

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleton</i>	DATE <i>1-14-14</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000236</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Kost, Deps, Chavis, 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
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

January 7, 2014

SC-13-018

Mr. Anthony E. Keck, Director
Department of Health & Human Services
1801 Main Street
Columbia, SC 29201-8206

RECEIVED

JAN 14 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Planning Advance Planning Document (PAPD) submitted by South Carolina to the Centers for Medicare & Medicaid Services (CMS) on December 10, 2013 is approved effective on the date of this letter. The PAPD was submitted by South Carolina to request enhanced federal funding for planning activities pertinent to the state's Dental Benefits Management (DBM) project.

CMS approves the PAPD in accordance with Section 1903(a)(3) of the Social Security Act, as well as 42 CFR § 433, subpart C, 45 CFR § 95, subpart F, and Part 11 of the State Medicaid Manual (SMM). As requested in the PAPD, CMS approves funding in the amount of \$385,000 for DBM project planning activities, with 90 percent federal financial participation (FFP) in the amount of \$346,500. Funding approval will expire on September 30, 2014.

In the PAPD, South Carolina notes that its current Dental Administrative Services contract with DentaQuest expires on June 7, 2014. The state plans to extend its DentaQuest contract via sole source procurement in order to provide sufficient time to develop and operationalize the DBM project. If the DentaQuest contract extension results in a noncompetitive acquisition exceeding \$1,000,000, then in accordance with 45 CFR § 95.611, South Carolina must submit a sole source justification to CMS for review, in addition to the DentaQuest contract amendment/extension.

As specified in 42 CFR § 433.112, South Carolina must align the DBM project with the Seven Standards and Conditions for enhanced Medicaid funding. The state will also demonstrate how the DBM project is integrated with the state's Replacement Medicaid Management Information System (MMIS) program, as claims processing and reporting for fee-for-service dental benefits will be functions of this project's system solution.

In the Implementation Advance Planning Document (IAPD) that will be a product of activities described in the PAPD, South Carolina must provide the status of all approved planning activities and expenditures. If planning activities detailed the PAPD have been completed, the state must verify this in the IAPD, as well as final planning costs. Unexpended PAPD funds must be either closed out or included as line items within the IAPD budget. The state can have only one APD open at a time.

Mr. Anthony E. Keck

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South Carolina is also reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished, and whether or not the automatic data processing (ADP) equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95 § 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR § 95.611, all subsequent revisions and amendments to the APD will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR § 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

If there are any questions concerning this information, please contact David Hinson at (404) 562-7411 or via e-mail at lawrence.hinson@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Irina Roberts" with a small "for" written below it.

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations