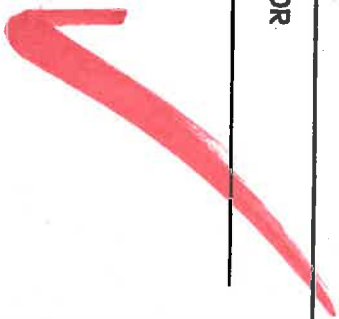


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

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

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
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 4532 fax

RECEIVED

MAY 21 2007

May 17, 2007

MEDICAL SERVICES
DHHS

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

RECEIVED

MAY 21 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

Sincerely,



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