

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

**ACTION REFERRAL**

<b>TO</b> <i>Mellis</i>	<b>DATE</b> <i>5-22-07</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <i>000733</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR _____	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

<b>APPROVALS</b> (Only when prepared for director's signature)	<b>APPROVE</b>	<b>* DISAPPROVE</b> (Note reason for disapproval and return to preparer.)	<b>COMMENT</b>
1.			
2.			
3.			
4.			



PUBLIC CONSULTING GROUP

Log: Wells (NA)

Wells N/A

148 State Street, Tenth Floor, Boston, MA 02109  
PublicConsultingGroup.com  
617 426 2026 tel 617 426 4432 fax

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MAY 2 1 2007

MEDICAL SERVICES  
DHHS

May 17, 2007

Ms. Susan Bowling  
Deputy Director - Medical Services  
Department of Health & Human Services  
P.O. Box 8206  
Columbia, SC 29202-8206

RECEIVED

MAY 29 2007

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Ms. Susan Bowling,

Is South Carolina compliant with the Centers for Medicare and Medicaid Services' (CMS) guidelines for reimbursement of public providers? Even if new CMS cost limits for public providers don't take effect this year, *South Carolina could be vulnerable to revenue losses.* Now is the time for state agencies and affected providers to examine their reporting practices. Public Consulting Group (PCG) can help.

For the past 20 years, PCG has helped numerous public agencies and providers meet federal Medicaid cost reporting and rate setting requirements. We have developed services including a comprehensive review of public provider rate setting practices for Medicaid agencies. *PCG would welcome the opportunity to assist Department of Health & Human Services with its implementation of CMS cost finding and cost allocation requirements.*

PCG offers state Medicaid agencies an array of services, including:

Upper Payment Limit (UPL) Program Review – PCG reviews UPL calculations for all providers included in UPL programs.

Institutional Medicaid and Medicare Cost Report Review – PCG reviews Medicaid and Medicare public hospital cost reports and current cost settlement processes.

Non-Institutional Medicaid Rate Setting and Cost Settlement – PCG reviews Medicaid settlement processes for non-institutional state plan and waiver services.

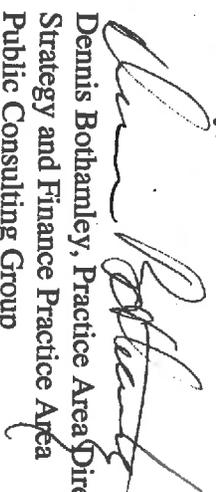
Public Provider Revenue Enhancement – PCG reviews the rate setting practices of all public agencies and ensures that public providers are being reimbursed according to state plan requirements and cost limits. This work includes implementation of standard rate setting practices to determine costs according to OMB A-87 and CMS guidelines.

With PCG's review and rate setting services, your agency will achieve:

- ✓ Improved compliance
- ✓ Administrative efficiency
- ✓ Improved cash flow

To learn more about how PCG can assist with Department of Health & Human Services's cost reporting needs, please contact me at (617) 426-2026 extension 1205 or [dbothamley@pcgus.com](mailto:dbothamley@pcgus.com)

Sincerely,

  
Dennis Bothamley, Practice Area Director  
Strategy and Finance Practice Area  
Public Consulting Group