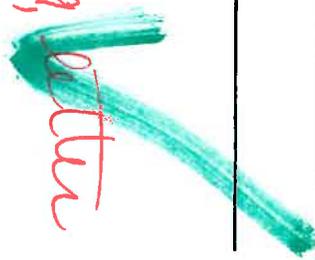


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>1-20-09</i>
---------------------------	-------------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 2. DATE SIGNED BY DIRECTOR	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>3-20-09</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action
<i>100382</i> <i>C: Jacobs</i>  <i>cleaned up 2/19/09, letter attached.</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.			



FAX TRANSMISSION
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

FAX # 803-255-8235

ADDRESSEE: MS. EMMA FORKNER, DIRECTOR SOUTH CAROLINA DEPT. OF HEALTH & HUMAN SERVICES P.O. BOX 8206 - COLUMBIA SC 29202		FROM: KATHY GIBBO CHS - BALTIMORE DIVISION OF STATE CHILDREN'S HEALTH IN SURVANCE	
TOTAL PAGES: (Including Cover)	DATE:	SENDER'S VOICE PHONE:	
4	1/15/09	410-786-5913	

REMARKS:
Ms. Forkner,
Please see attached letter and
request for additional information
regarding your SCHIP amendment request.

Thank you,
Kathy Gibbo

The information contained in the facsimile message may be privileged or confidential information intended only for the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication may be prohibited by Maryland or Federal law. If you have received this communication in error please notify us by telephone at the phone number listed on this page, and we will make arrangements to pick-up the original message or have you return the document via the United States Postal Service. Thank you.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Center for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop 52-01-16
Baltimore, Maryland 21244-1850



Center for Medicaid & State Operations, Family & Children's Health Programs Group

JAN 15 2009

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

Dear Ms. Forkner:

Thank you for your State Children's Health Insurance Program (SCHIP) title XXI state plan amendment (SPA) submitted on December 18, 2008. Your proposal is currently undergoing review by the U.S. Department of Health and Human Services. In order to proceed with our review, we find it necessary to seek further information. Our major concern relates to the following area in Section 9:

- Section 9.9.2, regarding provision and publication of public notice, as required for amendments that eliminate or restrict eligibility.

As required under section 2107(c) of the Social Security Act (the Act), "A State child health plan shall include a description of the process used to involve the public in the design and implementation of the plan and the method for ensuring ongoing public involvement."

Additionally, for State plan amendments that either eliminate or restrict eligibility or benefits, SCHIP regulations at 42 CFR 457.65(b) require the State to certify that it has provided prior public notice of the proposed change in a form and manner applicable under State law, and also that it has published the public notice before the requested effective date of the amendment.

The enclosure more specifically addresses areas of the proposal that require additional information and clarification. We may have further questions in addition to the information requested at this time.

Under section 2106(c) of the Act, the Centers for Medicare and Medicaid Services (CMS) must approve, disapprove, or request additional information on a proposed title XXI state plan amendment within 90 days. This constitutes our notification that specified additional information is needed in order to assess fully the concerns raised in this letter. The 90-day review period has been stopped by this request and will resume as soon as the State's complete response to this request for additional information is received. However, if a response to this request is not received by CMS within 180 days of the date of this letter, the SPA will be

Page 2 - Ms. Emma Forkner

disapproved. The members of the Review Team are available to answer any questions you may have in regard to this letter and to assist your staff in formulating a response.

Please send your response, either on disk or electronically, as well as in hard copy, to Kathy Cuneo, the CMS Central Office contact for the South Carolina title XXI proposal, with a copy to the CMS Region IV Office.

Ms. Cuneo's Internet address is kathleen.cuneo@cms.hhs.gov. Her mailing address is:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Division of State Children's Health Insurance
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

We appreciate the efforts of your staff and share your goal of providing health care to low-income, uninsured children through title XXI. If you have questions or concerns regarding the matters raised in this letter, your staff may contact either Kathy Cuneo at (410) 786-5913 or Sally Brown, CMS Region IV, at (404) 562-7352. They will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,



Kathleen M. Farrell
Director
Division of State Children's Health Insurance

Enclosure

cc: CMS Region IV DMCHO

ENCLOSURE
South Carolina SCHIP State Plan Amendment (SPA) #3
Additional Information Request

Section 1.4

The State did not submit this section of the State plan as part of its amendment request.

1. Please submit this section showing inclusion of the proposed amendment.
2. Also, please revise this section by adding the effective dates for the original plan and all approved amendments.

Section 4.1.3

The State indicates that it applies the same income exclusions and disregards to both its Medicaid and separate SCHIP programs. Please provide an assurance that the proposed changes to the child/incapacitated care deduction do not result in Medicaid eligibility levels below those that were in place as of March 31, 1997.

Section 9.9.2

In this section, the State describes the general procedures that will be followed for providing public notice of any action that restrict eligibility or benefits or increases cost sharing. Please submit specific details of the public notice that was provided regarding SPA #3, as this amendment will result in a loss of eligibility for some individuals.

Section 9.10

Please submit a revised budget that reflects the costs of this proposed SPA.

General

1. What is the overall budgetary impact of this amendment? Please provide information that breaks out the budget costs of the Medicaid expansion and separate programs, as well as the total SCHIP budget.
2. What is the State's estimate of the number of current SCHIP enrollees who will be affected by the changes that are being proposed by this SPA? Please include information regarding enrollees in both the Medicaid expansion and separate programs.



State of South Carolina
Department of Health and Human Services

Page 382
✓

Mark Sanford
Governor

Emma Forkner
Director

February 9, 2009

Ms. Mary Kaye Justis, RN, MBA
Acting Associate Regional Administrator
Centers for Medicare and Medicaid Services
Division of Medicaid and Children's Health
Atlanta Federal Center
61 Forsythe Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

RE: Title XXI State Children's Health Insurance Program State Plan

Dear Ms. Justis:

The South Carolina Department of Health and Human Services would like to withdraw page 15 of the Title XXI State Children's Health Insurance Program State Plan Amendment revising the child/incapacitated adult care deduction (Section 4, 4.1.3) that was to be effective February 1, 2009. The transmittal letter was dated December 8, 2008.

If you should have any questions, please contact Alicia Jacobs, Deputy Director for Medicaid Eligibility and Beneficiary Services at (803) 898-2502.

Sincerely,

A handwritten signature in cursive script that reads "Emma Forkner".

Emma Forkner
Director

EF/jh

cc: Nancy Dieter, CMS