


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

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>11/14/06</i>
------------------------	-----------------------------

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

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

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,

Ann Blyth
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"/> X	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input type="checkbox"/>

1. ADJUSTMENTS FOR
QUARTER ENDED June 30, 2006

A. ACTUAL FEDERAL SHARE OF
EXPENDITURES.....

B. ESTIMATED FEDERAL SHARE OF
EXPENDITURES PREVIOUSLY FUNDED....

C. DIFFERENCE.....
D. NET ADJUSTMENTS APPLICABLE TO
PRIOR PERIODS.....

	MEDICAL ASSISTANCE PAYMENTS	M-SCHIP PAYMENTS	ADMINISTRATION PAYMENTS
A.	\$ 621,268,312 (14,376)		\$ 21,994,163
	621,253,936		21,994,163
	780,212,000		25,619,000
B.	(158,958,064) (460,017)		B. (3,624,837) 14,627
C.	79,807 (21,450,371)		(5,500)
D.	(11,913,485)		
E.	(192,702,130)		E (3,615,710)
F.			F
	\$ (192,702,130)	0	\$ (3,615,710)

2. ESTIMATED FEDERAL SHARE OF
EXPENDITURES FOR QUARTER
BEGINNING October 1, 2006

3. NET AMOUNT TO BE CERTIFIED.....

TOTAL AMOUNT TO BE CERTIFIED.....

\$G. (196,317,840)

DATE APPROVED

NOV 1 2006

COMPUTATION CHECKED BY

INTERNAL TRANSMITTAL NO.

18

[Signature]

98

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

NOV 1 2006

MEMORANDUM

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 #05-0605SC5028, 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					
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)

STATE: South Carolina

QUARTER/FISCAL YEAR:

First/2007

CMS-64 Summary	FY And Prior 2003	FY 2004	FY 2005	FY 2006	Total
Line 6	\$	\$	\$	\$ 621,268,312	\$ 621,268,312
Line 7				554,897	554,897
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	\$ 599,912,821	\$ 599,912,821
Less: Waivers M-SCHIP Katrina UCCP Waivers				(11,913,485)	(11,913,485)
Net MAP Expenditures	\$ 0	\$ 0	\$ 0	\$ 587,999,336	\$ 587,999,336
Adjustments					
Transfers Line 9C Adj Global Settle CMP's				79,807	79,807
Deferrals					0
Disallowances					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 588,079,143	\$ 588,079,143
Interest on Disallowances Other Drug Rebate				(14,376)	(14,376)
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 2006

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: <u>South Carolina</u>	QUARTER/FISCAL YEAR:				<u>First/2007</u>
	FY <u>2003</u>	FY <u>2004</u>	FY <u>2005</u>	FY <u>2006</u>	Total
CMS-64 Summary	And Prior				
Line 6	\$	\$	\$	\$ 21,994,163	\$ 21,994,163
Line 7				5,818,088	5,818,088
Line 8					0
Line 9				(5,500)	(5,500)
Line 10 A. & B.				(5,803,461)	(5,803,461)
Net Expenditures	\$ 0	\$ 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
					0
Disallowances					0
					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 22,003,290	\$ 22,003,290
Interest on					
Disallowances					0
Other					0
TPL					0
					0
Adjusted Funding	\$ 0	\$ 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	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					0
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

STATE: South Carolina

First/2007

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First/2007

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STATE: South Carolina

First/2007

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NOV 1 2006

QUARTER/FISCAL YEAR: First/2007[illegible]