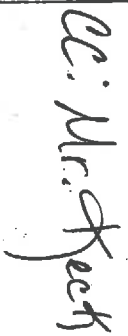



DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Wells	2-23-11

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER	1001372	<input type="checkbox"/> I Prepare reply for the Director's signature	DATE DUE _____
2. DATE SIGNED BY DIRECTOR	 	<input type="checkbox"/> I Prepare reply for appropriate signature	DATE DUE _____
		<input type="checkbox"/> I FOIA	DATE DUE _____
		<input checked="" 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
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



February 23, 2011

REMOVED

Mr. Anthony Keck, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Re: South Carolina Title XIX State Plan Amendment, Transmittal #10-016

Dear Mr. Keck:

We have reviewed South Carolina's State Plan Amendment (SPA) 10-016, which was submitted to the Atlanta Regional Office on December 17, 2010. This amendment establishes the State's expansion of the Recovery Audit Contractor (RAC) Program.

Based on the information provided, we would like to inform you that South Carolina SPA 10-016 was approved on February 18, 2011. The effective date is January 1, 2011. The signed CMS-179 and the approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Tandra Hodges at (404) 562-7409.

Sincerely,

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

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: SC 10-016	2. STATE South Carolina
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR

HEALTH CARE FINANCING ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
1/01/11

5. TYPE OF PLAN MATERIAL (*check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

6. COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

FEDERAL STATE/REGULATION CITATION:
Section 1902(a)(42)(B)(i) of the Act

7. FEDERAL BUDGET IMPACT FMAP 70.04%
a. FFY 2011 \$N/A
b. FFY 2012 \$N/A

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Page 36a & 36b of the Index

10. SUBJECT OF AMENDMENT
Expansion of the Recovery Audit Contractor (RAC) Program.

11. GOVERNOR'S REVIEW (*check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Mrs. Forkner was designated by the Governor to
review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Emma Forkner

16. RETURN TO:

South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

13. TYPED NAME:

Emma Forkner

14. TITLE:

Director

15. DATE SUBMITTED:

December 17, 2010

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

12/17/10

18. DATE APPROVED:

02/18/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/11

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health Ops

23. REMARKS:

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

SECTION 4 - GENERAL PROGRAM ADMINISTRATION
4.5 Medicaid Recovery Audit Contractor Program

Citation Section 1902(a)(42)(B)(i) of the Social Security Act	<p><u> X </u> The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.</p> <p>_____ The State is seeking an exception to establishing such program for the following reasons:</p>
Section 1902(a)(42)(B)(ii)(I) of the Act	<p><u> X </u> The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.</p>
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<p>Place a check mark to provide assurance of the following:</p> <p><u> X </u> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><u> X </u> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> <p>The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p><u> X </u> The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.</p> <p>_____ The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.</p>

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<p><u> </u> The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p>
<p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p><u> X </u> The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): Contingency fee of 10.9% of underpayments identified.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p><u> X </u> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p><u> X </u> The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p><u> X </u> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> <p><u> X </u> Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p>