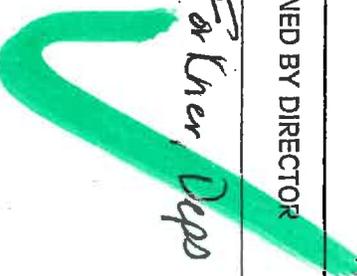


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO	DATE
<i>Wells</i>	<i>3-4-10</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>1011372</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mrs. Farber Deps</i>	<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

Center for Medicaid and State Operations
Financial Management Group
7500 Security Boulevard
Baltimore, MD 21244

RECEIVED

MAR 04 2010

Department of Health & Human Services
OFFICE OF THE DIRECTOR

MAR 01 2010

Ms. Emma Forkner
Executive Director
Department of Health and Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Dear Sir or Madam:
SUPPLEMENTAL

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 01/01/2010 - 03/31/2010 under Appropriation 75X0518 Centers for Medicare & Medicaid Services.

Increased Medical Assistance Payments

\$42,192,000

This grant award represents funding authorized under the provisions of section 5001 of the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5, enacted on February 17, 2009 during the recession adjustment period October 1, 2008 through December 31, 2010), that are for the purpose of providing a temporary increase in the Medicaid Federal medical assistance percentage (FMAP) to fund your State's Medicaid program in federal FY 2009. The amount of this grant award only represents the additional amount of funds associated with the increased FMAP determined under ARRA only for the expenditures for which the increased FMAP is available. In a separate grant award you will receive the amount of funds associated with the regular FMAP rate for the expenditures represented by this grant award and the additional Federal funds for the other expenditures for which the Federal matching rate is the regular FMAP or other matching rates.

States' increased FMAPs have been determined in accordance with the provisions of section 5001 of ARRA. The above grant award amount reflects an estimate of the increased funds for your State for the period of the grant award related to the title XIX expenditures for which the increased FMAP is available.

With the acceptance of this grant award and draw of such funds from the Payment Management System subaccount, you agree that :

- 1) Your State is eligible for the increased FMAP because the State is applying Medicaid eligibility standards, methodologies and procedures that are no more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008. If the State is currently ineligible because it does not meet this condition, the State may be retroactively eligible if it reinstates the former standards, methodologies and procedures prior to July 1, 2009. (Section 5001(f)(1) of ARRA)
- 2) Your State is eligible for the increased FMAP because no amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State. (Section 5001(f)(3) of ARRA)
- 3) Your State is eligible for the increased FMAP because it does not require political subdivisions within the State to contribute for quarters beginning October 1, 2008 and ending December 2010, a greater percentage of the non-Federal share of such expenditures (including for expenditures under section 1923 of the Social Security Act) than the respective percentage that would have been required under the State Medicaid plan on September 30, 2008. (Section 5001(g)(2) of ARRA)
- 4) The expenditures for which the State draws funds are of a type that would be eligible expenditures. Expenditures for disproportionate share hospital (DSH) payments are ineligible. Also ineligible are expenditures that are claimed based on the enhanced FMAP (described in section 2105(b) of the Act), or expenditures that are not paid based on the FMAP, such as expenditures for family planning services, administrative expenditures. Expenditures for services provided through an Indian Health Service facility are ineligible because such expenditures receive 100 percent FMAP, which is the ceiling level. And expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are higher than those in effect on July 1, 2008 are also ineligible for the increased FMAP. (Section 5001(e) of ARRA).
- 5) The expenditures for which the State draws funds are not payments for health care practitioner claims, or certain nursing home and hospital claims, that were received by the State during periods in which the State is not in compliance with prompt payment standards. (Section 5001(f)(2) of ARRA)

With the acceptance of this award, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised) and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with this grant award should be referred to the appropriate Centers for Medicare & Medicaid Services Regional Office financial contact for your State.

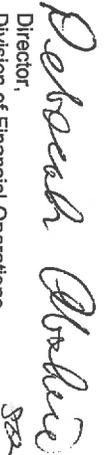
Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center (PSC). Inquiries regarding payment should be directed to:

Director, Division of Payment Management
Post Office Box 6021
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,


Director,
Division of Financial Operations

Enclosures 4
CMS-L151(7-90)

MAR 01 2010

STATE	SOUTH CAROLINA			
FISCAL YEAR	2	0	1	0
QUARTER	<input type="checkbox"/> 1ST	<input checked="" type="checkbox"/> 2ND	<input type="checkbox"/> 3RD	<input type="checkbox"/> 4TH

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

MEDICAL
ASSISTANCE
PAYMENTS

1. ADJUSTMENTS FOR QUARTER ENDED \$ 0

A. ACTUAL FEDERAL SHARE OF EXPENDITURES 0

B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED 0

C. DIFFERENCE 0

D. NET ADJUSTMENTS APPLICABLE TO PRIOR PERIODS

E. COLLECTIONS
F. OTHER
G. TOTAL ADJUSTMENTS 0

2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING JANUARY 1, 2010 A. 42,192,000

3. NET AMOUNT TO BE CERTIFIED \$ 42,192,000

TOTAL AMOUNT TO BE CERTIFIED \$B. 42,192,000

DATE APPROVED MAR 0 1 2010 COMPUTATION CHECKED BY Jennifer North
INTERNAL TRANSMITTAL NO. A-17

FOOTNOTES

STATE: SOURTH CAROLINA

QUARTER/FISCAL YEAR: SECONDD/2010

Section 5001 Temporary Increase of Medicaid FMAP

- A. The estimate of expenditures for the SECOND quarter fiscal year 2010 has been changed from \$ 68,742,000 to \$ 110,934,000 for American recovery and reinvestment Act (ARRA). See Attachment 1.
- B. The funding authorized by this grant award is paid subject to any future financial management review or audit.

MAR 0 1 2010

CALCULATION OF SUPPLEMENTAL AWARD
Increased Funding Under Title XIX Section 5001 ARRA

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: SECOND/2010

Secretary's Estimate of Funding
Need for the Quarter

MEDICAL ASSISTANCE
PAYMENTS

\$ 110,934,000

Less:

SPR Penalty,
Attachment XXXXXXXXXXXXXXXXXXXX

MEQC Penalty,
Attachment _____

Third Party Liability/Assignment
of Rights-Billing Offset
Attachment XXXXXXXXXXXXXXXXXXXX

Part A (Buy-In) Premiums
Attachment _____

Part B (Buy-In) Premiums
Attachment _____

Part A Interest
Attachment _____

Part B Interest
Attachment _____

FUNDING ADJUSTMENT

Adjusted funding for the quarter \$ 110,934,000

Estimate previously funded for
the quarter (68,742,000)

Net Amount of Funding \$ 42,192,000

MAR 01 2010