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Jackie.Glaze@cms.hhs.govJackie.Glaze@cms.hhs.gov
Date: 10/23/2014 9:26:10 AM
Subject: Re: Letter from Director Keck - Admin Contract

Beverly,

I expect we will have several conversations about the details over the coming months. I spoke with Adriana regarding the \$151m and she will be forwarding separately an update of the date to FY15 as you and I agreed (she's out at CME the remainder of the week). It will be important for FY16 that a line item for DDSN Medicaid match be placed in the budget by the legislature.

As far as administrative match for state funded only services, none of that should be affected by these changes as no Medicaid funds have ever been allowed to fund non-Medicaid services. The necessary change in 70/30 to 50/50 to come into CMS compliance, however, does reduce your general fund available, so in FY15 DHHS will cover that difference and in FY16 it will need to be line itemed in your budget or included in our overall admin match pool in ours. Let's get the budget people together to make sure one of the two happens.

Thanks,

Tony

Sent from my iPad

On Oct 23, 2014, at 9:11, "Buscemi, Beverly" <BBuscemi@ddsn.sc.gov> wrote:

Tony,

We have received the final copy of your letter. In order to implement the intent of your letter, DDSN is seeking clarification of DHHS's stated intent to cover DDSN's state match cost above the previously established \$151M. When you and I discussed the draft version of this letter last week, we discussed the need for DHHS to restate this intent for fiscal year 2015 as stated in last year's May 30th letter for fiscal year 2014. This intent is not included in this letter, nor have we received a new letter from DHHS referring to this fiscal year. Given that all of DDSN's Medicaid administrative cost will now be passed onto its provider network, DDSN will not have the state match necessary for administrative expenses required by Medicaid or state funded services. Even with the development of a new Administrative contract between DDSN and DHHS, DDSN will not have the required state

match for services within that contract as these dollars will now be pass on to providers. Please confirm to DDSN in writing our previous discussions.

DDSN will schedule future discussion with DHHS to discuss the specific details and time line for implementation of this change in rate structure. We have several questions such as how the state match for Medicaid state plan and direct billed services will be handled in light of this letter. DDSN needs to understand DHHS's plan on how funding for these services will be handled in order to adjust the band or rate structure and implement the intent of this letter.

Thank you.

Beverly

Beverly A. H. Buscemi, PhD

State Director

SC Department of Disabilities and Special Needs

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From: Jan Polatty [<mailto:POLATTYJ@scdhhs.gov>]
Sent: Wednesday, October 22, 2014 4:12 PM
To: Buscemi, Beverly
Cc: Delaney, Sandra
Subject: Letter from Director Keck - Admin Contract

Hi Dr. Buscemi,

I've attached the letter from Director Keck for you. I will put the hard copy in the US Mail as well.

Thanks and have a good evening. Jan.

Jan Polatty
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<DDSN Buscemi - Admin Contract_KEK_final 10-22-2014.pdf>

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