

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

5C-13-016

TO <i>Supra</i>	DATE <i>7-23-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <b>000034</b>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Tjock, Kost, Deps, CMS File, Charis</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.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

July 19, 2013

SC-13-016

**RECEIVED**

JUL 23 2013

Mr. Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, SC 29201-8206

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Operational Advance Planning Document-Update (OAPD-U) that South Carolina submitted on June 19, 2013. In accordance with 45 CFR Part 95.610, the state submitted the OAPD-U to summarize the operational activities and expenditures of its Dental Administrative Services Organization (ASO) contract with Doral Dental USA, LLC (doing business as DentaQuest) for the previous contract year, and to document its projected budget and other activities for the second and final option year of the contract.

The contract term for South Carolina's Dental ASO contract with Doral Dental started June 8, 2009 and expires June 7, 2014, and consists of three base years and two option years. The final option year of the contract began June 7, 2013. Under the contract, Doral Dental adjudicates dental and oral surgery provider claims, performs coordination of benefits and utilization management activities, conducts provider training, and provides other services.

CMS's approval of South Carolina's OAPD-U is subject to the requirements in regulations at 42 CFR Part 433, Subpart C, 45 CFR Part 95, Subpart F, and Part 11 of the State Medicaid Manual. Funding identified in the OAPD-U was previously approved by CMS in letters to the state dated July 25, 2008 (approving an Implementation Advance Planning Document (IAPD) and total project funding of \$27,695,137), and July 21, 2009 (approving an Implementation Advance Planning Document-Update (IAPD-U) reflecting costs of \$18,298,868 for the contract with Doral Dental). Funding approval for the contract will expire on June 7, 2014.

South Carolina is reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished, and whether or not the automatic data processing (ADP) equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95, Section 621 and the State Medicaid Manual. As provided by the State Medicaid Manual, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to this APD will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR Part 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

Mr. Anthony E. Keck

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In addition, continued federal funding for this contract is contingent upon the state initiating monthly submission of the Transformed Medicaid Statistical Information System (T-MSIS) format beginning in early 2014. Data submissions are expected to meet quality validation routines for acceptance within 30 days of the reporting month. MSIS formats will no longer be accepted as part of this transition.

Should the Medicaid Management Information System (MMIS) fail to maintain and produce all federally required program management data and information, including the required T-MSIS, eligibility, provider, and managed care encounter data, in accordance with requirements in Part 11 of the State Medicaid Manual and the approved APD for this effort, FFP may be suspended or disallowed as provided for in federal regulations at 45 CFR 95.612.

Any changes to previously approved contracts for this effort require CMS prior approval pursuant to 45 CFR 95.611. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and Part 11 of the State Medicaid Manual. All costs identified in the APD are understood to be estimates only. Only actual costs incurred are reimbursable. The state must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

I would like to thank you and your staff for your ongoing success in administering South Carolina's Dental ASO contract. If there are any questions concerning this information, please contact John Allison at (828) 575-2876 or via email at [John.Allison@cms.hhs.gov](mailto:John.Allison@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive, flowing style.

Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations