

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

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>1-31-08</i>
---------------------------	-------------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000402</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forkner, Deps</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.			

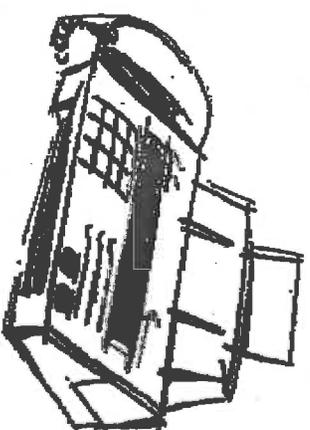
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U.S. Department of Health and Human Services
Centers for Medicare and Medicaid Services
Finance, Systems and Budget Group (FSBG)
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244
Fax # 410-786-1008

Fax Cover Sheet

RECEIVED

JAN 31 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Date: Jan 31 2008

From: Mark baby for

Phone: _____

Stacy Griffin

- ____ Finance, Systems and Budget Group
- ____ Survey and Administration Budget Staff
- ____ Division of Reimbursement & State Financing
- ____ Division of Financial Management
- ____ Division of State Systems
- ____ Division of Information Analysis & Technical Assistance
- ____ Division of National Systems
- ____ DATA Analysis Team

To: Erma Gardner, Director

Organization: Dept. of Health & Human Serv.

Phone: _____

Fax: 803-898-4515

Number of pages (including cover sheet): 3

Remarks: TN 07-07

Approval letter of 1/28/08

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CMS FAX FORM

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 and State Operations

Ms. Emma Forkner
Director

JAN 30 2008

Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

Dear Ms. Forkner:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 07-007. This amendment modifies the State's payment methodology for setting payment rates for nursing home services. Effective October 1, 2007 this amendment revises the base year cost reports to be used to determine the per diem rates and provides for an inflation increase, incorporates the Medicare guidelines for determination of allowable cost of professional liability claims, and increases rates for the cost of Certified Nurse Aides providing escort services while recipients are being provided non-emergency transportation services to a medical provider for covered services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(e) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of October 1, 2007. We are enclosing the CMS-179 and the amended approved plan pages.

Under regulations at 42 CFR 430.12(c)(i), States are required to amend State plans whenever necessary to implement changes in Federal law, regulations, policy interpretations, or court decisions. On May 25, 2007, CMS placed a final rule, CMS-2258-FC (Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership) on display at the Federal Register and that can be found at 72 Fed. Reg. 29748 (May 29, 2007) that would modify Medicaid reimbursement. Because of this regulation, some or all of the payments under this plan amendment may no longer be allowable expenditures for Federal Medicaid matching funds. Public Law 110-28, enacted on May 25, 2007 instructed CMS to take no action to implement this final regulation for one year. CMS will abide by the time frames specified by the statute. Approval of the subject State plan amendment does not relieve the State of its responsibility to comply with changes in federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements.

If you have any questions, please call Venesa Johnson at (410) 786-8281 or Stanley Fields at (502) 223-5332.

Sincerely,


Dennis G. Smith
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

REVISED 01-23-08

FORM APPROVED
OMB NO. 0938-0193

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
SC 07-007

2. STATE
South Carolina

FOR HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2007

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR, Subpart C

7. FEDERAL BUDGET IMPACT: \$23,300,000 x 69.79%

a. FFY 2007 \$16,261,070
b. FFY 2008 Rates will be rebased.

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-D, Pages 2, 6, 7, 8 and 14 thru 41

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (if Applicable):
Attachment 4.19-D, Pages 2, 6, 7, 8 and 14 thru 35

10. SUBJECT OF AMENDMENT:
Nursing Facility rate update effective October 1, 2007 based upon annual rebasing.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Ms. Fortner was designated by the
Governor to review and approve all State
Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

13. TYPED NAME:
Emma Fortner

14. TITLE:
Director

15. DATE SUBMITTED:
November 7, 2007

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
1-30-08

19. EFFECTIVE DATE OF APPROVED MATERIAL:
PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:
Paul Brown, F.D.S.

21. TYPED NAME:

22. TITLE:

23. REMARKS: