

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

ACTION REFERRAL

TO <i>Singleton/Charis</i>	DATE <i>3-12-14</i>
-------------------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000310</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Heck, Kost, Deps CMS file</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-4-14</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

February 4, 2014

Mr. Anthony E. Keck, Director
Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

RECEIVED

MAR 07 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Attention: Sheila Chavis

RE: State Plan Amendment (SPA) 13-022

Dear Mr. Keck:

We have completed our review of the proposed amendment submitted under transmittal number SC 13-022. This plan amendment proposes to update the outpatient hospital multiplier with an effective date of October 1, 2013. Specifically, the following changes are being proposed: (1) update the base portion of the November 1, 2012 hospital specific outpatient multiplier by 2.75% for all South Carolina general acute care hospitals with the exception of Direct Medical Education; (2) update the base portion of the November 1, 2012 hospital specific multiplier by 2.75% for all qualifying out of state border general acute care hospitals entitled to receive a hospital specific outpatient multiplier; (3) also, South Carolina defined rural and burn intensive care unit hospitals will receive retrospective cost settlements that will equate to 100% of allowable Medicaid costs. Before we can continue processing this amendment, we need additional or clarifying information.

General Comments/Questions

1. Pending SPA SC 13-022 revises material that is currently pending in SPA SC 12-025. We cannot take action on SC 13-022 until all our concerns for the previous amendment is resolved. In addition, any changes made to SC 12-025 should be included in SC 13-022.

HCFA 179

2. Please provide appropriate budget impact for federal fiscal year (FFY) 2015, along with supporting calculations. Also provide a pen/ink authorization to include the appropriate dollar amount on the HCFA 179 form.

Tribal Consultation

3. Based on your tribal question responses, SC advised that Chief Bill Harris was not in attendance for the Medical Care Advisory Committee (MCAC) meeting on 9/17/2013. Please provide the date/actual documents which were shared with Chief Harris.

Mr. Anthony E. Keck

Page 2

Funding Questions Responses

4. Funding Question #3 - South Carolina indicated a payment to qualifying rural and burn intensive care unit hospitals outpatient cost settlement of \$2,000,000. Please clarify whether this is a supplemental payment or an enhanced payment.

Attachment 4-19 B Plan Pages

Page 1- Paragraph 2:

5. Please explain why the State is using "discharged incurred"? We believe this language is not appropriate for outpatient hospital reimbursement.

Page 1a.2- (f):

6. The State references "reduction"? Does the State mean reduction? If so. Please change as appropriate.
7. What types of services are intended when the state references OP? Please Specify.
8. Please explain why the State is utilizing a 75% reduction for OP therapy rates.

Page 1a.2. Paragraph 3:

9. In accordance with Section 1833(h)(2)(A)(i) of the Social Security Act (the Act), as amended by Section 628 of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003, and further amended by Section 3401 of the Patient Protection and Affordable Care Act (PPACA) of 2010, please confirm that the State clinical lab fee schedule payment is consistent with the reduction of PPACA.

Page 1a.3. Paragraph 2:

10. What line number of worksheet B part 1 will be used to calculate the cost to charge ratio? Which column of worksheet part C will be used to calculate the cost to charge ratio? Please be more specific in the reference to worksheet D, part V when using this information to calculate the cost to charge ratio.

UPL Demonstration

11. Please provide a copy of the 2552-10 cost report and the MARS report for Medical University Hospital and Palmetto Health Richland Hospital.
12. For columns C and D, please identify the worksheet column(s) and line(s) these amounts were extracted from on the 2552-10 cost report. In addition, please add a tab on the UPL demonstration that includes by provider, the worksheet column(s), line(s), and amounts from 2552-10 cost report used to calculate the cost to charge ratio.

Mr. Anthony E. Keck

Page 3

13. For columns G, identify the worksheet column (s) and line(s) these amounts were extracted from on the MARS report.
14. For column P, please provide an analysis of how these percentages were determined.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on February 20, 2014. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid directors dated January 2, 2001, if we have not received the state's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will continue to defer federal financial participation (FFP) for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

We ask that you respond to this RAI via the Atlanta Regional Office SPA/Waiver e-mail address at SPA_Waivers_Atlanta_R04@cms.hhs.gov. The original signed response should also be sent to the Atlanta Regional Office.

If you have any questions, please contact Cheryl Wigfall at (803) 252-7299 or Michelle White at (404) 562-7328.

Sincerely,



Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

February 4, 2014

Mr. Anthony E. Keck, Director
Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: State Plan Amendment (SPA) 13-022

Dear Mr. Keck:

We have completed our review of the proposed amendment submitted under transmittal number SC 13-022. This plan amendment proposes to update the outpatient hospital multiplier with an effective date of October 1, 2013. Specifically, the following changes are being proposed: (1) update the base portion of the November 1, 2012 hospital specific outpatient multiplier by 2.75% for all South Carolina general acute care hospitals with the exception of Direct Medical Education; (2) update the base portion of the November 1, 2012 hospital specific multiplier by 2.75% for all qualifying out of state border general acute care hospitals entitled to receive a hospital specific outpatient multiplier; (3) also, South Carolina defined rural and burn intensive care unit hospitals will receive retrospective cost settlements that will equate to 100% of allowable Medicaid costs. Before we can continue processing this amendment, we need additional or clarifying information.

General Comments/Questions

1. Pending SPA SC 13-022 revises material that is currently pending in SPA SC 12-025. We cannot take action on SC 13-022 until all our concerns for the previous amendment is resolved. In addition, any changes made to SC 12-025 should be included in SC 13-022.

HCFA 179

2. Please provide appropriate budget impact for federal fiscal year (FFY) 2015, along with supporting calculations. Also provide a pen/ink authorization to include the appropriate dollar amount on the HCFA 179 form.

Tribal Consultation

3. Based on your tribal question responses, SC advised that Chief Bill Harris was not in attendance for the Medical Care Advisory Committee (MCAC) meeting on 9/17/2013. Please provide the date/actual documents which were shared with Chief Harris.

RECEIVED

MAR 10 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Mr. Anthony E. Keck
Page 2

Funding Questions Responses

4. Funding Question #3 - South Carolina indicated a payment to qualifying rural and burn intensive care unit hospitals outpatient cost settlement of \$2,000,000. Please clarify whether this is a supplemental payment or an enhanced payment.

Attachment 4-19 B Plan Pages

Page 1- Paragraph 2:

5. Please explain why the State is using “discharged incurred”? We believe this language is not appropriate for outpatient hospital reimbursement.

Page 1a.2- (f):

6. The State references “reduction”? Does the State mean reduction? If so. Please change as appropriate.
7. What types of services are intended when the state references OP? Please Specify.
8. Please explain why the State is utilizing a 75% reduction for OP therapy rates.

Page 1a.2, Paragraph 3:

9. In accordance with Section 1833(h)(2)(A)(i) of the Social Security Act (the Act), as amended by Section 628 of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003, and further amended by Section 3401 of the Patient Protection and Affordable Care Act (PPACA) of 2010, please confirm that the State clinical lab fee schedule payment is consistent with the reduction of PPACA.

Page 1a.3, Paragraph 2:

10. What line number of worksheet B part 1 will be used to calculate the cost to charge ratio? Which column of worksheet part C will be used to calculate the cost to charge ratio? Please be more specific in the reference to worksheet D, part V when using this information to calculate the cost to charge ratio.

UPL Demonstration

11. Please provide a copy of the 2552-10 cost report and the MARS report for Medical University Hospital and Palmetto Health Richland Hospital.
12. For columns C and D, please identify the worksheet column(s) and line(s) these amounts were extracted from on the 2552-10 cost report. In addition, please add a tab on the UPL demonstration that includes by provider, the worksheet column(s), line(s), and amounts from 2552-10 cost report used to calculate the cost to charge ratio.

Mr. Anthony E. Keck

Page 3

13. For columns G, identify the worksheet column (s) and line(s) these amounts were extracted from on the MARS report.

14. For column P, please provide an analysis of how these percentages were determined.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on February 20, 2014. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid directors dated January 2, 2001, if we have not received the state's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will continue to defer federal financial participation (FFP) for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

We ask that you respond to this RAI via the Atlanta Regional Office SPA/Waiver e-mail address at SPA_Waivers_Atlanta_R04@cms.hhs.gov. The original signed response should also be sent to the Atlanta Regional Office.

If you have any questions, please contact Cheryl Wigfall at (803) 252-7299 or Michelle White at (404) 562-7328.

Sincerely,



Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations