


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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>10-7-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER <i>000194</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Falmer, Depo</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> 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.			

U. S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4120
Atlanta, Georgia 30303-8909



RECEIVED

October 3, 2008

OCT 07 2008

Emma Forkner, Director
South Carolina Department of Health and Human Services
P.O. Box 8206
Attn: Kia Jefferson
Columbia, SC 29202-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

Enclosed is the final compliance report for South Carolina's Home and Community Based Waiver for Pervasive Developmental Disorder (#0456). The review of the program was based upon evidentiary information submitted by your office on August 4, 2008. Your letter, dated September 24, 2008, includes minor suggestions that have been incorporated into the final report.

We wish you continued success in your Home and Community Based Waiver (HCBW) program and look forward to working with you in the future. If you have any questions or need assistance, please feel free to contact Kimberly Adkins-McCoy at (404) 562-7159.

Sincerely,

Mary Kaye Justis, RN, MBA
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure



U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
Region IV

Final Report

**Home and Community-Based Services Waiver Assessment of
South Carolina's Pervasive Development Disorder Waiver
Control # 0456**



South Carolina Home and Community Based Waiver for Pervasive Development Disorder (#0456) Assessment Report

Introduction:

Pursuant to section 1915(c) of the Social Security Act, the Secretary of the Department of Health and Human Services has the authority to waive certain Medicaid statutory requirements to enable a State to provide a broad array of home and community-based services (HCBS) as an alternative to institutionalization. The Centers for Medicare and Medicaid Services (CMS) has been delegated the responsibility and authority to approve State HCBS waiver programs. CMS must assess each home and community-based waiver program in order to determine that State's assurances are met. This assessment also serves to inform CMS in its review of the State's request to renew the waiver.

This review was conducted in accordance with the Interim Procedural Guidance for Assessing HCBS Waivers. Therefore, Regional Office staff did not conduct an on-site visit, review actual case records or conduct interviews with clients, caregivers or providers. Conclusions in this report are based on information submitted by the State to the Regional Office.

Operating Agency: South Carolina Department of Disabilities & Special Needs (SCDDSN)

State Waiver Contact: Kia Jefferson

Target Population: Children w/Pervasive Development Disorder (PDD)

Level of Care: ICE/MR

of Participants Approved for Year 2 of the Waiver: 246 (January 1, 2008 – December 31, 2008)

of Participants reported on the most recent 372 Report (dated): N/A

Effective Dates of Waiver: January 1, 2007 – December 31, 2009

Approved Waiver Services:

- (1) Case Management
- (2) Early Intensive Behavioral Intervention (EIBI)
- (3) EIBI Assessment
- (4) EIBI Implementation
- (5) EIBI Therapy

CMS RO Contact: Kimberly Adkins-McCoy

Date Report Issued:

October 3, 2008

Background and Description of the Waiver:

South Carolina was granted a waiver of Section 1902(a)(10)(B), "amount, duration, and scope of services," requirements of the Social Security Act in order to provide home and community based services to Mentally Retarded children with PDD in the community who would otherwise require ICF/MR level of care. The eligibility groups covered under this waiver include individuals with mental retardation and related disabilities meeting the ICF/MR level of care. South Carolina operates this waiver statewide.

I. State Conducts Level of Care Need Determinations Consistent with the Need for Institutionalization

The State must demonstrate that it implements the processes and instrument(s) specified in its approved waiver for evaluating / reevaluating an applicant's/waiver participant's level of care (LOC) need consistent with care provided in a hospital, nursing facility or ICF/MR.

Authority: 42 CFR 441.301; 42 CFR 441.302; 42 CFR 441.303; SMM 4442.5; SMM 4442.6

All waiver participants must meet ICF/MR Level of Care (LOC) to be considered for the PDD Waiver. South Carolina Department of Disabilities and Special Needs (SCDDSN) utilizes a Consumer Assessment Team (CAT) to provide an initial evaluation of LOC to all applicants for whom there is reasonable indication services may be needed in the future. Additionally, South Carolina Department of Health and Human Services (SCDHHS) utilizes an independent Quality Improvement Organization (QIO) to validate a sample of the initial LOC determinations made by the CAT.

Enrolled participants are re-evaluated at least annually or more frequently if warranted. The same assessment team that conducts the initial LOC determinations also conducts the reevaluations of LOC. SCDDSN and SCDHHS both utilize a QIO to validate a sample of the re-evaluations of LOC.

The CAT consists of a medical doctor, director of Consumer Assessment, and psychologists whom meet the specified outlined qualifications. The CAT utilize a standardized instrument to gather assessment information necessary for ICF/MR LOC determinations, capturing three main components: diagnosis of mental retardation or a related disability, behaviors requiring supervision, and services needed for acquisitions of behaviors necessary to function with as much self-determination and independence as possible and/or prevent the deceleration or regression or loss of current optimal functional status.

The State substantially meets this assurance

(The State's system to assure appropriate level of care determinations is adequate and effective, and the State demonstrates ongoing, systemic oversight of the level of care determination process.)

Our review of information submitted by the South Carolina waiver staff found the State has appropriately applied evaluative methods consistent with regulatory requirements. Further, the evidence demonstrates the State has effective LOC service tracking systems and tickler systems in place to oversee the level of care determination and redetermination process. Based on the data provided, it appears waiver participants selected through the described LOC process are comparable to individuals receiving services through an intermediate care facility for the mentally retarded or persons with developmental disabilities.

In addition, the State has identified quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified LOC improvement and/or remedial action, and have addressed this area with an improvement strategy based on the CMS assurances:

- SCDDSN will use specific assurance indicators for the PDD waiver to evaluate individual levels of care to ensure instruments are completed properly, timely, and included in the case record.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment #1: ICF/MR LOC protocol;
- ◆ Attachment #2A & 2B: SCDDSN monthly log of initial PDD LOC determinations made for the months of December 2007 & April 2008;
- ◆ Attachment #3A & 3B: SCDHHS QIO monthly report of PDD LOC validation findings for the CAT initial determinations made for the months of December 2007 & April 2008;
- ◆ Attachment #4: SCDHHS comprehensive quality assurance (QA) report of PDD participants with findings related to initial PDD LOC determinations during the review period of January 1, 2007 through December 31, 2007;
- ◆ Attachment #5: SCDDSN remediation plan in response to the findings of the SCDHHS QA report with level of care findings;
- ◆ Attachment #6: SCDHHS final response to the remediation plan submitted by SCDDSN;
- ◆ Attachment #7: SCDDSN monthly log of PDD LOC re-evaluations completed for the month of May 2008;
- ◆ Attachment #8: SCDHHS monthly QIO report of PDD LOC validation findings for the CAT re-evaluations completed for the month of May 2008;
- ◆ Attachment #9: SCDDSN list of the CAT members and their titles;

- ◆ Attachment #10: SCDDSN ICF/MR LOC determination process used by the CAT for determining the initial LOC and the re-evaluation of LOC;
- ◆ Attachment #11A, 11B, & 11C: Completed ICF/MR LOC instruments, which are maintained in the PDD waiver participant's case record;
- ◆ Attachment #12: ICF/MR LOC Quick Reference Sheet used in various trainings to inform individuals of the criteria for meeting ICF/MR LOC and how to complete the ICF/MR LOC instruments;
- ◆ Attachment #13: Trending report of the CAT LOC determinations made for the months of April 2007 through June 2008.

II. Plans of Care Responsive to Waiver Participant Needs

The State must demonstrate that it has designed and implemented a system to assure that plans of care for waiver participants are adequate and services are delivered and are meeting their needs.

Authority: 42 CFR 441.301; 42 CFR 441.302; 42 CFR 441.303; SMM 4442.6; SMM 4442.7; Section 1915(c) Waiver Format, Item Number 13

SCDDSN is responsible for developing participant service plans based on the comprehensive assessment of the participant's strengths, needs, and personal priorities and preferences. The service plan includes a statement of the participant's need, indication if the need relates to a personal goal, the specific service to meet the need, the amount, frequency, duration of the service, and the type of provider who will furnish the service.

SCDDSN QIO performs compliance reviews using the National Core Indicators (NCI). The QIO conducts on-site reviews of individual participant files and produces an initial report of findings. All reviewed providers are to respond with a written plan of correction within thirty (30) days. Upon review of the corrective action plan, the QIO conducts a follow-up review. The QIO is also responsible for conducting surveys, which may be mailed to a random sample of case management caseloads or conducted as a face-to-face interview, inquiring about the assistance the case manager is providing. Case managers are notified of problems or areas needing improvement and receive training and technical assistance if needed by the supervisor or SCDDSN Central staff. Additionally, SCDDHS conducts quality assurance validation reviews to monitor the development of service plans.

SCDDSN is responsible for reviewing the entire service plan on a quarterly basis, which includes the review of the most recent EIBI service provider quarterly progress report and a contact with the participant's family. Changes to the service plan are made as needed by the case manager when the results of monitoring or when information obtained from the participant, his/her guardian, and/or service providers indicates the need for a change to the service plan. SCDDHS and SCDDSN utilize the same methods for monitoring service plan updates/revisions as used for monitoring service plan developments.

SCDDSN providers are required to use an automated service plan document which includes a statement of the participant's needs, indication if the need is related to a personal goal, the specific service to meet the need, the amount, frequency, duration of the service, and the type of provider who will furnish the service. SCDHHS and SCDDSN utilize the same methods for monitoring service delivery as used for monitoring service plan developments and service plan updates/revisions.

SCDDSN requires all case managers to have each waiver participant's parent or legal guardian complete a Freedom of Choice Form indicating their choice between waiver services and institutional care. Additionally, parents or legal guardians are informed in writing at the time of enrollment of the names and definitions of waiver services that can be funded through the waiver along with a list of qualified providers servicing their area.

The State adequately meets this assurance

(The State has an adequate and effective system to assure that all aspects of Plan of Care requirements are addressed; has an adequate and effective system for monitoring Plans of Care; has a system for assuring that participants are afforded choice between/among waiver services and providers; and demonstrates ongoing, systemic oversight of POCs.)

Our review of information submitted by the South Carolina Medicaid staff found the State has implemented an effective system to assure that all aspects of POC requirements are met.

In addition, the State has identified POC quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified several POC areas requiring improvement and/or remedial actions, and has addressed each of these areas with an improvement strategy based on the CMS assurances:

- SCDDSN will develop and disseminate to all case management providers and SCDHHS, an annual training calendar specific to the PDD waiver and include a component on service plans. A log book will be developed to maintain all agenda's, list of attendees, and memorandums for each training session.
- SCDDSN will develop and implement a plan to include a team to conduct scheduled onsite case management surveys and share results with SCDHHS.
- SCDDSN will conduct annual participant surveys to trend data and address non-compliant issues. Results will be shared and discussed with SCDHHS.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment #14A, 14B, & 14C: SCDDSN Central staff training announcements, agendas, materials used in conducting service plan training for PDD waiver services, policies, and procedures, which occurred in November 2007, with make-up training occurring in December 2007; and
- ◆ Attachment #4, #5, and #6: SCDHHS comprehensive QA report, SCDDSN remediation plan, and SCDDHHS final response of PDD participants with findings related to individual service plans during the review period of January 1, 2007 through December 31, 2007.
- ◆ Attachment #15: SCDDSN QIO provider report for Sumter County Disabilities and Special Needs Board, which contained findings related to individual service plans;
- ◆ Attachment #16: SCDDSN QIO report of the follow-up review conducted for the Sumter County Disabilities and Special Needs Board. The follow-up report includes a recap of the plan of correction submitted by the provider and the QIO's final conclusions;
- ◆ Attachment #17: SCDDSN QIO report of PDD cases reviewed for timely updates and revisions based on the NCL, covering the time period of January 2007 through March 2008;
- ◆ Attachment #21: SCDDSN completed Freedom of Choice Form which notifies the parent/legal guardian of their right to choose between home and community-based services (utilizing the PDD waiver) versus receiving services in an institutional setting. The form also advises the parent/legal guardian of the SCDDSN Reconsideration process and SCDHHS Medicaid Appeals process;
- ◆ Attachment #22: SCDDSN completed Acknowledgement of Rights and Responsibilities Form which is used to assist the participant's parent/legal guardian in understanding the PDD waiver program, their rights, responsibilities, and benefits;
- ◆ Attachment #23: SCDDSN case manager's letter informing a participant's parent/legal guardian of waiver services and a choice of providers whom have been approved to provide PDD waiver services in their local area;

III. Qualified Providers Serve Waiver Participants

The State must demonstrate that it has designed and implemented an adequate system for assuring that all waiver services are provided by qualified providers.
Authority: 42 CFR 441.302; SMM 4442.4

SCDDSN is responsible for verifying that potential providers meet all standards and qualifications, i.e., required certification standards and adherence to other state standards. A detailed process is used to: (a) examine licensures and/or certifications, (b) work experience, (c) criminal background investigations, (d) abuse registry checks, and (e) conduct personal interviews. Once SCDDSN confirms the provider meets all standards and qualifications, the approved provider may enroll with SCDHHS or SCDDSN to

provide PDD waiver services. Both SCDHHS and SCDDSN are responsible for conducting annual provider reviews to ensure providers continue to meet licensing and/or certification criteria to render PDD waiver services.

SCDDSN QIO conducts annual case management provider reviews and a sample of the employee personnel files is reviewed to ensure at least the minimum qualifications continue to be met. SCDHHS also conduct compliance reviews to ensure personnel continue to meet waiver standards and qualifications. The findings are summarized and shared with SCDDSN, who is responsible for appropriate corrective action when applicable.

SCDDSN conduct reviews and provides technical assistance to all providers of the PDD waiver. SCDHHS completes quality assurance reviews of providers and submits the findings to SCDDSN. SCDDSN then reviews the findings with providers and affords technical assistance and follow-up as necessary. The Internal Audits Division of SCDDSN also conducts special request audits, investigates fraud cases, and provides training and technical assistance.

The State substantially meets this assurance

(The State has an adequate and effective system for qualifying and monitoring providers, and demonstrates ongoing, systemic oversight of providers.)

Our review of evidence submitted by South Carolina Medicaid found the State has implemented an effective system to assure services are provided through quality providers.

In addition, the State has identified quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified a few provider issues that require improvement and/or remedial actions, and has addressed each of these areas with an improvement strategy based on the CMS assurance:

- SCDDSN will develop and implement a plan to conduct annual reviews of licensed and/or certified providers using specific PDD waiver indicators.
- SCDDSN will develop and disseminate to all EIBI providers and SCDHHS, an annual training calendar specific to provider matters. All training sessions will include needed information for providers to meet SCDDSN requirements for continued service. A log book will also be developed to maintain all agendas, list of attendees, and memorandums. Additionally, all providers will receive an EIBI Provider Manual that clearly identifies all provider requirements, responsibilities, and expectations.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment #24 & 24B: SCDDSN Letter of Interest packet sent to potential providers whom have expressed interest in rendering Applied Behavior Analysis services for PDD waiver participants;
- ◆ Attachment #25A, 25B, 25C, & 25D: A provider's initial verification packet that has been validated and approved by SCDDSN to provide EIBI services. The initial verification packet includes documentations such as; SCDDSN approval letter, SCDDSN Interview Question Form, EIBI provider application, and work samples;
- ◆ Attachment #26: SCDDSN letter sent to SCDHHS when a potential provider has been approved to provide EIBI related services;
- ◆ Attachment #27: The Medicaid Management Information System screen showing where the approved EIBI provider (listed in Attachment #25) was enrolled as a Medicaid EIBI provider;
- ◆ Attachment #28: SCDHHS correspondence sent to EIBI service providers announcing an annual Medicaid compliance review, which is used to ensure current Medicaid enrolled EIBI providers continue to meet the required qualifications to continue as a Medicaid provider;
- ◆ Attachment #29A, 29B, & 29C: Provider qualification documentation submitted by a Medicaid provider to SCDHHS in reference to the annual Medicaid compliance review correspondence (discussed in Attachment #28), to include; Applied Behavior Analysis Consultant certification. Line Therapist background checks, and annual training requirements;
- ◆ Attachment #4, #5, & #6: SCDHHS comprehensive QA report of PDD participants with findings related to non-licensed/non-certified providers. SCDDSN remediation plan, and SCDHHS final response for the review period of January 1, 2007 through December 31, 2007;
- ◆ Attachment #15: SCDDSN QIO provider report for Sumter County Disabilities and Special Needs Board, which contained findings related to non-licensed/non-certified providers;
- ◆ Attachment #17: SCDDSN QIO report of PDD cases reviewed for proper qualifications of non-licensed/non-certified providers using the NCI and covering the time period of January 2007 through March 2008.
- ◆ Attachment #4, #5, & #6: SCDHHS comprehensive QA report with findings related to qualified providers whom have been found to be out of compliance with meeting the minimum requirements for non-licensed/non-certified provider qualifications, SCDDSN remediation plans and training activities, and SCDHHS final response;
- ◆ Attachment #30A, 30B, & 30C: SCDDSN correspondence announcing an EIBI provider training/meeting, the agenda, and a list of the attendees for the training/meeting held in January 2008;
- ◆ Attachment #31: SCDDSN documentation pertaining to an unannounced site visit to an EIBI provider, to ensure proper monitoring and oversight of activities.

IV. Health and Welfare of Waiver Participants

The State must demonstrate that it assures the health and welfare of waiver participants including identification, remediation and prevention of abuse, neglect and exploitation.

Authority: 42 CFR 441.302; 42 CFR 441.303; 42 CFR 447.200; SMM 4442.4; SMM 4442.9

SCDDSN identifies, address and seeks to prevent instances of abuse, neglect, and exploitation. Based on the South Carolina Code of Laws, the SC Department of Social Services (SCDSS) is the investigative agency for children under 18 years of age. When SCDDSN receives reports of alleged abuse, the initial response is to ensure the child is protected and then to determine if any trends are noted. SCDDSN does not allow the alleged perpetrator to provide any services until the investigation has been completed. Upon completion of the investigation, the next action taken is dependent upon the results. Additionally, SCDHHS QA staff monitors health and welfare concerns through the quality assurance process, which includes: case record reviews of critical incidents, abuse, neglect, and mortality reports. SCDHHS Program Integrity Division (PI) also investigates reports of abuse, neglect, exploitation, and fraud via a toll free hotline.

The State substantially meets this assurance *(The State's system to assure health and welfare is adequate and effective, and the State demonstrates ongoing, systemic oversight of health and welfare.)*

Our review of the evidence submitted by the South Carolina Medicaid staff indicates the State has implemented an effective system to assure participant health and welfare.

In addition, the State has identified quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified a few health and welfare areas that require improvement and/or remedial actions, and has addressed each of these areas with an improvement strategy based on the CMS assurances:

- SCDDSN will revise their reporting methods to include all PDD waiver related deaths, regardless of the participant's living arrangements. This will be reported to SCDHHS in a timely manner.
- SCDDSN will develop a form to send to randomly selected parents/legal guardians to assure they have received information pertaining to abuse, neglect, and exploitation. Copies of the correspondence will be maintained on file at SCDDSN, and summary information will be provided to SCDHHS on a quarterly basis.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment # 32: SCDDSN report of the number of episodes of abuse, neglect, death, and critical incident events occurring during the time period of January 1, 2007 through June 30, 2008.
- ◆ Attachment #4, #5, and #6: SCDHHS comprehensive QA report of PDD participants with findings related to health and welfare issues, SCDDSN remediation plan, and SCDHHS final response for the review period of January 1, 2007 through December 31, 2007;
- ◆ Attachment #33A & 33B: SCDHHS PI report of the investigative actions taken when a complaint was made via the toll free hotline, involving a PDD waiver participant.

V. State Medicaid Agency Retains Administrative Authority over the Waiver Program

The State must demonstrate that it retains administrative authority over the waiver program and that its administration of the waiver program is consistent with its approved waiver application.

Authority: 42 CFR 441.303; 42 CFR 431; SMM 4442.6; SMM 4442.7

SCDHHS engages in routine ongoing oversight of the PDD waiver program. Responsibilities include but are not limited to: enforcing the terms and conditions of the Memorandum of Agreement, improving and clarifying policies and procedures to ensure system performance and waiver operations.

The State substantially meets this assurance

(The State Medicaid agency has an adequate and effective system for administrative oversight of the waiver, and the administration of the waiver program is consistent with the approved waiver.)

Our review of information submitted by the South Carolina Medicaid staff has effectively administered the waiver program in accordance with federal requirements.

In addition, the State has identified quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified several administrative authority areas requiring improvement and/or remedial actions, and has addressed each of these areas with an improvement strategy based on the CMS assurances:

- SCDHHS will pursue service contract modifications as needed with the QIO.
- SCDHHS will enhance the QA plan to include more focused provider reviews.

- SCDHHS will amend the interagency MOA as necessary to ensure the terms, conditions, and CMS assurances are addressed.
- SCDHHS will increase QA staff to ensure monitoring of waiver operations and enhance quality assurance functions.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment #34A & #34B: PDD waiver services contract between SCDHHS and SCDDSN, which was effective January 1, 2007, and amended effective January 1, 2008;
- ◆ Attachment #35: SCDHHS and SCDDSN Memorandum of Agreement to ensure an understanding between SCDHHS and SCDDSN regarding operation and administration of home and community-based waivers;
- ◆ Attachment #36A, 36B, 36C: Copies of SCDHHS and SCDDSN Waiver Staff meeting agendas which occur on a bimonthly basis or more often as needed to discuss various aspects of waiver operations; and
- ◆ Attachment #4, #5, and #6: SCDHHS QA report as a result of comprehensive, focused reviews performed to ensure SCDDSN and any of its subcontracted providers continue to follow outlined policies and procedures and to evaluate waiver progress, SCDDSN remediation plan, and SCDHHS final response.

VI. State Provides Financial Accountability for the Waiver

The State must demonstrate that it has designed and implemented an adequate system for assuring financial accountability of the waiver program.

Authority: 42 CFR 441.302; 42 CFR 441.303; 42 CFR 441.308; 42 CFR 447.200; 45 CFR 74; SMM 2500; SMM 4442.8; SMM 4442.10

SCDDHS Fiscal, Audits, and PI staff conduct ongoing monitoring of finances.

The QA process is also used to monitor paid claims data and participant utilization reports. Cost reports are developed to ensure that funds are being applied and used properly by analyzing financial reports maintained by the state, sub-state entities and providers. All findings are used to determine needed improvements as well as corrective actions.

SCDDSN conducts financial oversight through a review of claims to ensure that they are coded and paid for in accordance with the reimbursement methodology specified in the waiver. Claims must meet all applicable criteria to be submitted to MMIS for payment at which time the billing code determines the rate of reimbursement.

The State substantially meets this assurance

(The State's system for assuring financial accountability is adequate and the State demonstrates ongoing systemic oversight of waiver finances.)

Evidence submitted by South Carolina Medicaid indicates the State has implemented an effective system to assure financial accountability.

In addition, the State has identified quality objectives to provide effective administrative oversight of the PDD waiver program to ensure quality assurance measures are met. SCDHHS and SCDDSN will continue working towards meeting waiver requirements, enhancing quality practices, and remediation as required. The State has identified a few financial accountability areas requiring improvement and/or remedial actions, and has addressed each of these areas with an improvement strategy based on the CMS assurances:

- SCDDSN will implement existing Medicaid procedures to continuously self-report any identified erroneous billings of FFP to Medicaid in a timely manner.
- SCDDSN will develop and implement a process to conduct provider site visits to verify that financial records are maintained in accordance with provider agreements and/or contracts.

Evidence Supporting Conclusions:

(Evidence that supports the finding that the State substantially meets this assurance.)

- ◆ Attachment #4, #5, and #6: SCDHHS comprehensive QA report of PDD participants with findings related to financial accountability issues, SCDDSN remediation plan, and SCDHHS final response for the review period of January 1, 2007 through December 31, 2007;
- ◆ Attachment #37: SCDHHS' PI Division is responsible for conducting an independent review of all QA reviews conducted by SCDHHS staff to validate review findings and process applicable Federal Financial Participation (FFP). The review referenced in Attachments 4, 5 & 6 is currently in progress with PI; however, the protocol for PI has been included;
- ◆ Attachment #38: SCDHHS Fiscal reports as of June 2008, covering expenditures for the time period of January 2007 through June 2008;
- ◆ Attachment #39: SCDDSN report of PDD waiver expenditures for the time period of January 2007 through June 2008;
- ◆ Attachment #40: SCDHHS recoupment log for the reporting of indicators found to be non-compliant during SCDDSN QIO reviews. The attached log identifies a PDD waiver participant whom was found to be out of compliance due to a missing service plan (refer to Attachment #15);
- ◆ Attachment #41: SCDHHS electronic correspondence notifying SCDDSN of erroneous billings for Targeted Case Management (TCM) services for participants enrolled in the PDD waiver, which was to be billed under the PDD waiver case management rate;

- ◆ Attachment #42: SCDDSN list of reimbursements made of SCDDHS for the erroneous billings of TCM services for participants enrolled in the PDD waiver (refer to Attachment #41).