CMS APPROVAL DECISION TREE

CMS Approval

Ideal CMS Approval
- MCOs fund 75% of implementation cost ("costs"); remaining 25% provided by investors
- SCDHHS withholds 25% to pay investor principal upon outcomes achievement
- CMS funds a portion of investor return (i.e., CMS outlays >100% of costs)

→ Follow current workplan

Partial CMS Approval
- MCOs fund 75% of implementation cost ("costs"); remaining 25% provided by investors
- SCDHHS will need to source repayment capital for investor principal repayment and return

→ Revise workplan or discuss project feasibility

No CMS Approval
- PFS investors fund 100% cost
- SCDHHS will need to source repayment capital for investor principal repayment and return

→ Revise workplan or discuss project feasibility

Key Questions

- Are these the right scenarios? Others to consider?

- What will be the source of funding SC will use to repay PFS investors under each scenario (e.g., appropriated)?
  - Will any scenario require legislation or appropriation?
  - How will the funding be secured over the term of the PFS project?

- Will the State's contracting requirements differ across scenarios?