

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Hess</i>	DATE  <i>10-20-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>1011572</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Keck, Deps, CMS file</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

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.			



**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services

Center for Medicaid, CHIP and Survey & Certification

Financial Management Group  
7500 Security Boulevard

Baltimore, MD 21244

**RECEIVED**

JUN 20 2011

JUN 13 2011

Mr. Anthony E. Keck  
Executive Director  
Department of Health and Human Services  
P.O. Box 8206  
Columbia, SC 29202-8206

Dear Sir or Madam:  
Finalization Quarter - 10/1/2010 - 12/31/2010

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 10/1/2010 - 12/31/2010 under Appropriation 75X0518 Centers for Medicare & Medicaid Services.

**Increased Medical Assistance Payments**

**\$(2,446,509)**

This grant award represents funding authorized under the provisions of section 5001 of the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5, enacted on February 17, 2009 during the recession adjustment period October 1, 2008 through December 31, 2010), that are for the purpose of providing a temporary increase in the Medicaid Federal medical assistance percentage (FMAP) to fund your State's Medicaid program in Federal FY 2009. The amount of this grant award only represents the additional amount of funds associated with the increased FMAP determined under ARRA only for the expenditures for which the increased FMAP is available. In a separate grant award you will receive the amount of funds associated with the regular FMAP rate for the expenditures represented by this grant award and the additional Federal funds for the other expenditures for which the Federal matching rate is the regular FMAP or other matching rates.

States' increased FMAPs have been determined in accordance with the provisions of section 5001 of ARRA. The above grant award amount reflects an estimate of the increased funds for your State for the period of the grant award related to the title XIX expenditures for which the increased FMAP is available.

With the acceptance of this grant award and draw of such funds from the Payment Management System subaccount, you agree that :

- 1) Your State is eligible for the increased FMAP because the State is applying Medicaid eligibility standards, methodologies and procedures that are no more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008. If the State is currently ineligible because it does not meet this condition, the State may be retroactively eligible if it reinstates the former standards, methodologies and procedures prior to July 1, 2009. (Section 5001(f)(1) of ARRA)
- 2) Your State is eligible for the increased FMAP because no amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State. (Section 5001(f)(3) of ARRA)
- 3) In the case of a State that requires political subdivisions within the State to contribute toward the non-Federal share of expenditures under the Medicaid program, the State shall not be eligible for an increase in its FMAP under section (b) or (c) of section 501 of ARRA, if it requires such political subdivisions to contribute a greater percentage of the non-Federal share of such expenditures, or a greater percentage of the non-Federal share of payments under section 1923 of the Social Security Act (the Act) than the respective percentages that would have been required under the State Medicaid plan, State law, or both, as in effect on September 30, 2008, without regard to such increase. Voluntary contributions by a political subdivision to the non-Federal share of expenditures under the State plan under this title or to the non-Federal share of payments under section 1923 of the Act shall not be considered to be required contributions for purposes of this ARRA provision. (Section 501(g)(2) of ARRA, as modified by section 1905(c) of the Act as amended by section 10201(c)(6) of the Affordable Care Act.)
- 4) The expenditures for which the State draws funds are of a type that would be eligible expenditures. Expenditures for disproportionate share hospital (DSH) payments are ineligible. Also ineligible are expenditures that are claimed based on the enhanced FMAP (described in section 2105(b) of the Act), or expenditures that are not paid based on the FMAP, such as expenditures for family planning services, administrative expenditures. Expenditures for services provided through an Indian Health Service facility are ineligible because such expenditures receive 100 percent FMAP, which is the ceiling level. And expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are higher than those in effect on July 1, 2008 are also ineligible for the increased FMAP. (Section 5001(e) of ARRA).
- 5) The expenditures for which the State draws funds are not payments for health care practitioner claims, or certain nursing home and hospital claims, that were received by the State during periods in which the State is not in compliance with prompt payment standards. (Section 5001(f)(2) of ARRA)

With the acceptance of this award, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised) and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all

Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with this grant award should be referred to the appropriate Centers for Medicare & Medicaid Services Regional Office financial contact for your State.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center (PSC). Inquiries regarding payment should be directed to:

Director, Division of Payment Management  
Post Office Box 6021  
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

  
Director,  
Division of Financial Operations

Enclosures 7  
CMS-1151(7-90)

**JUN 13 2011**



FOOTNOTES

STATE:

**SOUTH CAROLINA**

QUARTER/FISCAL YEAR:

**THIRD/2011**

A.	<u>MAP</u>	
\$	0	INCREASING CLAIMS PRIOR TO 01/01/09
	0	INCREASING CLAIMS AFTER TO 12/31/08
\$	0	TOTAL INCREASING CLAIMS.
	0	DECREASING CLAIMS
<u>\$</u>	<u>-</u>	NET ADJUSTMENT

B. 149,939.00 REPRESENTS ARRA-CIVIL MONETARY PENALTIES REPORTED ON LINE 9C. THIS AMOUNT IS NOT BEING USED IN THE GRANT AWARD COMPUTATION TO PRECLUDE A DUPLICATE ADJUSTMENT.

C. SEE ATTACHMENTS 1 THRU 4.

D. GRANT AWARD BASED ON THE ESTIMATE OF INCREASED MAP EXPENDITURES UNDER SECTION 5001 ARRA FOR THE THIRD QUARTER FISCAL YEAR 2011 WAS ISSUED APRIL 1, 2011.

E. THE FUNDING AUTHORIZED BY THIS GRANT AWARD IS PAID SUBJECT TO ANY FUTURE FINANCIAL MANAGEMENT REVIEW OR AUDIT.

IN ACCORDANCE WITH SECTION 5001 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA), THIS GRANT REPRESENTS THE RECONCILED ADJUSTMENT TO THE INCREASED GRANT AWARD FOR THE ABOVE PERIOD BASED ON THE AMOUNTS REPORTED ON THE CMS-64 AS SUBMITTED BY YOUR STATE FOR THE FIRST QUARTER OF FY2011 TO THE EXTENT AVAILABLE FOR THAT PERIOD. THIS ADDITIONAL GRANT AWARD REPRESENTS THE RECONCILIATION OF THE FEDERAL SHARE DIFFERENCE BETWEEN THE ARRA AWARD ADVANCED FOR THIS QUARTER AND THE ACTUAL EXPENDITURES REPORTED BY THE STATE REPRESENTING THE ACTUAL ALLOWABLE ARRA SHARE.

**JUN 13 2011**



**JUN 13 2011**

Medical Assistance Payments (MAP) Increased  
 Funding - Title XIX under Section 5001 ARRA  
 FY 2011

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: THIRD/2011

CMS-64 Summary	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Line 6	\$ 110,910,665	\$	\$	\$	\$ 110,910,665
Line 7					0
Line 8					0
Line 9	(3,956,113)				(3,956,113)
Line 10 A. & B.					0
Line 10 C.					0
<b>Net Expenditures</b>	<b>\$ 106,954,552</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 106,954,552</b>
Less:					
Waivers					0
M-CHIP	0				0
<b>Net MAP Expenditures</b>	<b>\$ 106,954,552</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 106,954,552</b>
<b>Adjustments</b>					
Transfers					0
Line 10 Adjustments					0
Deferrals Taken					0
Disallowances					0
<b>Subtotal</b>	<b>\$ 106,954,552</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 106,954,552</b>
Interest on Disallowances					0
Other					0
Interest on Drug Rebates					0
CMP	149,939				149,939
					0
<b>Adjusted Funding</b>	<b>\$ 107,104,491</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 107,104,491</b>
Less: Federal Advances	109,551,000				109,551,000
<b>Total Funding</b>	<b>\$ (2,446,509)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (2,446,509)</b>

**JUN 13 2011**

Medical Assistance Payments (MAP) Increased  
 Funding - Title XIX under Section 5001 ARRA  
 FY 2010

STATE:  SOUTH CAROLINA

QUARTER/FISCAL YEAR:  THIRD/2011

CMS-64 Summary	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Line 6	\$ -	\$ -	\$ -	\$ -	\$ -
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
<b>Net Expenditures</b>	<b>\$ -</b>				
Less:					
Waivers					
M-CHIP					
DSH ARRA					
<b>Net MAP Expenditures</b>	<b>\$ -</b>				
<b>Adjustments</b>					
Transfers					
Line 10 Adjustments					
Deferrals Taken					
Disallowances					
<b>Subtotal</b>	<b>\$ -</b>				
Interest on Disallowances					
Other					
Interest on Drug Rebates					
CMP					
<b>Adjusted Funding</b>	<b>\$ -</b>				
Less: Federal Advances					
<b>Total Funding</b>	<b>\$ -</b>				

**JUN 13 2011**

Medical Assistance Payments (MAP) Increased  
 Funding - Title XIX under Section 5001 ARRA  
 FY 2009

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: THIRD/2011

CMS-64 Summary	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Line 6	\$ -	\$ -	\$ -	\$ -	\$ -
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
<b>Net Expenditures</b>	<b>\$ -</b>				
Less:					
Waivers					
M-CHIP					
DSH ARRA					
<b>Net MAP Expenditures</b>	<b>\$ -</b>				
<b>Adjustments</b>					
Transfers					
Line 10 Adjustments					
Deferrals					
Taken					
Disallowances					
<b>Subtotal</b>	<b>\$ -</b>				
Interest on					
Disallowances					
Other Drug Overdue					
Interest on Drug Rebates					
<b>Adjusted Funding</b>	<b>\$ -</b>				
Less: Federal Advances					
<b>Total Funding</b>	<b>\$ -</b>				