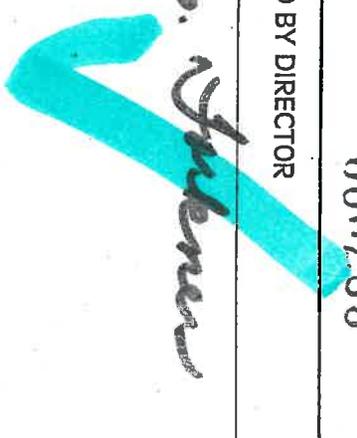


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Wells</i>	<i>12-31-10</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101,286</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>C: Mr. Johnson</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.			

RECEIVED

DEC 31 2010



DEPARTMENT OF HEALTH & HUMAN SERVICES

MEDICAID ELIGIBILITY
& BENEFICIARY SERVICES
Center for Medicaid, CHIP and Survey Services

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

Ms. Emma Forkner
Executive Director
Department of Health and Human Services
P.O. Box 8206
Columbia, SC 29202-8206

JAN - 1 2011

SEE FUNDING RESTRICTION ATTACHMENT

Dear Sir or Madam:

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 01/01/2011 - 03/31/2011 under Appropriation 75X0512 Centers for Medicare & Medicaid Services.

Extension of Increased Medical Assistance Payment

\$78,679,000

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 expenditure 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 5
CMS-1151(7-90)

JAN - 1 2011

FORM CMS-L151
Supporting Schedule

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

FUNDING RESTRICTIONS

THIS GRANT AWARD IS FOR ELIGIBLE PROGRAM COSTS FOR THE QUARTER BEGINNING JANUARY 1, 2011. FUNDING UNDER THIS
GRANT AWARD MAY NOT BE DRAWN OR PAID UNTIL JANUARY 1, 2011.

JAN - 1 2011

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

COMPUTATION OF AMOUNTS FOR EXTENSION OF ARRA
INCREASE IN FMAP GRANTS UNDER TITLE XIX OF THE SSA

EXTENSION OF ARRA
MEDICAL ASSISTANCE
PAYMENTS

1. ADJUSTMENTS FOR QUARTER ENDED \$ 0

A. ACTUAL FEDERAL SHARE OF EXPENDITURES..... 0

B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED..... 0

C. DIFFERENCE..... 0

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

E. COLLECTIONS..... _____

F. OTHER..... _____

G. TOTAL ADJUSTMENTS..... A. 0

2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING JANUARY 1, 2011 B. 78,679,000

3. NET AMOUNT TO BE CERTIFIED..... \$ 78,679,000

TOTAL AMOUNT TO BE CERTIFIED.....

\$ C. 78,679,000

DATE APPROVED JAN - 1 2011 COMPUTATION PREPARED BY: *Jennifer P. Nicks*
INTERNAL TRANSMITTAL NO. AE-2 COMPUTATION REVIEWED BY: *Carla M. ...*

FOOTNOTES

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: SECOND/2011

EXTENSION of ARRA TEMPORARY INCREASE of MEDICAID FMAP

- A. Adjustments to ARRA Increase in FMAP payments for the quarter ending **SEPTEMBER 30, 2010** are not included in the grant award computation. These adjustments will be included in a supplemental grant award.
- B. See Attachment 1. JAN - 1 2011
- C. The funding authorized by this grant award is paid subject to any further financial management review or audit.
- The additional grant award amount represents the Federal share difference between the pre-ARRA FMAP and the Extension of ARRA Increase in FMAP under P.L. 111-226. A separate PMS subaccount has been established for you to draw these funds for current quarter expenditures reported on FY 2011 expenditure reports, that is INC-FMAPEXTN.

CALCULATION OF INITIAL AWARD
 Extension of ARRA Increase in FMAP Funding Under Title XIX Under Section 5001 ARRA, as amended by P.L. 111-226

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: SECOND/2011

EXTENSION OF ARRA
 MEDICAL ASSISTANCE
 PAYMENTS

Secretary's Estimate of Funding
 Need for the Quarter \$ 78,679,000

JAN -- 1 2011

Less:

SPR Penalty, Attachment XXXXXXXXXXXXXXXXXXXXXXXXXX

MEQC Penalty, Attachment _____

Third Party Liability/Assignment of Rights-Billing Offset Attachment XXXXXXXXXXXXXXXXXXXXXXXXXX

Part A (Buy-In) Premiums Attachment _____

Part B (Buy-In) Premiums Attachment _____

Part A Interest Attachment _____

Part B Interest Attachment _____

FUNDING ADJUSTMENT

Adjusted funding for the quarter \$ 78,679,000

Estimate previously funded for the quarter 0

Net Amount of Funding \$ 78,679,000