


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

| | |
|--------------|----------------|
| TO | DATE |
| <i>Supra</i> | <i>6-24-11</i> |

| DIRECTOR'S USE ONLY | | ACTION REQUESTED | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. LOG NUMBER | <i>101584</i> | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ | |
| 2. DATE SIGNED BY DIRECTOR | <i>cc: Mr. Keck, Depo, Cas file</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
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



June 20, 2011

RECEIVED

JUN 24 2011

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

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Implementation Advanced Planning Document Update (IAPDU) dated May 11, 2011 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. We performed our review of this request in accordance with Federal regulations at Section 1903(a) (3) (A) of the Social Security Act, 42 CFR 433.112 and 42 CFR 433.15(b) (3) and the State Medicaid Manual Part 11.

This approval addresses the State's revision of its contract pricing with Thompson Reuters. This pricing revision affects the State's Business Intelligence System contract which includes the Decision Support System (DSS), the Surveillance and Utilization Review Sub-system (SURS), and the Management and Administrative Reporting Sub-system (MARS). The initiating contract, approved July 19, 2010, was for a five (5) year period and this approval is effective from the date of this letter through June 20, 2015.

The total cost of the initial contract was \$11,500,960 and South Carolina Department of Health and Human Services (SCDHHS) has now negotiated a contract reduction of \$12,915 per month thus reducing the total contract cost to \$10,816,465. The decrease in Federal share of funding for this contract is \$684,495. This change in funding is approved based upon the estimates shown in the budget detail section of the IAPDU.

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 projects 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 IAPDU for this project will require our prior written approval to qualify for FFP. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the SMM, Part 11. 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.

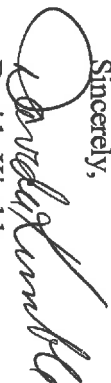
Mr. Anthony E. Keck, Director

June 20, 2011

Page 2

If there are any questions concerning this approval, please contact Enitan Odumeye at (404) 562-7424 or via E-mail at enitan.odumeye@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Davida Kimble". The signature is written in a cursive, flowing style with a large initial "D".

Davida Kimble

Acting Associate Regional Administrator

Division of Medicaid & Children's Health Operations

CC: Rhonda Morrison

John Supra