

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Giese</i>	DATE  <i>3-5-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>1010347</i>	<input type="checkbox"/> I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Feck, Depps</i>	<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.			
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MAR 05 2012

United States Government Accountability Office  
Washington, DC 20548

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

February 28, 2012

Tony Keck  
Director  
State of South Carolina, Department of Health & Human Services  
1801 Main Street  
PO Box 8206  
Columbia, SC 29201-8206

Dear Mr. Keck:

The purpose of this letter is to inform you that the Government Accountability Office (GAO) is conducting a national study comparing Medicaid payment rates to commercial private plan rates in response to a congressional request.

As part of this initiative, we will be requesting Medicaid fee-for-service claims data from the Centers for Medicare & Medicaid Services (CMS), and private sector claims data from a vendor that has aggregated claims from multiple organizations. In addition, we wanted to alert you that we plan to request 2009 and 2010 Medicaid managed care claims data from multiple Medicaid managed care organizations, including organizations that may contract with your state.

We are requesting this data directly from these Medicaid managed care organizations under section 1125 of the Social Security Act, which provides GAO broad authority to obtain and review pertinent books, records, documents, or other information for the purpose of any audit of any program or function authorized under the Social Security Act, and under 45 C.F.R. § 92.36(i), which requires contracts under which states procure services under a federal grant, including the Medicaid managed care contracts, to include provisions providing GAO access to any contractor books, documents, papers, and records that are directly pertinent to a particular contract for the purpose of making audits (45 C.F.R. § 92.36(i)).

GAO recognizes the sensitive nature of all Medicaid claims data. At your request, we would be glad to provide you with additional information on GAO's policies and procedures regarding our handling of sensitive data.

In closing, should you receive inquiries from Medicaid managed care organizations about providing GAO with the requested claims data, we ask that you encourage their efforts to provide the requested data in a timely manner. If you have any questions or issues you would like to discuss, please contact me at (202) 512-4931,

yocomc@gao.gov, or Christine Brudevold at (202) 512-2669, brudevoldc@gao.gov.  
Thank you for your assistance in this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Carolyn L. Yocom". The signature is written in a cursive style with a long horizontal line extending from the end.

Carolyn L. Yocom  
Director, Health Care

cc: Christine Brudevold  
Sandra George