

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

**ACTION REFERRAL**

TO <i>Basilis</i>	DATE <i>1-16-07</i>
----------------------	------------------------

<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOC NUMBER <i>000458</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>1-23-07</i>
2. DATE SIGNED BY DIRECTOR <i>Checked 1/30/07 letter attached.</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input 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.				

Center for Medicaid and State Operations  
DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop C2-26-12  
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

JAN 03 2007

*Do g. Bowling*  
*"Robly's Sign"*

Mr. Sam Waldrep  
South Carolina Department of Health and Human Services  
1801 Main Street  
Columbia, SC 29202-8206

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

JAN 16 2007

Dear Mr. Waldrep:

I am pleased to inform you of your award of a Money Follows the Person Rebalancing Demonstration Grant. Congratulations on your successful application!

We, at the Centers for Medicare & Medicaid Services (CMS), thank you for your efforts in preparing the application and look forward to our work together throughout the grant period. We expect these demonstration grants will greatly enhance your efforts to rebalance your long-term support system so that individuals have a choice of where they live and receive services. In addition to enhancing your efforts to design and implement rebalancing initiatives, these demonstration grants will also allow you to adopt strategic approaches for improving quality in both home and community-based services and institutional settings.

Your first year award is in the amount of \$34,789. Your projected five year funding request of \$5,768,496 will be awarded in succeeding fiscal years dependent on the approval of your Operational Protocol and the annual attainment of your identified rebalancing benchmarks.

Please examine this offer and respond back to both your CMS Grants Officer and CMS Project Officer with notice of your acceptance of the award, including the terms and conditions, no later than February 2, 2007. In addition to the general terms and conditions, this grant award has special terms and conditions that you will need to review. The enclosed award profile provides all necessary contact information for your CMS partners.

## Page 2 - MFP Grant Award

If you accept this award, you may begin immediately to develop your Operational Protocol. Please be advised that CMS will soon acquire the services of a national evaluation contractor. This contractor will be available to assist you with the development of the required minimum set of data elements and the rebalancing benchmarks required of all grantees and provide guidance regarding completion of the Operational Protocol.

Enclosed are four important documents regarding your Money Follows the Person Rebalancing Demonstration Grant Program Award:

1. **Award Profile** – The award profile is a quick reference list for your grant and includes the grant award number, amount of the grant and contact information for the officers within CMS including, the Grants Management Specialist and Project Officer. Official correspondence should be directed to the CMS Grants Management Specialist with a copy to your CMS Project Officer. Any questions and correspondence regarding programs or initiatives under your grant should be directed to your CMS Project Officer.
2. **Terms and Conditions** - This is the legal document that cites the regulations governing this grant and sets forth the general requirements, assurances, reporting requirements, and other terms and conditions that apply specifically to the grant.
3. **Financial Assistance Award** – This document is the “official” notification of your award from the CMS Office of Acquisition and Grants Management.
4. **Letter of Acceptance (recommended format)** – A letter of acceptance of the grant award serves as official acceptance. Please submit your letter of acceptance to your CMS Grants Management Specialist and send a copy to your CMS Project Officer by close of business on Friday, February 2, 2007. If you do not plan to accept the grant award, please send a letter of declination to the CMS Grants Management Specialist with a copy to the CMS Project Officer.

Thank you again for your continued commitment to make widespread changes to your long-term support system. The immense opportunities inherent in the Money Follows the Person Rebalancing Demonstration can truly create dynamic systems that are responsive to the needs and choices of individuals with disabilities and long-term illnesses.

Sincerely,



Dennis G. Smith  
Director

Enclosures

cc: Carey Appold, CMS Project Officer  
Jeff Stensland

**AWARD PROFILE****Money Follows the Person Rebalancing Demonstration**

<b>CMS GRANT NO.</b>	11LCMS300152
<b>TYPE OF GRANT</b>	Money Follows the Person Rebalancing Demonstration
<b>AWARDEE</b>	State of South Carolina
<b>AUTHORITY</b>	Section 6071 of the Deficit Reduction Act of 2005
<b>AMOUNT OF AWARD</b>	(Budget Period: January 1, 2007 – December 31, 2007) \$34,789
<b>PROJECT PERIOD</b>	January 1, 2007 - September 30, 2011
<b>CMS GRANT MANAGEMENT SPECIALIST</b>	Nicole Nicholson Grants Management Specialist Centers for Medicare & Medicaid Services Office of Acquisition and Grants Management Mail Stop: C2-21-15, Central Building 7500 Security Boulevard Baltimore, MD 21244-1850 Phone: 410.786.5158 Email: nicole.nicholson@cms.hhs.gov
<b>CMS PROJECT OFFICER</b>	<b>Official correspondence regarding the award should be submitted to the CMS Grants Management Specialist. Copies of such material should also be sent to the CMS Project Officer and the CMS Regional Office Coordinator.</b>  Carey Appold Centers for Medicare & Medicaid Services Center for Medicare and State Operations Disabled and Elderly Health Programs Group Mail Stop: S2-14-26 7500 Security Boulevard Baltimore, MD 21244-1850 Phone: 410.786.2117 Fax: (410) 786.9004 E-mail: Carey.Appold@cms.hhs.gov Communication regarding program matters should be addressed to the CMS Project Officer.

**From:** "Martha Roherty" <MRoherty@aphsa.org>  
**Date:** 1/11/2007 3:02:51 PM  
**Subject:** Money Follows the Person Demo Grants

Medicaid Director:

Please see the following announcement of who received the Money Follows the Person Awards.

Today CMS is announcing that 17 states will receive funding for Money Follows the Person Rebalancing Demonstration Projects as part of the first allocation of grant funds.

The purpose of these projects is to help shift Medicaid from its historical emphasis on institutional long-term care services to a system that offers more choices for seniors and persons with disabilities from all age groups, including home and community-based services. This program was included in the Deficit Reduction Act of 2005 (DRA) and is a key part of the President's New Freedom Initiative.

CMS is authorized to allocate \$1.75 Billion to states over 5 years to implement Money Follows the Person rebalancing demonstrations. Those states that have submitted an application, but did not receive funding during this allocation, may still receive approval. CMS continues to review demonstration project applications, and a second round of grants to additional states is expected to be made later this year.

The states receiving Money Follows the Person Rebalancing Demonstration Project grants during the first allocation of funding are: Arkansas, California, Connecticut, Indiana, Iowa, Maryland, Michigan, Missouri, Nebraska, New Hampshire, New York, Ohio, Oklahoma, South Carolina, Texas, Washington and Wisconsin.

For specific information regarding each state's grant award, please see the attached List of States receiving First Tier Awards. To learn more about the President's New Freedom Initiative, visit us on the web at: <http://www.cms.hhs.gov/NewFreedomInitiative/> <<http://www.cms.hhs.gov/NewFreedomInitiative/>>

Lisa J. Wilson  
Intergovernmental Affairs  
Email: [lisa.wilson@cms.hhs.gov](mailto:lisa.wilson@cms.hhs.gov)  
Phone: 202.260.6079  
[www.cms.hhs.gov/states](http://www.cms.hhs.gov/states) <[file://www.cms.hhs.gov/states](http://www.cms.hhs.gov/states)>

**Money Follows the Person Rebalancing Demonstration  
First Tier Award Summary**

In early January 2007, CMS is proceeding with the award of grants to 17 states, which represents \$888,625,631 in federal funding and 23,604 individuals transitioned out of institutional settings over the five-year demonstration period. This round of funding may be followed up with a second round in the next couple months after clarification can be obtained on various application features in the remaining 21 States that applied.

State	Transitions	Elderly	MR/DD	PD	MI	Duals	5 Year Commitment	FY 2007 Award Amount
WI	1322	554	337	229	202		\$56,282,998	\$8,020,388
NY	2800	1190	140	1190	280		\$82,636,864	\$192,981
WA	660	348	80	172	60		\$19,626,869	\$108,500
CT	700	70	140	280	140	70	\$24,207,383	\$1,313,823
MI	2500	1500		1000			\$67,834,348	\$2,034,732
OK	2100	1575	225	300	0		\$41,805,358	\$3,526,428
AR	305	92	60	146	7		\$20,923,775	\$139,519
MD	3091	1617	250	1149	75		\$67,155,856	\$1,000,000
NE	900	400	200	300			\$27,538,984	\$202,500
NH	370	325		45			\$11,406,499	\$297,671
CA	2000	400	331	899	185	185	\$130,387,500	\$90,000
IN	1039	768	71	200			\$21,047,402	\$860,514
TX	2616	780	1216	420	160	40	\$142,700,353	\$143,401
SC	192	152		40			\$5,768,496	\$34,789
MO	250	125	50	50		25	\$17,692,006	\$3,398,225
IA	528		528				\$50,965,815	\$307,933
OH	2231	1428	584	158	61		\$100,645,125	\$2,079,488
<b>Totals</b>	<b>23604</b>	<b>11324</b>	<b>4212</b>	<b>6578</b>	<b>1170</b>	<b>320</b>	<b>\$888,625,631</b>	<b>\$23,750,892</b>

The transition numbers in the chart represent five year totals for all the grants. Most States intend to begin transitions in the second year of the demonstration program.

Individual awards in 2007 may seem low in comparison to the 5 year commitment amount. This is, in part, due to the requirement that States submit operational protocols to CMS before delivering services under this demonstration. Most States anticipate that completing the demonstration planning and operational protocol will take the first 12 months of the demonstration. Subsequent year awards will contain substantially more funding for services to beneficiaries.



State of South Carolina  
Department of Health and Human Services

Mark Sanford  
Governor

Robert M. Kerr  
Director

January 30, 2007

Ms. Nicole Nicholson  
Grants Management Specialist  
Center for Medicare & Medicaid Services  
Office of Acquisition and Grants Management  
C2-21-15, Central Building  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Nicholson:

This letter serves as formal acceptance of FY 2007 Money Follows the Person Rebalancing Demonstration Grant, 1LICMS300152 and its accompanying terms and conditions. We understand that the project period for the grant award January 1, 2007 to September 30, 2011 and the budget period is January 1, 2007-December 31, 2007.

Questions pertaining to this correspondence may be addressed to Mr. Sam Waldrep at 803-898-2725 or email [Waldrep@scdhhs.gov](mailto:Waldrep@scdhhs.gov).

Sincerely,

*Susan B. Bowling*  
Susan B. Bowling  
Deputy Director

SBB/wbk

cc: Carey Appold  
Cathy Cope

#458  
✓