

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
cells	11-16-10

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 001211	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR Cells, Forner, Deps, CDS file	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE 12-20-10
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

Closed 11/30/10, letter attached.

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
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

NOV 10 2010

Ms. Emma Forkner
Director
State of South Carolina

Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

RECEIVED

NOV 16 2010

Department of Health & Human Services
NATIONAL MEDICAL DIRECTOR

Re: Medicaid Disproportionate Share Hospital Audit and Report Review Information

Dear Ms. Forkner:

As we approach the close of the last quarter of the calendar year, we wanted to take the opportunity to remind you of the requirement for each State to submit its independent certified audits and associated annual reports of each State's Disproportionate Share Hospital (DSH) program required by the Medicare Drug, Improvement and Modernization Act of 2003 (MMA). The audits and associated reports for Medicaid State plan rate years 2005, 2006 and 2007 are due to the Centers for Medicare & Medicaid Services (CMS) by December 31, 2010. We think it is important to note that we have already received audits and associated reports from several States and anticipate this volume to increase over the next three months. We thought it also important to highlight the initial review we are conducting on these. We believe it is important to provide as much feedback to States as soon as we can.

Upon submission of each audit and report, CMS will conduct an initial review to assure basic submission standards are met and that the minimum elements required by the DSH rule appear to have been included in your submission. CMS will then confirm the receipt of the audit and report by sending an acknowledgement letter. This acknowledgement letter, however, does not constitute notice of a full review or approval of the content of the State's submission.

After receipt of each audit and report, CMS will initiate a more detailed content review. This review will be conducted based on the submitted materials and will ensure that the audit and report meet Federal requirements. To facilitate this review, CMS encourages States to submit any additional material or supporting documentation in support of the required audits and reports. If needed, CMS may request additional information to support the original submission.

Finally, CMS will be conducting an in-depth review of a selected number of audits and reports. It is expected that CMS will have additional questions that will be addressed to States at that time, including requests for additional documentation to support the audits and reports and State and auditor application of the General DSH Audit and Reporting Protocol.

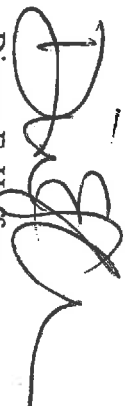
As the December submission deadline approaches, we want to emphasize that the failure to submit such audits and reports could place the State's Medicaid DSH expenditures at risk. As articulated in the statute and implementing regulation, a State's Medicaid DSH expenditures are conditioned upon timely receipt of the audit and report. Therefore, should a State not submit State plan rate years 2005, 2006 and 2007 audit and report that comport with Federal requirements by December 31, 2010, CMS will begin deferring FFP for all DSH expenditures claimed on the Quarterly Medicaid Statement of Expenditures for the Medicaid Assistance Program (Form CMS-64) for the quarter ended March 31, 2011. Please be assured, once a State has submitted an acceptable audit and report for all required State plan rate years, deferred DSH payments will be released.

Should you have any questions, please feel free to contact Stanley Fields at 502-223-5332. Thank you in advance for your willingness to continue working with us.

Sincerely,



Cindy Mann
Deputy Administrator & Director
Center for Medicaid, CHIP and Survey & Certification



Dianne E. Heffron
Director, Financial Management Group
Center for Medicaid, CHIP and Survey & Certification



Log 211
1st Attn. ✓

State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

November 30, 2010

Ms. Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Department of Health and Human Services
Centers for Medicare and Medicaid Services
61 Forsyth Street, Suite 4T20
Atlanta, Ga. 30303

Re: Medicaid Disproportionate Share Hospital Audit and Report Review Information

Dear Ms. Glaze:

Please find enclosed a copy of the state of South Carolina's independent certified audit and associated annual report of its Medicaid Disproportionate Share Hospital Program for Medicaid state plan rate years 2005 and 2006. The annual report associated with the Medicaid state plan rate year 2007 will be sent to you prior to December 31, 2010. For your convenience, we will send you an electronic version of the two reports via email.

If you or your staff should have any questions, please contact Jeff Saxon at (803) 898-1023.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emma Forkner".

Emma Forkner
Director

EF/wsh

Enclosures



Log 211
2nd of 4

Mark Sanford
Governor

State of South Carolina
Department of Health and Human Services

Emma Forkner
Director

December 29, 2010

Ms. Jackie L. Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Department of Health and Human Services
Centers for Medicare and Medicaid Services
61 Forsyth Street, Suite 4T20
Atlanta, Ga. 30303

Re: Medicaid Disproportionate Share Hospital Audit and Report Review Information

Dear Ms. Glaze:

Please find enclosed a copy of the state of South Carolina's independent certified audit and associated annual report of its Medicaid Disproportionate Share Hospital Program for the Medicaid state plan year 2007. For your convenience, we will send you an electronic version of the report via email.

If you or your staff should have any questions, please contact Jeff Saxon at (803) 898-1023.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emma Forkner", is written over a horizontal line.

Emma Forkner
Director

EF/wsh

Enclosure