

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singleton/Chavis	2-25-15

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000193	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR CC: Kost, Deps, CUS file cleared 12/14/15, letter attached.	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> 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.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

**RECEIVED**

FEB 25 2015

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

February 19, 2015

Mr. Christian L. Soura, Interim Director  
Department of Health and Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: State Plan Amendment (SPA) 14-021

Dear Mr. Soura:

We have completed our review of the proposed amendment submitted under transmittal number (TN) 14-021. This plan amendment proposes to update the outpatient hospital multiplier with an effective date of October 1, 2014. Specifically, the following changes are being proposed: (1) update the base portion of the July 1, 2014 hospital specific outpatient multiplier by 2.50 percent for all South Carolina general acute care hospitals with the exception of Direct Medical Education; (2) update the base portion of the July 1, 2014 hospital specific multiplier by 2.50 percent for all qualifying out of state border general acute care hospitals entitled to receive a hospital specific outpatient multiplier; (3) also, South Carolina defined rural and burn intensive care unit hospitals will receive retrospective cost settlements that will equate to 100 percent of allowable Medicaid costs. Before we can continue processing this amendment, we need additional or clarifying information.

General Comments/Questions

1. Pending SPA SC 14-021 revises material that is currently pending in SPA SC 12-025, SC 13-022, SC 14-002, and SC 14-016. We cannot take action on SC 14-021 until all our concerns for the previous amendments are resolved. In addition, any changes made to SC 12-025, SC13-022, SC 14-002, and SC14-016 should be included in SC 14-021.
2. Please provide the excel version of all schedules including the Upper Payment Limit (UPL) demonstration as well as the supporting documentation submitted with this SPA.

Attachment 4-19 B Plan Pages

Page 1a - Paragraph 5; Page 1a.1- Paragraph 1, 2 and 5; Page 1a.3- Paragraph 2:

3. In accordance to 42 CFR 430.10, the state plan should be comprehensive, understandable, clear and unambiguous. The state plan language indicates the following: ***"...the base portion of the July 1, 2014 or October 1, 2013 hospital specific outpatient multiplier for all SC general acute care hospitals was increased by 2.50%."*** Is the base portion of the July 1, 2014 hospital specific outpatient multiplier being increased by 2.50 percent? Is the October 2013 hospital specific outpatient multiplier being increased by 2.50 percent? Is the base portion of the July 1, 2014 hospital specific outpatient multiplier the same as the October 1, 2013 hospital specific outpatient multiplier? This SPA language leaves too much ambiguity in the plan language that makes it difficult to determine what is increased by 2.50 percent. Please clarify by explicitly identifying what is being increased by 2.50 percent.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on March 12, 2015. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid directors dated January 2, 2001, if we have not received the state's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will continue to defer federal financial participation (FFP) for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

We ask that you respond to this RAI via the Atlanta Regional Office SPA/Waiver e-mail address at [SPA\\_Waivers\\_Atlanta\\_R04@cms.hhs.gov](mailto:SPA_Waivers_Atlanta_R04@cms.hhs.gov). The original signed response should also be sent to the Atlanta Regional Office.

If you have any questions, please contact Cheryl Wigfall at (803) 252-7299 or Stanley Fields at (502) 223-5332.

Sincerely,



Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations

Brenda,  
This closes out  
Log # 000193  
Thanks  
[Signature]

December 14, 2015

Ms. Jackie L. Glaze  
Associate Regional Administrator  
Center for Medicare and Medicaid Services  
Division of Medicaid & Children's Health  
Atlanta Regional Office  
61 Forsyth Street, SW - Suite 4T20  
Atlanta, Georgia 30303-8909

RE: Request for Additional Information (RAI) on South Carolina Title XIX State Plan Amendment (SPA), Transmittal # SC 14-021

Dear Ms. Glaze:

This is in response to your Request for Additional Information (RAI) dated February 19, 2015 regarding the above-referenced SPA. Please find below the South Carolina Department of Health and Human Services' (SCDHHS) responses to your questions.

General Comments/Questions

1. Pending SPA SC 14-021 revises material that is currently pending in SPA SC 12-025, SC 13-022, SC 14-002, and SC 14-016. We cannot take action on SC 14-021 until all our concerns for the previous amendments are resolved. In addition, any changes made to SC 12-025, SC 13-022, SC 14-002, and SC 14-016 should be included in SC 14-021.

**SCDHHS Response:** The SCDHHS has incorporated all changes to SPAs 12-025, 13-022, and 14-016 into this plan amendment. Please note that the SCDHHS withdrew SPA 14-002.

2. Please provide an excel version of all schedules including the Upper Payment Limit (UPL) demonstration as well as the supporting documentation submitted with this SPA.

**SCDHHS Response:** An excel version of the requested Upper Payment Limit (UPL) demonstration has been enclosed for your review.

Attachment 4-19 B Plan Pages

Page 1a – Paragraph 5; Page 1a.1 – Paragraph 1, 2 and 5; Page 1a.3 – Paragraph 2:

3. In accordance to 42 CFR 430.10, the state plan should be comprehensive, understandable, clear and unambiguous. The state plan language indicates the following: **"...the base portion of the July 1, 2014 or October 1, 2013 hospital specific outpatient multiplier for all SC general acute care hospitals was increased by 2.50%."** Is the base portion of the July 1, 2014 hospital specific outpatient multiplier being increased by 2.50 percent? Is the October 2013 hospital specific outpatient multiplier being increased by 2.50 percent? Is the base portion of the July 1, 2014 hospital specific outpatient multiplier the same as the October 1, 2013 hospital specific outpatient multiplier? This SPA language leaves too much ambiguity in the plan language that makes it difficult to determine what is increased by 2.50 percent. Please clarify by explicitly identifying what is being increased by 2.50 percent.

Ms. Jackie L. Glaze  
December 14, 2015  
Page 2

**SCDHHS Response:** Effective October 1, 2014, the South Carolina Department of Health and Human Services increased the base rate component of the hospital specific outpatient multipliers in effect prior to October 1, 2014. Therefore these would either be the October 1, 2013 outpatient hospital multipliers for those hospitals not impacted by the July 1, 2014 normalization adjustment or the July 1, 2014 outpatient hospital multipliers for those hospitals impacted by the July 1, 2014 normalization adjustment. In order to clarify, we have added verbiage and enclosed pages 1a, 1a.1, and 1a.3 for your review.

If additional information is needed or if you have questions, please contact Jeff Saxon at (803) 898-1023 or Sheila Chavis at (803) 898-2707.

Sincerely,

A handwritten signature in black ink, appearing to read 'CLS', followed by a long horizontal line extending to the right.

Christian L. Soura  
Director

CLS/dsrc