

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**OFFICE OF DIRECTOR**

**ACTION REFERRAL**

TO <i>Supra</i>	DATE  <i>9-9-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <div style="text-align: center; font-size: 1.2em;"><i>101115</i></div>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <div style="text-align: center;"> <i>cc: Mr. Heck, Depo, CUS file</i>  </div>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____  <input type="checkbox"/> 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, Mail Stop 52-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP and Survey & Certification  
Data and Systems Group**

September 1, 2011

Mr. Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street,  
Columbia, SC 29201

**RECEIVED**  
SEP 09 2011

Mr. John Supra, Chief Information Officer, Deputy Director of Eligibility  
Department of Health & Human Services  
PO Box 8206,  
Columbia, SC 29202

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

Dear Mr. Keck and Mr. Supra:

This letter is in response to your request for approval of Federal funding under an Implementation Advance Planning Document (IAPD) for South Carolina to enhance South Carolina's Medicaid Eligibility Determination System (MEDS) relative to the requirements of the Affordable Care Act.

Your I-APD indicated that you plan to make use of a Commercial-Off-the-Shelf (COTS ) solution and that at this time the system will be utilized by the Medicaid and CHIP programs to determine an applicant's eligibility for Medicaid, CHIP or premium assistance through an Exchange. The extent to which Human Services programs may or may not be able to leverage this system for their benefit is of potential interest but, at this time, no commitment has been made by them toward this end, and financial support is not being sought from them.

We are approving your request, and the associated Federal funding as shown below, effective September 1, 2011.

**Approved Federal Financial Participation (FFP)  
By Federal Fiscal Year**

Category	DDI (90% FFP)	Operations ( 75% FFP)	Total
FFY 11	\$ 1,654,158	-	\$ 1,654,158
FFY 12	18,001,907	\$ 770,000	18,771,907
FFY 13	15,998,792	2,052,778	18,051,570
FFY 14	12,188,855	28,421,597	40,610,452
FFY 15	856,938	29,132,137	29,989,075
FFY 16	-	29,860,441	29,860,441
<b>TOTAL</b>	<b>\$ 48,700,650</b>	<b>\$ 90,236,953</b>	<b>\$ 138,937,603</b>

Mr. Anthony E. Keck, Director  
Page 2

Please note that the FFP for licensing a COTS product is 75% ; costs associated with its specific configuration to accommodate South Carolina's unique needs are reimbursable at 90% FFP but that which is paid for at the 90% rate must be in the public domain and available for use by other states.

As we have discussed in meetings and conversations, the development of this project will be reviewed utilizing CMS' Systems Development Life Cycle (SDLC)/ Gate Review assessment methodology. We recognize that the State may need to make mid-course adjustments associated with project scope, allocation and or distribution of costs among different expense categories, etc., over time. Toward this end, we are partnering with CMS' Center for Consumer Information and Insurance Oversight (CCIIIO) in order to support the high degree of interaction needed to create the shared eligibility service described in our IT Guidance 2.0 and Seven Conditions and Standards (for additional details please see <http://www.cms.gov/Medicaid-Information-Technology-MIT/> ).

As part of this approval, we are requesting timely submissions of monthly status reports for this project. The monthly status reports should be submitted to this Office by the last day of each calendar month beginning with September 2011. Monthly status reports are to be signed by you and should include, at a minimum, the following information:

- Major Project Accomplishments - a description of major project accomplishments since the last report;
- Project Status - the Department's assessment of the current project status as compared to the approved IAPD project schedule including specific reference to all project milestones start and end dates;
- Project Problems – a description of problems that have or will have an impact on project schedule or content;
- Corrective Action – a plan of action to correct any problems identified above;
- Funding Summary – a cumulative summary of project costs claimed for FFP by rate of FFP.

We will be in touch with you shortly to schedule your first Gate Review. In addition, we will be setting up periodic monitoring calls with your staff to review the progress of the project as describe in your monthly reports and other sources of information that you may wish to share with us.

If you have any questions or concerns regarding this information, please feel free to contact Enitan Oduneye at 404-562-7424, or by email at [Enitan.Oduneye@cms.hhs.gov](mailto:Enitan.Oduneye@cms.hhs.gov).

Sincerely,

*Richard H. Friedman*

Richard H. Friedman, Director  
Division of State Systems

cc:

CMS Region IV – ARA Jackie Glaze, Enitan Oduneye,  
South Carolina Medicaid – Rhonda Morrison  
CMS CO – Katherine Harkins, Mark Oh, Pat Patterson, Kirti Patel