

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

ACTION REFERRAL

TO Wells	DATE 11/14/06
------------------------	-----------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000361	<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

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

7500 Security Boulevard
Baltimore, MD 21244

Mr. Robert M. Kerr
Executive Director
Department of Health and Human Services
P. O. Box 8206
Columbia, S.C. 29202-8206

RECEIVED

NOV 14 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

NOV 1 2006

Dear Sir or Madam:
SUPPLEMENTAL

The grant awards listed below have been approved for the period 10/01/2006 - 12/31/2005 under Appropriation 75X0512 Centers for Medicare & Medicaid Services. Any unused grant award authority may be carried forward and used in a subsequent period.

Medical Assistance Payments	\$(192,702,130)
Medicaid State Children's Health Insurance Program Payments	\$0
Administration Payments	\$(3,615,710)
Total Grant Awards	\$(196,317,840)

The above listed grant awards provide Federal funds for expenditures made in accordance with your State plan approved under Title XIX of the Social Security Act. Computation of the awards is shown on the enclosed statement.

With the acceptance of these awards, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised), and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

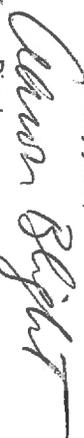
Any questions you may have in connection with the grant award should be referred to the appropriate Centers for Medicare & Medicaid Services regional office financial contact for your State.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center. Inquiries regarding payment should be directed to:

Director, Division of Payment Management
Post Office Box 6021
Rockville, Maryland 20852-0605
Telephone Number (301) 443-1660

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,


Director,
Division of Financial Management

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE	South Carolina			
FISCAL YEAR	2 0 0 7			
QUARTER	1ST <input checked="" type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input type="checkbox"/>

	MEDICAL ASSISTANCE PAYMENTS	M-SCHIP PAYMENTS	ADMINISTRATION PAYMENTS
1. ADJUSTMENTS FOR QUARTER ENDED June 30, 2006	\$ 621,268,312 A. (14,376)		\$ 21,994,163
A. ACTUAL FEDERAL SHARE OF EXPENDITURES.....	621,253,936		21,994,163
B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED.....	780,212,000		25,619,000
C. DIFFERENCE.....	(158,958,064)		(3,624,837)
D. NET ADJUSTMENTS APPLICABLE TO PRIOR PERIODS.....	B. (460,017)		B. 14,627
E. COLLECTIONS.....	C. 79,807 (21,450,371)		(5,500)
F. OTHER.....	D. (11,913,485)		
G. TOTAL ADJUSTMENTS.....	E (192,702,130)		E (3,615,710)
2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING October 1, 2006	F		F
3. NET AMOUNT TO BE CERTIFIED.....	\$ (192,702,130)	0	\$ (3,615,710)

TOTAL AMOUNT TO BE CERTIFIED..... \$G. (196,317,840)

DATE APPROVED NOV 1 2006 COMPUTATION CHECKED BY *[Signature]*

INTERNAL TRANSMITTAL NO. 18

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR First/2007

NOV 1 2006

A. \$(14,376) refers to interest collected and reported on line 5. of the CMS-64 Summary Sheet by the State on Drug Rebates.

B.

MAP	ADM	
\$ 0	\$ 0	Increasing Claims Prior to 07/01/04
<u>0</u>	<u>5,818,088</u>	Increasing Claims After 06/30/04
0	5,818,088	Total Increasing Claims
<u>460,017</u>	<u>- 5,803,461</u>	Decreasing Claims
<u>- 460,017</u>	<u>14,627</u>	Net Adjustment

C. \$79,807 represents a Line 9C adjustment. \$79,807 represents Civil Monetary Penalty Overpayment Collections. This amount is not being used in the grant award computation to preclude a duplicate adjustment.

D. \$11,913,485 represents M-SCHIP expenditures. See Attachment 9.

E. See attachments 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,15, 16, 17, 18, 19, and 20.

F. A grant award based on the estimate for the first quarter fiscal year 2007 was issued October 1, 2006.

G. The funding authorized by this grant award is paid subject to any future financial management review or audit.

This grant may include funding that relates to a state plan amendment submitted by the state, but not yet approved by the Centers For Medicare & Medicaid Service (CMS). If the pending plan amendment is not subsequently approved with an effective date covering the funding included in this grant award, that funding is subject to recovery by CMS.

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR First/2007

MEMORANDUM

NOV 1 2006

1. Interest Collected on Drug Rebates - Line 5.
\$14,376 refers to interest collected and reported on line 5. of the CMS-64 Summary Sheet by the State on Drug Rebates, Document #05-0605SSC5028, and CAN # 75993312.
2. DSH Adjustment
The law required that the yearly limitation on DSH expenditures be calculated against the total computable for fiscal years 1993 through 1997. However, Section 4721 (a) of the BBA replaces the current DSH allotment methodology with statutorily defined Federal DSH allotments. For Federal fiscal years 1998 through 2002, the Federal DSH allotments are listed in the Statute (1923 (F) of the Act.) See attached DSH schedules for the status of your allotment.
3. Part B Premium 100% Funding. See attachments 10, 11, 12, 13, 14, 15, 16, 17, and 18.
4. Chip Expenditures Reported: See attachment CMS-21C.
5. TANF expenditures Reported: See attachments 19 and 20.

VERIFICATION OF GRANT AWARD FUNDING
 Medical Assistance Payments (MAP) ~~NOV~~ 1 2006

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY And Prior 2003	FY 2004	FY 2005	FY 2006	Total
CMS-64 Summary					
Line 6	\$	\$	\$	\$ 621,268,312	\$ 621,268,312
Line 7					0
Line 8					0
Line 9				(21,450,371)	(21,450,371)
Line 10 A. & B.					0
Line 10 C.				(460,017)	(460,017)
Net Expenditures	\$ 0	\$ 0	\$ 0	\$ 599,357,924	\$ 599,357,924
Less:					
Waivers					0
M-SCHIP				(11,913,485)	(11,913,485)
Katrina UCCP Waivers					0
Net MAP Expenditures	\$ 0	\$ 0	\$ 0	\$ 587,444,439	\$ 587,444,439
Adjustments					
Transfers					0
Line 9C Adj Global Settle					0
CMP's				79,807	79,807
Deferrals					0
Disallowances					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 587,524,246	\$ 587,524,246
Interest on					0
Disallowances					0
Other Drug Rebate				(14,376)	(14,376)
Part B Offset					0
Part B Interest					0
Adjusted Funding	\$ 0	\$ 0	\$ 0	\$ 587,509,870	\$ 587,509,870
Less: Federal Advances				780,212,000	780,212,000
Total Funding	\$ 0	\$ 0	\$ 0	\$ (192,702,130)	\$ (192,702,130)

VERIFICATION OF GRANT AWARD FUNDING NOV 1 2006
 Medical Assistance Payments (MAP)

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY And Prior 2003	FY 2004	FY 2005	FY 2006	Total
CMS-64 Summary					
Line 6	\$	\$	\$	\$ 621,268,312	\$ 621,268,312
Line 7				554,897	554,897
Line 8				0	0
Line 9				(21,450,371)	(21,450,371)
Line 10 A. & B.				(460,017)	0
Line 10 C.				(460,017)	(460,017)
Net Expenditures	\$ 0	\$ 0	\$ 0	\$ 599,912,821	\$ 599,912,821
Less:					
Waivers					0
M-SCHIP				(11,913,485)	(11,913,485)
Katrina UCCP Waivers					0
Net MAP Expenditures	\$ 0	\$ 0	\$ 0	\$ 587,999,336	\$ 587,999,336
Adjustments					
Transfers					0
Line 9C Adj Global Settle					0
CMF's				79,807	79,807
Deferrals					0
					0
Disallowances					0
					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 588,079,143	\$ 588,079,143
Interest on					0
Disallowances					0
Other Drug Rebate				(14,376)	(14,376)
					0
Part B Offset					0
Part B Interest					0
Adjusted Funding	\$ 0	\$ 0	\$ 0	\$ 588,064,767	\$ 588,064,767
Less: Federal Advances				780,212,000	780,212,000
Total Funding	\$ 0	\$ 0	\$ 0	\$ (192,147,233)	\$ (192,147,233)

VERIFICATION OF GRANT AWARD FUNDING NOV 1, 2000
 Disproportionate Share Hospitals (DSH)
 FEDERAL SHARE

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 313,460,000	\$ 312,580,697	\$ 310,952,672	\$ 311,217,444	\$ 309,722,264
BALANCE	\$ 313,460,000	\$ 312,580,697	\$ 310,952,672	\$ 311,217,444	\$ 309,722,264
CAP	\$ 313,460,215	\$ 312,580,697	\$ 310,953,589	\$ 311,217,444	\$ 309,722,264
REMAINING BALANCE	\$ 215	\$ 0	\$ 917	\$ 0	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 FEDERAL SHARE

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 313,000,000	\$ 303,000,001	\$ 262,000,000	\$ 271,170,000	\$ 271,170,000
BALANCE	\$ 313,000,000	\$ 303,000,001	\$ 262,000,000	\$ 271,170,000	\$ 271,170,000
CAP	\$ 313,000,000	\$ 303,000,000	\$ 262,000,000	\$ 271,170,000	\$ 278,220,420
REMAINING BALANCE	\$ 0	(1)	\$ 0	\$ 0	\$ 7,050,420

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 FEDERAL SHARE

STATE: South Carolina QUARTER/FISCAL YEAR: Firs/2007

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$ 18,504,366	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 18,504,366	\$ 0
PREVIOUSLY REPORTED	\$ 265,908,883	\$ 308,478,800	\$ 308,478,800	\$ 153,469,932	\$
BALANCE	\$ 265,908,883	\$ 308,478,800	\$ 308,478,800	\$ 171,974,298	\$ 0
CAP	\$ 265,930,000	\$ 308,478,800	\$ 308,478,800	\$ 308,478,800	\$
REMAINING BALANCE	\$ 21,117	\$ 0	\$ 0	\$ 136,504,502	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 TOTAL COMPUTABLE

NOV 1 2006

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 439,758,699	\$ 439,758,999	\$ 438,757,705	\$ 439,759,000	\$ 439,759,000
BALANCE	\$ 439,758,699	\$ 439,758,999	\$ 438,757,705	\$ 439,759,000	\$ 439,759,000
CAP	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000
REMAINING BALANCE	\$ 301	1	\$ 1,001,295	\$ 0	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 TOTAL COMPUTABLE

NOV 1 2003

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
REPORTED THIS QUARTER					
Line 6	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Line 7	_____	_____	_____	_____	_____
Line 8	_____	_____	_____	_____	_____
Line 9	_____	_____	_____	_____	_____
Line 10 A. & B.	_____	_____	_____	_____	_____
Line 10 C.	_____	_____	_____	_____	_____
Adjustments	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 391,072,974
BALANCE	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 391,072,974
CAP	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 401,240,871
REMAINING BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,167,897

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 TOTAL COMPUTABLE

STATE: South Carolina QUARTER/FISCAL YEAR: First/2007

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$ 26,694,122	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 26,694,122	\$ 0
PREVIOUSLY REPORTED	\$ 380,899,723	\$ 441,567,134	\$ 441,377,593	\$ 221,393,438	\$
BALANCE	\$ 380,899,723	\$ 441,567,134	\$ 441,377,593	\$ 248,087,560	\$ 0
CAP	\$ 380,933,964	\$ 441,567,134	\$ 441,377,593	\$ 445,006,924	\$
REMAINING BALANCE	\$ 34,241	\$ 0	\$ 0	\$ 196,919,364	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
 Administration (ADM)

STATE: South Carolina

QUARTER/FISCAL YEAR: First/2007

CMS-64 Summary	FY 2003		FY 2004	FY 2005	FY 2006	Total
	And Prior					
Line 6	\$		\$		\$ 21,994,163	\$ 21,994,163
Line 7					5,818,088	5,818,088
Line 8					0	0
Line 9					(5,500)	(5,500)
Line 10 A. & B.					(5,803,461)	(5,803,461)
Net Expenditures	\$	0	\$	0	\$ 22,003,290	\$ 22,003,290
Less:						
Waivers						0
Net ADM Expenditures	\$	-	\$	-	\$ 22,003,290	\$ 22,003,290
Adjustments						
Transfers						0
Line 10 Adjustments						0
Deferrals						0
Disallowances						0
Subtotal	\$	0	\$	0	\$ 22,003,290	\$ 22,003,290
Interest on						0
Disallowances						0
Other						0
TPL						0
Adjusted Funding	\$	0	\$	0	\$ 22,003,290	\$ 22,003,290
Less: Federal Advances					25,619,000	25,619,000
Total Funding	\$	-	\$	-	\$ (3,615,710)	\$ (3,615,710)

VERIFICATION OF GRANT AWARD FUNDING
 Medicaid State Children's Health Insurance Plan (M-SCHIP)

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

	FY And Prior 2002	FY 2003	FY 2004	FY 2005	Total
CMS-64 Summary					
Line 6	\$			\$ 11,913,485	\$ 11,913,485
Line 7					0
Line 8					0
Line 9					0
Line 10 A. & B.					0
Line 10 C.					0
Net Expenditures	\$ 0	\$ 0	\$ 0	\$ 11,913,485	\$ 11,913,485
Less:					
Waivers					0
M-SCHIP					0
Net MAP Expenditures	\$ 0	\$ 0	\$ 0	\$ 11,913,485	\$ 11,913,485
Adjustments					
Transfers					0
Line 10 Adj.					0
CMP's					0
Deferrals					0
Disallowances					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 11,913,485	\$ 11,913,485
Interest on Disallowances					0
Other					0
					0
					0
Adjusted Funding	\$ 0	\$ 0	\$ 0	\$ 11,913,485	\$ 11,913,485
Less: Federal Advances					0
Total Funding	\$ 0	\$ 0	\$ 0	\$ 11,913,485	\$ 11,913,485

