


DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Singleton</i>	DATE <i>2-22-10</i>
------------------------	------------------------

<b>DIRECTOR'S USE ONLY</b>		<b>ACTION REQUESTED</b>	
1. LOC NUMBER  <i>000349</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR  <i>cc: Ms. Fortney, Depo</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____		
		<input type="checkbox"/> FOIA DATE DUE _____	
		<input checked="" type="checkbox"/> Necessary Action	

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



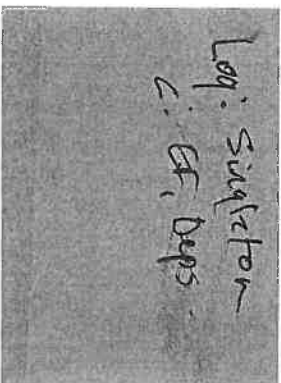
DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

Office of Audit Services, Region IV  
61 Forsyth Street, SW, Suite 3T41  
Atlanta, GA 30303

February 18, 2010

Report Number: A-04-10-06125



**RECEIVED**

FEB 22 2010

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Ms. Emma Forkner, Director  
Department of Health and Human Services  
P.O. Box 8206  
1801 Main Street  
Columbia, SC 29201-8206

Dear Ms. Forkner:

This is to notify you of our intention to conduct an audit of the Medical University of South Carolina Medical Center's (MUSC) Medicaid settlement process. The objective of our audit is to determine whether MUSC properly recorded, classified, and matched costs during the Medicaid cost reporting and settlement process. The audit period will include payments made during the period July 1, 2007, through June 30, 2008.

As a recipient of U.S. Department of Health & Human Services (HHS) grant funds, South Carolina Department of Health and Human Services is subject to Office of Inspector General (OIG) audits and other reviews. Pursuant to 45 CFR § 92.42(e), OIG has the right to timely and unrestricted access to all books, documents, papers, or other records that are pertinent to the Federal grant award.

OIG performs independent reviews of HHS programs and operations pursuant to the Inspector General Act of 1978, 5 U.S.C. App. § 4(a)(1). Medicaid providers of services, under the authority contained in section 1902(a)(27) of the Social Security Act, must provide such information as the Secretary of HHS or the appropriate State agency requests regarding payments claimed for services.

Under the health information privacy regulation that implements the Health Insurance Portability and Accountability Act of 1996, providing the information requested by this letter is a permitted disclosure because it (1) is "required by law" to be produced to OIG as part of your participation in a Government benefits program (45 CFR §§ 164.512(a) and 164.103) and (2) will be used for "health oversight" activities by OIG, which meets the definition of a "health oversight agency" (45 CFR §§ 164.512(d) and 164.501).

To expedite completion of our work, we request that you have the documents listed in the enclosure to this letter available for our entrance conference. During our review, we will also need access to additional documents and records. We appreciate your cooperation in this matter and will make every effort to minimize any disruption to the work of your office.

This audit will be performed under my direction. As arranged by Timothy Crye of my staff, we plan to hold an entrance conference on March 1, 2010, at 9:30 a.m.

If you have any questions or concerns about our review, please contact Andrew Funtal, Audit Manager at (404) 562-7762 or Timothy Crye, Senior Auditor at (904) 232-2687 extension 12. Please refer to report number A-04-10-06125 in all correspondence. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter J. Barbera". The signature is fluid and cursive, with the first name "Peter" being more prominent than the last name "Barbera".

Peter J. Barbera  
Regional Inspector General  
for Audit Services

Enclosure

cc:

Felicity Myers  
Deputy Director  
Department of Health and Human Services  
P.O. Box 8206  
1801 Main Street  
Columbia, SC 29201-8206

## ENCLOSURE

### Data and Information Needed at the Entrance Conference

Please provide the following at the entrance conference:

1. a list of Medicaid paid claims for MUSC Medical Center, #42-0004, for fiscal year ending June 30, 2008;
2. a walk through of the last finalized Medicaid cost report settlement for MUSC Medical Center;
3. a list of personnel who can answer any requests or questions for the audit; and
4. a list of any known reasons for material variances in the Medicaid charges, especially between 2006 and 2009.