

June 13, 2016

The Honorable James H. (Jay) Lucas  
Speaker, South Carolina House of Representatives  
506 Blatt Bldg.  
Columbia, SC 29201

The Honorable Hugh K. Leatherman, Sr.  
President Pro Tempore, Senate of South Carolina  
111 Gressette Bldg.  
Columbia, SC 29201

Dear Mr. Speaker and Mr. President:

I am writing to call your attention to and request the sustainment of two of the Governor's vetoes to the FY 2016-17 General Appropriations Act.

The first vetoed item is Proviso 33.29, which the Governor identified as Veto #10. It attempts to impose new public notice requirements on the Department, even though our existing procedures already exceed federal requirements. This heavy-handed proviso would not only create potential conflicts with late-breaking federal mandates on provider rates and methodologies, but would also needlessly tie the Department's hands. This could easily result in an agency deficit, if a mid-year recession causes Medicaid enrollment to increase after this proviso has undermined the Department's ability to take responsible action to preserve a balanced budget.

Advocates for Proviso 33.29 made the baseless allegation that the Department had failed to give adequate notice of reimbursement changes that were scheduled to take effect on July 1, 2016. In fact, those intended actions were announced in a meeting with affected provider associations in June and July 2015 before being followed-up by public notices published in various statewide newspapers in August and September 2015 and a provider bulletin released in October 2015. Not only would the Department's actions have been consistent with the proviso, but the Department has deferred action on those intended reimbursement changes anyway. The risks created by this proviso are clear; the benefits are not.

The Governor also vetoed \$200,000 for Osprey Village in Veto #25. Although the Act attempts to pass money through the Department of Health and Human Services to this entity, the Department has not requested any such funding. Osprey Village may appear on DDSN's qualified provider list, but this organization is not an active Medicaid provider.

Hon. J.H. Lucas and Hon. H.K. Leatherman

June 13, 2016

Page 2

I appreciate the opportunity to present this additional information on the Governor's vetoes.

Sincerely,

A handwritten signature in dark ink, consisting of a stylized 'C' followed by a horizontal line that ends in a small dot.

Christian L. Soura  
Director