitted. The CMS Project Officer shall not direct the interpretation of the data used in preparing these documents or reports.

At any phase in the project, including the project’s conclusion, the grantee, if so requested by the Project Officer, must deliver to CMS materials, systems, or other items used, developed, refined or enhanced in the course of or under the award. The grantee agrees that CMS shall have royalty-free, nonexclusive and irrevocable rights to reproduce, publish, or otherwise use and authorize others to use the items for Federal government purposes.

Use of Data and Work Products

At any phase of the project, including the project’s conclusion, the grantee, if so requested by the CMS Project Officer, shall submit copies of analytic data file(s) with appropriate documentation, representing the data developed/used in end-product analyses generated under the award. The analytic file(s) may include primary data collected, acquired or generated under the award and/or data furnished by CMS. The content, format, documentation, and schedule for production of the data file(s) will be agreed upon by the Principal Investigator and the CMS Project Officer. The negotiated

format(s) could include both file(s) that would be limited to CMS's internal use and file(s) that CMS could make available to the general public.

All data provided by CMS will be used for the research described in this grant only. The grantee will return any data provided by CMS or copies of data at the conclusion of the project.

For six (6) months after completion of the project, the grantee shall notify the CMS Project Officer prior to formal presentation of any report or statistical or analytical material based on information obtained through this award. Formal presentation includes papers, articles, professional publication, speeches, and testimony. In the course of this research, whenever the Principal Investigator determines that a significant new finding has been developed, he/she will communicate it to the CMS Project Officer before formal dissemination to the general public.

Major Alteration and Renovation Costs

Approved alteration/repair/renovation projects with a net project cost (excluding equipment) greater than \$500,000 require the grantee to:

- File a Notice of Federal Interest (NFI) with the appropriate jurisdictional records, and
- Submit a notarized and recorded copy of the NFI to the Grants Management Specialist

Audit Requirements

Audit requirements for Federal award recipients are defined in OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

An organization is required to have a non-Federal audit if, during its fiscal year, it expended a total of \$500,000 (\$300,000 for fiscal years ending before December 31, 2003) or more in Federal awards. Federal awards are defined in OMB Circular A-133 to include Federal financial assistance and Federal cost reimbursement contracts received both directly from a Federal awarding agency as well as indirectly from a pass-through entity.

45 CFR 74.26(d) discusses the requirements and available non-Federal audit options for Department of Health and Human Service awards. Two audit options are available to commercial organizations. One option is a financial related audit as defined in the Government Auditing Standards, GPO stock #020-000-00-265-4 (commonly known as the Yellow Book) of all DHHS awards; the second option is an audit that meets the requirements of OMB Circular A-133.

Commercial organizations that receive annual DHHS awards totaling less than the OMB Circular A-133's audit requirement threshold are exempt from a non-Federal audit for

that year, but must make records available for audit or review as requested by CMS or other designated officials.

OMB Circular A-133 now requires that all auditees submit a completed data collection form (SF-SAC) in addition to the audit report. For questions and information concerning the submission process, please visit <http://harvester.census.gov/sac/> or you may call the Federal Audit Clearinghouse (888-222-9907).

Audit reports for both CMS and other HHS awards with fiscal periods ending on or after January 1, 2008 shall be submitted online via <http://harvester.census.gov/sac/>. Audit reports with fiscal periods ending in 2002 – 2007 must be mailed to the address shown below:

Federal Audit Clearinghouse

Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

Fraud and Abuse

The HHS Office of the Inspector General (OIG) maintains a toll-free number (1-800-HHS-TIPS [1-800-447-8477]) for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to hstips@oig.hhs.gov or by mail to Office of the Inspector General, Department of Health and Human Services, Attn: HOTLINE, 330 Independence Ave., SW, Washington DC 20201. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous.

Certification of Filing and Payment of Federal Taxes

As required by the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 2008 (Public Law 110-161, Division G, Title V, section 523), as a financial assistance recipient entering into a grant or cooperative agreement, the grantee certifies that:

(1) All Federal tax returns have been filed during the three years preceding this certification;

AND

(2) There has been no conviction of a criminal offense pursuant to the Internal Revenue Code of 1986 (U.S. Code -- Title 26, Internal Revenue Code);

AND

(3) Not more than 90 days prior to this certification, been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment

is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default, or the assessment is the subject of a non-frivolous administrative or judicial proceeding.

Trafficking In Persons

- a. Provisions applicable to a recipient that is a private entity.**
 1. You as the recipient, your employees, sub-recipients under this award, and sub-recipients' employees may not—
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or sub-awards under the award.
 2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a sub-recipient that is a private entity –
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - A. Associated with performance under this award; or
 - B. Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement),” as implemented by our agency at 2 CFR part 376.
- b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a sub-recipient that is a private entity—**

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—
 - i. Associated with performance under this award; or
 - ii. Imputed to the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement),” as implemented by our agency at 2 CFR part 376

c. Provisions applicable to any recipient.

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any sub-award you make to a private entity.

d. Definitions. For purposes of this award term:

1. “Employee” means either:
 - i. An individual employed by you or a sub-recipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose

services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

- i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

- ii. Includes:

- A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

- B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102)

CENTERS FOR MEDICARE & MEDICAID SERVICES
SPECIAL TERMS AND CONDITIONS

1. The grant award is subject to CMS' receipt of the acknowledgement of the award and the acceptance of all Special Terms and Conditions (STCs) within 30 days of the date of issuance of the award package.
2. With the acceptance of this grant award, the Grantee agrees to ensure that the project is administered in accordance with the grant requirements as indicated in these STCs and that the Grantee is in compliance with the requirements of the grant solicitation. In the event of any conflict between the statute and subsequent regulations and these STCs, the requirements under the statute and regulations will take precedence.
3. The project and budget period for the Children's Health Insurance Program Reauthorization Act (CHIPRA) Prospective Payment System (PPS) for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) Transition Grants is from June 15, 2010 through June 14, 2011. The start date for the grants is on or after June 15, 2010. No grant funds can be used for expenses incurred prior to June 15, 2010.
4. In the document accepting the grant award, the Grantee will certify that the State operates its State CHIP program separately or in combination with its Medicaid program, thereby meeting the definition of an "eligible applicant" as defined in the solicitation.
5. After submitting the acceptance of the grant award, the Grantee will transmit a copy of the Notice of Grant Award and accompanying documents to the representative who is authorized to request funds from the CMS Division of Payment Management.
6. When the Notice of Grant Award requires the Grantee to submit a revised budget (e.g., a revised timeline, budget narrative and SF-424A section B only), these documents must be submitted within 60 days of the start of the grant period, (August 12, 2010). CMS will return the approved documents to the Grantee within 60 days from the date the revised draft documents are received by CMS.
7. Any grantee awarded a different amount than requested will submit within 60 days a revised budget and timeline for activities if impacted by the revised budget.
8. The Grantee is required to participate in all required communications (e.g., monitoring calls, guidance calls) as specified in the STCs or as amended in writing by the CMS Project Officer.
9. At the request of CMS, Grantees will be required to participate in all scheduled activities to identify and share "best practices" and lessons learned with other grantees.
10. For each quarter (April 1-June 30; July 1-September 30; October 1-December 31; January 1-March 31) the Grantee will submit the Financial Status Report (FSR) SF-269A, (short form only) to the CMS Grant Specialist with a copy to the CMS Project Officer. (The SF-269A may be accessed at the following site: <http://www.whitehouse.gov/omb/grants/sf269a.pdf>).

This financial status is due within 30 days after the end of the quarter (July 31; October 31; January 31; April 30).

11. Required Quarterly Annual and Final (Progress) Reports
 - a. The Grantee is required to submit quarterly and annual/final progress reports to the CMS Grant Specialist, with a copy to the CMS Project Officer. Quarterly progress reports are due within 30 days after the end of the quarter (see STC #10 for dates). These reports must comply with the format in Attachment B: CHIPRA Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics Transition Grants Template for Quarterly/Annual Progress Reports
 - b. The Grantee is required to submit a final report to the CMS Grant Specialist, with a copy to the CMS Project Officer, within 90 days after the project period ending date (September 1, 2011).
 - c. In each progress report (quarterly and final), the Grantee will describe the progress and provide data on the Grantee's progress on transitioning payments to FQHCs and RHCs under the State's CHIP program to a PPS system consistent with section 1902 (bb) of the Social Security Act. The Grantee will describe each activity performed in the quarter/year and how that activity was linked to help move the State closer to completely transitioning payments to FQHCs and RHCs under the State's CHIP program to a PPS methodology.
 - d. The Grantee will submit all written reports (quarterly, annual and final) in a format compliant with Section 508 of the Rehabilitation Act (29 U.S.C. 794d) to the CMS Project Officer identified in the award package.
 - e. Email is an acceptable format for transmitting the required quarterly, annual, and final (progress) reports.

12. Required Grant Evaluation

- a. A draft Grant Evaluation should be submitted to the CMS Project Officer for comments 30 days before the end of the grant period (May 14, 2011). This draft will incorporate specific measurable outcome performance measures as specified in the solicitation and by CMS. CMS' comments should be taken into consideration by the Grantee for incorporation into the final report as CMS approval of the final report is required. CMS reserves the right to require the Grantee to provide additional details and clarification on the content of the report.
- b. Within 90 days of the end of the grant period (which is September 14, 2011) the Grantee will submit a final Grant Evaluation to the CMS Project Officer and CMS Grant Specialist consistent with the CMS requirements.
- c. The Grant Evaluation may not be released or published without written permission from the CMS Project Officer.
- d. The Grant Evaluation will contain a disclaimer that the opinions expressed are those of the Grantee and do not necessarily reflect the opinion of CMS.

e. The Grantee will submit the final evaluation in a format compliant with Section 508 of the Rehabilitation Act (29 U.S.C. 794d) to the CMS Project Officer identified in the award package.

f. Email is an acceptable format for transmitting the Final Grant Evaluation.

13. Required Financial Reports

a. The representative of the lead agency who is authorized to request funds from the CMS Division of Payment Management must submit quarterly the Financial Status Report (SF-269A). This form is used for the reporting of expenditures of the CHIPRA Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics Transition Grant as outlined in the financial reporting instructions.

b. The Grantee will simultaneously submit all Financial Status Reports (SF-269A) to the CMS Grant Specialist and the CMS Project Officer identified in the award package. The originals are to be submitted to the CMS Grant Specialist and a copy to CMS Project Officer.

c. SF-269A reports are due no later than 30 days from the end of each project operating quarter by July 31, October 31, January 30, and April 30) of each grant year. A scanned and emailed or faxed copy is acceptable for both the Grant Specialist and the CMS Project Officer.

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

14. The Grantee is required to notify the CMS Project Officer and the CMS Grant Specialist within ten (10) days of any personnel changes affecting the grant's Authorized Representative, Project Director, Assistant Project Director, or the Financial Officer who is responsible for completing the Financial Status Report (SF-269A) and the Federal Cash Transactions Report (PSC-272).

15. All funds provided under this grant will be used by the Grantee exclusively for CHIPRA PPS for FQHCs and RH Cs Transition Grants as described in section 503 of CHIPRA and in the grant solicitation. If the Grantee uses these funds for any purpose other than those awarded through the CHIPRA PPS for FQHCs and R HCs Transition Grants (or those modifications that have the prior written approval of the CMS Project Officer and Grants Officer), then all funds provided under this grant may be required to be returned to the United States Treasury.

16. Grant funds may not be used for any of the following:

- a. To cover the costs to provide direct services to individuals.
- b. To match any other Federal funds.
- c. To provide services, equipment, or supports that are the legal responsibility of another party under Federal or State law (e.g., vocational rehabilitation or education services) or under any civil rights laws. Such legal responsibilities include, but are not limited to, modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.
- d. To provide infrastructure for which Federal Medicaid or CHIP matching funds are available such as for certain information systems projects.

- e. To supplant existing State, local, or private funding of infrastructure or services such as staff salaries, etc.
 - f. To be used for data processing software or hardware in excess of the software and personal computers required for staff devoted to the grant.
 - g. To provide funding to a State who does not meet the definition of an 'eligible applicant' for these grants, as described in the solicitation.
17. The Grantee may not pay for the same scope of work using more than one CHIPRA Grant award or other Federal funding stream.
18. Grantees are not required to provide a matching contribution. However, any funding contributed to this effort by other entities should be included in the quarterly and final reports.
19. Award of these grant funds offers no guarantee, explicit or implied, that future Federal funds will be made available for the funded project.
20. The Grantee must comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.
21. The Grantee must be in compliance with all applicable requirements of Medicaid and the Children's Health Insurance Program (CHIP) expressed in law, regulation, and policy statement.
22. The Grantee must, within the timeframes specified in law, regulation, or policy statement, come into compliance with any changes in Federal law, regulation, or policy affecting the Medicaid or CHIP programs that occur during this grant-approval period, unless the provision being changed is expressly waived or identified as not applicable.

ATTACHMENT A:

CHIPRA Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics Transition Grants

TIMELINE
June 15, 2010 – June 14, 2011

<u>ACTIVITY</u>	<u>TIMELINE</u>
Grant award	June 14, 2010
Grant period begins	June 15, 2010
Accept award package	July 14, 2010
Notify CMS of Fiscal Agent/Officer Responsible for completing the SF-269A and PSC-272	July 14, 2010
Revised Budget and SF-424A (when applicable)	Due within 60 days of award
Interim/Quarterly Financial Status Report	Due 30 days after the end of each Federal fiscal quarter (July 31, October 31, January 31 and April 30)
Quarterly Progress Reports	Due 30 days after the end of each Federal fiscal quarter (July 31, October 31, January 31 and April 30)
Awardees must respond to requests necessary for the evaluation of the CHIPRA Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics Transition Grants, and provided data as requested	As required by the CMS Project Officer
Guidance Call for Preparation Of the Final Report	To be scheduled by the CMS Project Officer approximately 60 days before end of grant year
Draft Grant Evaluation	Submitted to CMS Project Officer 30 days before end of the grant period (e.g. May 14, 2011).
Final Report	Due 90 days after the conclusion of the grant period (September 14, 2011)

Grant Evaluation

Due 90 days after the conclusion of the grant period (September 14, 2011)

Liquidation of all Obligations

Due 90 days after the grant period end date and prior to filing of the final Fiscal Status Report

Final Financial Status Report (FSR)

Due 90 days after the grant period end date (September 14, 2011)

ATTACHMENT B:



**CHIPRA Prospective Payment System for Federally Qualified Health Centers and Rural Health Clinics Transition Grants
Template for Quarterly/Annual Progress Reports**

Date:

Grant Entity:

Project Title:

Grant Contact:

Name and Title:

Email:

Phone:

Title Line - Project name

Introduction - Brief overview of the project.

Implementation Status - As relevant to your project, include a discussion and update on progress towards:

- 1. Accomplishments to Date:** implementation milestones, early outcomes, etc, include progress toward stated milestones.
- 2. Challenges and Responses:** include as much detail as possible; imagining that another entity, such as another state would take the Grantee's experience under advisement when planning to implement a similar project.
- 3. Variation from Timeline**

Task/Benchmark	Original Date	Current Date	Comments

- 4. Data use - As applicable, describe how the Grantee has incorporated effective use of data including information technology and systems enhancements.**

5. Financial Status of the Project - describe any challenges or successes regarding use of the grant funds to achieve project goals. Include discussion of budget revision requests, if any are planned.

6. Project Evaluation -

Evaluation Status - Describe the status of the project's evaluation. What activities have occurred to secure baseline data? What data has been collected to support the evaluation? What challenges have arisen in implementing the qualitative and quantitative portions of your evaluation and how has the project addressed them?

**Department of Health and Human Services
Centers for Medicare and Medicaid Services
Notice of Award (NOA)**

SAL NUMBER: 1Z0330733A
PMS DOCUMENT NUMBER: 1Z0330733A

1. AWARDING OFFICE: Centers For Medicare & Medicaid Services		2. ASSISTANCE TYPE: Discretionary Grant		3. AWARD NO.: 1Z0CMS3390733-01-00	4. AMEND. NO.: 0
5. TYPE OF AWARD: Demonstration		6. TYPE OF ACTION: New		7. AWARD AUTHORITY: CHIPRA of 2009 PL 111-3	
8. BUDGET PERIOD: 06/15/2010	THRU	06/14/2011	9. PROJECT PERIOD: 06/15/2010	THRU	06/14/2011
			10. CAT NO.: 93.767	12. PROJECT / PROGRAM TITLE: CHIPRA Prospective Payment System Transition Grants	
11. RECIPIENT ORGANIZATION: South Carolina Department of Health and Human Services 1801 Main St Columbia, SC 29201-2409 Erma Forkner, Director					

13. COUNTY: Richland	14. CONGR. DIST.: 06	15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Wells, William
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16. APPROVED BUDGET:		17. AWARD COMPUTATION:	
Personnel.....	\$ 0	A. NON-FEDERAL SHARE.....	\$ 0 0%
Fringe Benefits.....	\$ 0	B. FEDERAL SHARE.....	\$ 209,000 100%
Travel.....	\$ 0	18. FEDERAL SHARE COMPUTATION:	
Equipment.....	\$ 0	A. TOTAL FEDERAL SHARE.....	\$ 209,000
Supplies.....	\$ 0	B. UNOBLIGATED BALANCE FEDERAL SHARE.....	\$ 0
Contractual.....	\$ 209,000	C. FED. SHARE AWARDED THIS BUDGET PERIOD...\$	0
Facilities/Construction.....	\$ 0	19. AMOUNT AWARDED THIS ACTION:	\$ 209,000
Other.....	\$ 0	20. FEDERAL \$ AWARDED THIS PROJECT PERIOD:	\$ 209,000
Direct Costs.....	\$ 209,000	21. AUTHORIZED TREATMENT OF PROGRAM INCOME:	
Indirect Costs.....	\$ 0	ADDITIONAL COSTS	
At % of \$	0	22. APPLICANT EIN:	1576000286Z3
Total Approved Budget.....	\$ 209,000	23. PAYEE EIN:	1576000286Z3
		24. OBJECT CLASS:	41.45

25. FINANCIAL INFORMATION:		DUNS: 607243706	
ORGN	DOCUMENT NO.	APPROPRIATION	CAN NO.
CMS	1Z0330733A	75X0516	0-5993380
		NEW AMT.	UNOBLIG.
		\$209,000	NONFED %

See next page

26. REMARKS: (Continued on separate sheets)

27. SIGNATURE PERMANENT OFFICER <i>Nicole Nicholson</i> Nicole Nicholson		DATE: JUN 07 2010	28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Signature Not Required	
29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Ticia Jones Signature Not Required		DATE: 06/07/2010		

**Department of Health and Human Services
Centers for Medicare and Medicaid Services
Notice of Award (NOA)**

SAI NUMBER:
120330733A
PMS DOCUMENT NUMBER:
120330733A

1. AWARDING OFFICE: Centers For Medicare & Medicaid Services		2. ASSISTANCE TYPE: Discretionary Grant	3. AWARD NO.: 120CMS330733-01-00	4. AMEND. NO. 0
5. TYPE OF AWARD: Demonstration	6. TYPE OF ACTION: New	7. AWARD AUTHORITY: CHIPRA of 2009 PL 111-3		
8. BUDGET PERIOD: 06/15/2010 THRU 06/14/2011	9. PROJECT PERIOD: 06/15/2010 THRU 06/14/2011	10. CAT NO.: 93.767		

11. RECIPIENT ORGANIZATION:
South Carolina Department of Health and Human Services

26. REMARKS (Continued from previous page)

For administrative assistance, please contact your Grants Management Officer: Nicole Nicholson at 410-786-5158 or via email at nicole.nicholson@cms.hhs.gov.

For programmatic assistance, please contact your assigned Project Officer: Ticia Jones at 410-786-8145 or via email at Ticia.Jones@cms.hhs.gov.

Please remember to include your grant number on all correspondence to CMS. The grant number can be found in Section 3 of this Notice of Award.

For CMS Purposes Only: Transmittal No. 7520338001 / BOAX 033801



Jag 0488 ✓

June 23, 2010

Ms. Nicole Nicholson
CMS Grant Management Specialist
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Re: CHIPRA Prospective Payment System Transition Grant
Award No. 1Z0CMS330733-01-00

Dear Ms. Nicholson:

I am writing to notify you that the South Carolina Department of Health and Human Services is unable to meet the requirements of the CHIPRA Prospective Payment System Transition Grant; therefore, we must respectfully decline the award. As we discussed with members of the review team in a conference call a few weeks ago, the State of South Carolina has recently been considering discontinuing its separate SCHIP program and merging it with the existing SCHIP Medicaid expansion program. That decision has now been finalized and we are in the process of submitting an amendment to our SCHIP State Plan. Therefore we no longer meet the eligibility requirements for the CHIPRA Prospective Payment System Transition Grant, which were included in the solicitation.

On behalf of the South Carolina Department of Health and Human Services and the State of South Carolina, I would like to express our appreciation for the consideration and assistance that we were given by you and all those concerned at CMS throughout this process. We would particularly like to thank those on the review team for their time and effort in reviewing and evaluating out application. We hope this program will be successful for CMS and for the other states who received awards.

If you have any questions or if I can be of further assistance, please let me know.

Sincerely,

William L. Wells, CPA
Deputy Director

Cc: Ticia Jones
CMS Project Officer

Log 488

From: Jan Polatty
To: Jackson.Kantruss@CMS.hhs.gov
CC: Emma Forkner
Date: 7/20/2010 4:51 PM
Subject: Fwd: South Carolina CHIPRA PPS grant # 1Z0CMS330733
Attachments: CHIPRA Prospective Payment System Transition Grant_2.pdf

Hi, Ms. Jackson.

Attached is the duplicated letter signed Emma Forkner, the Authorized Representative on the grant. Please let us know should you need anything further. Thanks, Jan.

Jan Polatty
Director's Office
SCDHHS
1801 Main Street
Columbia, SC 29201
803-898-2504
803-255-8235 (fax)
>>> Emma Forkner 7/20/2010 4:13 PM >>>

Emma Forkner
Director
Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29201
(803) 898-2504
(803) 255-8338 fax

>>> "Kantruss, Jackson (CMS/CTR)" <Jackson.Kantruss@CMS.hhs.gov> 7/20/2010 4:11 PM >>>

Ms. Forkner,
It has come to my attention that a grant termination will be necessary for the South Carolina CHIPRA PPS grant # 1Z0CMS330733. We have a letter signed by William L. Wells, that needs to be duplicated and signed by you, as you are the Authorized Representative on the grant. Please revise the closing, sign, and resubmit to verify that you would like the grant terminated as well. This situation has been looked over by our Grants Management Officer, who also recommended this course of action. Once we get the revised letter, we can begin the termination process. If you have any questions, please do not hesitate to contact me. However, I will be out the next three days for training. I can respond to any calls or emails on Monday, when I return to the office.
Thanks,

Jackson Kantruss
Grants Specialist
Office of Acquisitions & Grants Management
Centers for Medicare and Medicaid Services
7500 Security Blvd. Mailstop C2-21-15
Baltimore, MD 21244-1850
410 / 786-7251

fax: 410 / 786-9088
Jackson.Kantruss@cms.hhs.gov

Please remember to include your Grant Number (Award No.) on all correspondence.

From: Nicholson, Nicole M. (CMS/OAGM)
Sent: Tuesday, July 20, 2010 2:37 PM
To: Kantruss, Jackson (CMS/CTR)
Subject: FW: CHIPPA Prospective Payment System Transition Grant

Jackson-this has been sitting on my desk for a while and I need to terminate the grant. BUT first, the attached letter was signed by the PI and we need the letter to come from the authorized rep who is Emma Forkner. Can you please follow-up with the grantee with a revised letter.
Also, copy the PO and Cathy Cope.
Grant number: 1Z0CMS330733. I put the file and a copy of this email in your basket.
Thanks, Nicole

From: Elizabeth Hutto [mailto:Huttoe@scdhhs.gov]
Sent: Wednesday, June 23, 2010 12:55 PM
To: Nicholson, Nicole M. (CMS/OAGM); Jones, Ticia (CMS/CMSO)
Cc: William Wells
Subject: CHIPPA Prospective Payment System Transition Grant

Attached is our letter notifying CMS that SCDHHS is unable to meet the requirements of the CHIPRA Prospective Payment System Transition Grant. If there are additional questions or if you need further assistance, please let Mr. Wells know. He can be reached at 803 898-2503. Thanks!

Elizabeth F. Hutto
Finance and Administration
SC Department of Health and Human Services
PO Box 8206
Columbia, SC 29202-8206
(803) 898-2503
Fax (803) 255-8235
Huttoe@scdhhs.gov

Confidentiality Note

This message is intended for the use of the person or entity to which it is addressed and may contain information, including health information, that is privileged, confidential, and the disclosure of which is governed by applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this information is STRICTLY PROHIBITED.
If you have received this in error, please notify us immediately and destroy the related message.



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

June 23, 2010

Ms. Nicole Nicholson
CMS Grant Management Specialist
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Re: CHIPRA Prospective Payment System Transition Grant
Award No. 1Z0CMS330733-01-00

Dear Ms. Nicholson:

I am writing to notify you that the South Carolina Department of Health and Human Services is unable to meet the requirements of the CHIPRA Prospective Payment System Transition Grant; therefore, we must respectfully decline the award. As we discussed with members of the review team in a conference call a few weeks ago, the State of South Carolina has recently been considering discontinuing its separate SCHIP program and merging it with the existing SCHIP Medicaid expansion program. That decision has now been finalized and we are in the process of submitting an amendment to our SCHIP State Plan. Therefore we no longer meet the eligibility requirements for the CHIPRA Prospective Payment System Transition Grant, which were included in the solicitation.

On behalf of the South Carolina Department of Health and Human Services and the State of South Carolina, I would like to express our appreciation for the consideration and assistance that we were given by you and all those concerned at CMS throughout this process. We would particularly like to thank those on the review team for their time and effort in reviewing and evaluating out application. We hope this program will be successful for CMS and for the other states who received awards.

If you have any questions or if I can be of further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Emma Forkner".

Emma Forkner
Director

cc: Ticia Jones, MS Project Officer