

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

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|--------------------|-----------------------|
| TO <i>Supra</i> | DATE <i>4-3-14</i> |
|--------------------|-----------------------|

| DIRECTOR'S USE ONLY | ACTION REQUESTED |
|---|---|
| 1. LOG NUMBER 000345 | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Kost. Deps, CMS 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
Chicago Regional Office
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601



Consortium for Medicaid and Children's Health Operations

February 25, 2014

Tony E. Keck
Director
State of South Carolina, Department of Health and Human Services
1801 Main Street, PO Box 8206
Columbia, SC 29201-8206

RECEIVED

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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

Thank you for your correspondence dated January 10, 2014 requesting that the Centers for Medicare & Medicaid Services (CMS) approve South Carolina's comprehensive audit strategy for the Medicaid Electronic Health Record Incentive Program. The audit strategy identifies the method that the state will employ both pre-payment and post-payment to avoid disbursing improper incentive payments.

CMS completed its review of the audit strategy with comments (see Enclosure A) and approves it effective on the date of this letter, in accordance with Federal regulations at 42 CFR § 495, subpart D. South Carolina may proceed with implementing the audit strategy for Medicaid eligible professionals and Medicaid eligible hospitals participating in the state's Medicaid EHR Incentive Program.

CMS appreciates South Carolina's continued commitment and dedication to administering this important new program that will lead to improved healthcare for populations served by the Medicaid Program.

We look forward to working with you as you proceed through the implementation process of your Medicaid HIT project. If you have any questions or concerns regarding this information, please feel free to contact Jason McNamara at (410) 786-3315 or via email at Jason.McNamara@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Jackie Garner". The signature is fluid and cursive, with the first name "Jackie" and last name "Garner" clearly distinguishable.

Jackie Garner
Consortium Administrator

Enclosure A

The following recommendations will assist with audit activities and help further improve the audit strategy. Any comments or recommendations that the state adopts should be notated in submission of a revised audit strategy.

1. Please include audit checklists, correspondence with the providers, and/or any audit questionnaires associated with the process.
2. Please provide more detailed information about the pre-payment process, including operations, personnel, and data sources.
3. Please describe the recoupment process.