


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

ACTION REFERRAL

TO	DATE
<i>Singleton</i>	<i>1-5-10</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000285</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Farlure, Deps</i> 	

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
61 Forsyth St., SW, Suite 4T20
Atlanta, Georgia 30303-8909



December 30, 2009

RECEIVED

JAN 05 2010

Emma Forkner, Director
South Carolina Department of Health and Human Services
P.O. Box 8306
Columbia, SC 29202-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

This letter is in response to your request of December 8, 2009, for approval of a Plan Advance Planning Document (PAPD) for activities associated with the State's planning activities for the implementation of the Health Information Technology (HIT) provision of the American Recovery and Reinvestment Act of 2009 (the Recovery Act). These activities are to include the development of a State Medicaid HIT Plan (SMHP) that will be submitted for review by the Centers for Medicare & Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC).

We have reviewed the information contained in the request and find that it meets the requirements of Section 4201 of the Recovery Act and the guidance found in State Medicaid Director Letter (SMD) 09-006/ARRA HIT #1. CMS hereby approves the States PAPD. This approval is effective as of December 18, 2009.

The State will be allowed to claim Federal Financial Participation (FFP) for the activities contemplated by the PAPD as follows:

	Federal Financial Participation	State Only Costs
Staff Salaries	\$1,020,927	\$113,436
Consultant Fees	\$360,000	\$40,000
Operational Expenses	\$98,550	10,950
Total	\$1,479,477	\$164,386

Final determination of allowable costs and matching FFP will be conditioned upon successful fulfillment of the objective presented in the PAPD. Specific condition in determining the final allowability of FFP will include review and acceptance of the SMHP by CMS and the submission, approval, and implementation of an Implementation Advance Planning Document (IAPD) based on the outcome of these planning activities. Further, the funding granted herein is contingent upon its use for activities which are directly associated with the administration of the Medicaid program. All activities are subject to CMS review to ensure appropriate. By accepting this funding, the State attests that the non-Federal share is derived from a permissible funding source and is available for this project.

In addition, CMS notes in your PAPD your intention to partner with State Government entities outside of South Carolina Department of Health and Human Services. This approval is further conditioned upon the submission of any Intergovernmental Agreement(s), or Memorandum(s) of Understanding for review by CMS to ensure to our satisfaction that all contracted workers will be working exclusively on activities related to Medicaid HIT and will be under the management and direction of the State Medicaid Director for the purpose of the contracted activities relevant to this project. The State is reminded that claims for expenditure of FFP funds made prior to CMS approval may not be allowed. Any changes in the scope of work, schedule/or costs associated with this project must be prior approved by this office.

The Centers for Medicare & Medicaid Services' decision on this request is specific to these planning activities and pertains specifically to the details contained in the request. Each individual request will be considered independently based on its individual details in order for CMS to reach its decision regarding approval. I would like to thank you and your staff for your efforts to work with the Regional Office to develop strategies for this project. If there are any questions concerning this approval, please contact David Hinson at (404) 562-7411 or via E-mail at Lawrence.hinson@cms.hhs.gov.

Sincerely,



Mary Kaye Justis, RN, MBA

Acting, Associate Regional Administrator
Division of Medicaid and Children's Health Operations