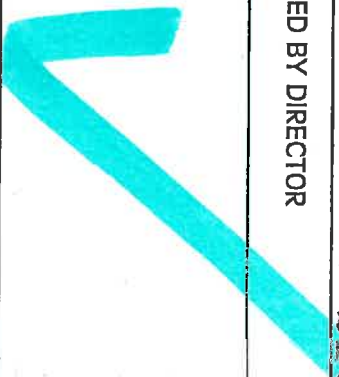


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Hess</i>	DATE <i>12-1-11</i>
-------------------	------------------------

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>100210</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____	<input type="checkbox"/> FOIA DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<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

RECEIVED

NOV 30 2011

Center for Medicaid, CHIP and Survey &
Certification
Financial Management Group
7500 Security Boulevard
Baltimore, MD 21244

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

NOV - 9 2011

Dear Sir or Madam:
Finalization Quarter - 4/1/2011 - 6/30/2011

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 4/1/2011 - 6/30/2011 under Appropriation 75X0512 Centers for Medicare & Medicaid Services.

Extension of Increased Medical Assistance Payment

\$(1,912,471)

This grant award represents increased funding authorized under the provisions of section 5001 of the American Recovery and Reinvestment Act of 2009 as amended by section 201 of the Education Jobs and Medicaid Assistance Act (Public Law 111-226) enacted on August 10, 2010, which provides for a temporary increase in the Medicaid Federal medical assistance percentage (FMAP) used in funding your State's Medicaid program in federal FY 2011. The amendment made by section 201 of P.L. 111-226 extended the temporary increase in the FMAP to June 30, 2011. The amount of this grant award only represents the additional amount of funds associated with the extension of the increased FMAP determined under section 5001 of 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.

The extension of the States' increased FMAPs has been determined in accordance with the provisions of section 5001 of ARRA as amended by section 201 of P.L. 111-226. The above grant award amount reflects an estimate of the extension of increased funds for your State for the period of the grant award related to the title XIX expenditures for which the extension of 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(cc) 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.

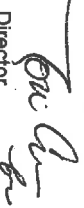
Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center (PSC). Inquiries regarding payment should be directed to:

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 6
CMS-L151(7-90)

NOV - 9 2011

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATE	SOUTH CAROLINA			
FISCAL YEAR	2 0 1 2			
QUARTER	1ST <input checked="" type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input type="checkbox"/>

COMPUTATION OF AMOUNTS FOR EXTENSION OF
INCREASED FMAP GRANTS UNDER TITLE XIX OF THE SSA

EXTENSION INCREASED FMAP

1. ADJUSTMENTS FOR QUARTER
ENDED JUNE 30, 2011 \$ 54,399,680

A. ACTUAL FEDERAL SHARE OF
EXPENDITURES..... 54,399,680

B. ESTIMATED FEDERAL SHARE OF
EXPENDITURES PREVIOUSLY FUNDED..... 55,841,000

C. DIFFERENCE..... (1,441,320)

D. NET ADJUSTMENTS APPLICABLE TO
PRIOR PERIODS..... 0

E. COLLECTIONS..... (608,266)

F. OTHER..... 137,115

2. ESTIMATED FEDERAL SHARE OF
EXPENDITURES FOR QUARTER

D. (1,912,471)

D.

3. NET AMOUNT TO BE CERTIFIED..... \$ (1,912,471)

TOTAL AMOUNT TO BE CERTIFIED.....

\$ E. (1,912,471)

DATE APPROVED NOV - 9 2011 COMPUTATION PREPARED BY :

INTERNAL TRANSMITTAL NO. 447 COMPUTATION REVIEWED BY :

Chris Cunningham
GR

**EXTENSION OF INCREASED FMAP ACCOUNTING DATA
SOUTH CAROLINA
QUARTER/F**

THIS AWARD IS FUNDED UNDER HHS SINGLE LETTER OF CREDIT NO. 75-08

CENTRAL REGISTRY SYSTEM
ENTITY IDENTIFICATION NUMM

(1,912,471)

6.0000

FOOTNOTES

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FIRST/2012

A. Extension of Increased FMAP

\$	-	Increasing Claims Prior to
\$	-	Increasing Claims After
\$	-	03/31/2010
\$	-	Total Increasing Claims
\$	-	Decreasing Claims
\$	-	Net Adjustment

B. 137,115 Represents ARRA EXTN-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& 2.

D. No grant award based on the estimate of Extension of Increased MAP expenditures under Section 5001 ARRA for the FIRST quarter fiscal year 2012 was issued on October 1, 2011 as program funding ended June 30, 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), as amended by section 201 of P. L. 111-226, this grant represents the reconciled adjustment to the increased FMAP grant award for the above period based on the amounts reported on the CMS 64 as submitted by your State for the SECOND quarter of FY 2011 to the extent available for that period. This additional grant award represents the reconciliation of the federal share difference between the Extension of Increased FMAP advanced for this quarter and the actual expenditures reported by the State representing the actual allowable Extension of Increased FMAP share.

A separate grant award finalization will be issued for prior period ARRA INCREASED FMAP expenditures.

NOV - 9 2011

STATE: SOUTH CAROLINA

Extension of Increased FMAP Funding

QUARTER/FISCAL YEAR: FIRST/2012

<u>CMS-64 Summary</u>			
	<u>FY</u>	<u>2011</u>	<u>Total</u>
Line 6	\$	54,399,680	\$ 54,399,680
Line 7		-	-
Line 8		-	-
Line 9		(608,266)	(608,266)
Line 10 A. & B.		-	-
Line 10 C.		-	-
Line 10 D.		-	-
<u>Net Expenditures</u>	\$	53,791,414	\$ 53,791,414
Less:			
Waivers		-	-
MCHIP		-	-
<u>Net MAP Expenditures</u>	\$	53,791,414	\$ 53,791,414
<u>Adjustments</u>			
Transfers		-	-
Line 10 B adjustment for		-	-
		-	-
		-	-
		-	-
<u>Subtotal</u>	\$	53,791,414	\$ 53,791,414
Interest on		-	-
Disallowances		-	-
Other		-	-
<u>DRUG REBATE INTEREST</u>		-	-
<u>CMP</u>		137,115	137,115
		-	-
<u>Adjusted Funding</u>	\$	53,928,529	\$ 53,928,529
Less: Federal Advances		55,841,000	55,841,000
<u>Total Funding</u>	\$	(1,912,471)	\$ (1,912,471)
VERMAP.WK1			

HCV - 9 2017

FY 2011

Department of Health and Human Services
Centers for Medicare & Medicaid Services

Extension of Increased FMAP Funding

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FIRST/2012

CMS-64 Summary	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Line 6			54,399,680		\$ 54,399,680
Line 7					-
Line 8			(608,266)		-
Line 9					(608,266)
Line 10 A. & B.					-
Line 10 C.					-
Line 10 D.					-
Net Expenditures			53,791,414		\$ 53,791,414
Less:					
Waivers					-
MCHIP					-
Net MAP Expenditures					\$ 53,791,414
Adjustments					
Transfers					-
Line 10 Adjustments					-
Disallowances					-
Subtotal			53,791,414		\$ -
Interest on Disallowances					-
Other Drug Overdue					-
Interest on Drug Rebates			137,115		-
CMP					-
Adjusted Funding			53,928,529		\$ 53,928,529
Less: Federal Advances			55,841,000		55,841,000
Total Funding			(1,912,471)		\$ (1,912,471)

NOV -9 2011

Extension of Increased M-CHIP Funding

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR FIRST/2012

<u>CMS-64 Summary</u>	<u>FY 2011</u>	<u>Total</u>
Line 6	-	-
Line 7	-	-
Line 8	-	-
Line 9	-	-
Line 10A & B	-	-
<u>Net Expenditures</u>	-	-
Less:		
Waivers	-	-
	-	-
	-	-
<u>Net MCHIP Expenditures</u>	-	-
<u>Adjustments</u>		
Transfers		-
Line 10 Adjustments	-	-
Deferrals Taken	-	-
Disallowances	-	-
	-	-
<u>Subtotal</u>	-	-
Interest on		
Disallowances	-	-
Other	-	-
	-	-
	-	-
	-	-
<u>Adjusted Funding</u>	-	-
Less: Federal Advances		-
<u>Total Funding</u>	-	-