

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>1-9-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000344</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Deps, M.S. For Kner</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.			

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2. DATE SIGNED BY DIRECTOR <i>cc: Deps, Ms. Forkner</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____		
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Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St, SW, Suite 4120
Atlanta, Georgia 30303-8909

CMS/
CENTERS for MEDICARE & MEDICAID SERVICES

January 2, 2008

*copy: Myers
cc: Depo, MS
Forkner
Nec. Act.*

RECEIVED

JAN 09 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Emma Forkner, Director
South Carolina Department of Health and Human Services
P.O. Box 8306
Columbia, SC 29202-8206

Dear Ms. Forkner:

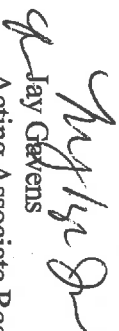
This is in response to your letter dated December 12, 2007, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve a proposed Implementation Advance Planning Document (IAPD) to exercise the one year contract extension option under the existing contract with First Health Services. The period of the extension is from March 19, 2008 to March 18 2009. The additional time will allow South Carolina to complete a competitive re-procurement of Pharmacy Benefit Administration sub-system.

The State is requesting approval of \$6,498,888 (Federal Share: \$4,874,166 at 75%) to exercise the one year option period under the existing contract. I am pleased to inform you that CMS approves the Department's request in accordance with 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the State Medicaid Manual (SMM), Part 11. and the South Carolina MMIS Corrective Action Plan (CAP). This approval is effective January 2, 2008 and ends March 18, 2009.

The State 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 equipment or services are being efficiently, and effectively utilized in support of approved programs or project as provided for at 45 CFR Part 95, Section 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the IAPD for this project will require our prior written approval to qualify for FFP. A copy of the completed MTA Self-Assessment is now required to be attached to all future APDs from this date forward.

I would like to thank you and your staff or your efforts in developing and implementing the South Carolina Pharmacy Benefit Administration project. If there are any questions concerning this approval, please contact L. David Hinson at (404) 562-7411 or via E-mail at Lawrence.hinson@cms.hhs.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jay Givens", written in a cursive style.

Jay Givens
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations