

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Myers/Hamilton	6-3-10

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER	001471	<input type="checkbox"/> Prepare reply for the Director's signature	DATE DUE _____
2. DATE SIGNED BY DIRECTOR	cc: Ms. Forkum, Dapp, CMS file	<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.			

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

MAY 28 2010

RECEIVED

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

JUN 09 2010
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

We are pleased to inform you that the amendment to the South Carolina Family Planning section 1115 Demonstration (project No. 11-W-00057/4) has been approved as of the date of this approval letter through December 31, 2010, upon which date, unless reauthorized, all authorities granted to operate this Demonstration will expire. Approval of the Demonstration Project modification is granted under section 1115 of the Social Security Act (the Act).

Our approval of this amendment is subject to the limitations specified in the list of approved expenditure authorities and title XIX requirements not applicable. The State may deviate from the Medicaid State plan requirements to the extent those requirements have been listed as granted expenditure authority or title XIX requirements not applicable. All previously granted expenditure authorities are superseded by this approval.

The Centers for Medicare & Medicaid Services (CMS) is approving the State's requests to:

1. Allow individuals with health insurance coverage for family planning services to enroll in the Demonstration and follow standard Medicaid rules regarding third-party liability;
2. Automatically enroll women losing Medicaid pregnancy coverage at the conclusion of 60 days postpartum into the Demonstration who are not otherwise eligible for Medicaid or the Children's Health Insurance Program (CHIP); and,
3. Allow administrative redeterminations.

In addition, technical changes were made to paragraphs 19 and 22 of the Special Terms and Conditions (STCs).

Enclosed are the amended pages to the STC that the State must meet as a condition for approval of this Demonstration. This award letter is subject to our receipt of your written acceptance of the award, including the amended STCs, within 30 days of the date of this letter.

All requirements of the Medicaid program as expressed in law, regulation, and policy statement not expressly identified as not applicable in this letter, shall apply to the South Carolina Family Planning Demonstration.

Your contact for this Demonstration is Ms. Julie Sharp, who may be reached at (410) 786-2292 and through e-mail at Juliana.Sharp@cms.hhs.gov. Ms. Sharp is available to answer any questions concerning the scope and implementation of the project in your application. Communications regarding the program matters and official correspondence concerning the Demonstration should be submitted to her at the following address:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, MD 21244-1850

Official communications regarding program matters should be submitted simultaneously to Ms. Sharp and Ms. Jackie Glaze, Acting Associate Regional Administrator, in the Atlanta Regional Office. Ms. Glaze's address is:

Centers for Medicare & Medicaid Services
61 Forsyth St., SW, Suite 4T20
Atlanta, GA 30303

We look forward to continuing to work with you and your staff.

Sincerely,



Cindy Mann
Director

Enclosures

cc:
Jackie Glaze, Acting ARA, Region IV
Tandra Hodges, State Representative

**CENTERS FOR MEDICARE & MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: 11-W-00057/4

TITLE: South Carolina Family Planning Demonstration

AWARDEE: South Carolina Department of Health and Human Services

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by South Carolina for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period of this Demonstration, be regarded as expenditures under the State's title XIX plan. All requirements of the Medicaid statute will be applicable to such expenditure authorities (including adherence to income and eligibility system verification requirements under section 1137(d) of the Act), except those specified below as not applicable to these expenditure authorities.

The following expenditure authority and the provisions specified as "not applicable" enable South Carolina to operate its section 1115 Medicaid demonstration through December 31, 2010, unless otherwise stated.

Expenditures for extending Medicaid eligibility for family planning services to the following individuals who are not otherwise eligible for Medicaid or the Children's Health Insurance Program (CHIP):

- 1) Women of childbearing age losing Medicaid pregnancy coverage at the conclusion of 60 days postpartum; and,
- 2) Women of childbearing age with income up to and including 185 percent of the FPL.

Medicaid Requirements Not Applicable to the Medicaid Expenditure Authorities:

All Medicaid requirements apply, except the following:

1. **Amount, Duration, and Scope of Services (Comparability)** **Section 1902(a)(10)(B)**
To the extent necessary to allow the State to offer the demonstration population a benefit package consisting only of approved family planning services.

2. **Eligibility Procedures** **Section 1902(a)(17)**
Parental income will not be included when determining a minor's (individual under age 18) eligibility for the family planning demonstration.

3. Retroactive Coverage

Section 1902(a)(34)

Individuals enrolled in the family planning demonstration will not be retroactively eligible.

4. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Section 1902(a)(43)(A)

The State will not furnish or arrange for EPSDT services to the demonstration population.

project officer will not direct the interpretation of the data in preparing these documents and reports.

15. At any phase of the demonstration, including the demonstration's conclusion, the State, if so requested by the project officer, must submit to CMS analytic data file(s), with appropriate documentation, representing the data developed/used in end-product analyses generated under the demonstration. The analytic file(s) may include primary data collected or generated under the demonstration and/or data furnished by CMS. The content, format, documentation, and schedule for production of the data file(s) will be agreed upon by the State or its designee and the CMS project officer. The negotiated format(s) could include both the file(s) that would be limited to CMS internal use and the file(s) that CMS could make available to the general public.

16. At any phase of the demonstration, including the demonstration's conclusion, the State, if so requested by the project officer, must deliver any materials, systems, or other items developed, refined, or enhanced during or under the demonstration to CMS. The State agrees that CMS will have royalty-free, nonexclusive, and irrevocable rights to reproduce, publish, or otherwise use and authorize others to use such materials, systems, or items for Federal Government purposes.

17. An updated phase-out plan for the demonstration needs to be submitted to CMS for approval within 90 days of the award of the demonstration. The phase-out plan must address the fact that the State is responsible for informing enrollees of the fact that the demonstration will end 3 years from the demonstration extension effective date (January 1, 2008, through December 31, 2010).

18. The State shall submit a revised and updated implementation schedule to CMS within 30 days from the award of the demonstration extension. The revised schedule will include the implementation of the evaluation of the demonstration extension and other requirements described in these STCs.

Eligibility

19. For individuals who have declared that they are United States citizens or nationals, the State must only enroll individuals into the Demonstration who document citizenship or nationality in accordance with sections 1902(a)(46) and 1903(x) of the Act. The State may establish citizenship or nationality using the process set out in section 1902(ee) in lieu of the documentation requirements set forth in sections 1902(a)(46) and 1903 of the Act to the extent permitted by that section.

20. The State must only enroll individuals who are not otherwise eligible for Medicaid or the Children's Health Insurance Program (CHIP) into the Demonstration who meet the following eligibility criteria:

1. Women of childbearing age losing Medicaid pregnancy coverage at the conclusion of 60 days postpartum; and

2. Women of childbearing age with income up to and including 185 percent of the Federal poverty level (FPL).

The State must comply with third party liability (TPL) requirements as specified in 42 CFR 433.138 for any individual who has health insurance coverage. In each quarterly report as required in STC #7, the State must report the number of demonstration enrollees who have health insurance coverage and TPL collections for demonstration participants.

21. The State will ensure that redeterminations of eligibility for this demonstration are conducted, at a minimum, once every 12 months.

Primary Care Referral and Evaluation

22. The State shall facilitate access to primary care services for enrollees in the Medicaid section 1115 Family Planning Demonstration. The State shall submit to CMS a copy of the written materials, including any revised materials, which are distributed to the family planning demonstration participants as soon as they are available. The written materials must explain to the participants how they can access primary care services.

23. Should CMS conduct an independent evaluation of the section 1115 Family Planning Demonstration the State will cooperate fully with CMS or the independent evaluator selected by CMS, to assess the impact of the Medicaid demonstrations and/or to examine the appropriateness of the averted birth budget neutrality methodology. The State will submit the required data to CMS or its contractor.

24. The State must implement the evaluation design, as approved, and report its progress in each of the demonstration's quarterly reports. The State will submit any changes to the evaluation design to CMS for review and approval prior to implementing the changes (i.e., changes to hypotheses being tested or target populations).

25. Family planning expenditures under the Medicaid program have increased in recent years and CMS is interested in monitoring these expenditures. Thus, as part of our overall monitoring of the demonstration, CMS will also be monitoring the rate in expenditure growth for family planning services. This monitoring will be done on a per capita basis, using total expenditures recorded during the first year of the demonstration as a baseline. As a frame of reference we will be comparing the annual rate of growth of actual expenditures with the baseline amount trended forward using Consumer Price Index (CPI) Medical. The comparison of actual per capita expenditures over the life of the demonstration and per capita expenditures trended using CPI Medical will be considered if the State should seek an extension of