


DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Hells/Myers</i>	DATE <i>6-11-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100485</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forner, Deps, CMS File</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-17-10</i>  <input type="checkbox"/> FOIA DATE DUE _____  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.			

*Please date stamp*

*Log: Wells/Myers*

*c: deys*

*EF*

*N/A*

**From:** Emma Forkner  
**To:** Jan Polatty  
**Date:** 6/10/2010 5:55 PM  
**Subject:** Fwd: Finalization of DDSN Cost Reports  
**Attachments:** 06-10-10 Signed Letter to State re Finalization of Cost Reports.pdf

this should go in the files on the DDSN issue

Emma Forkner  
Director  
Department of Health and Human Services  
1801 Main Street  
Columbia, South Carolina 29201  
(803) 898-2504  
(803) 255-8338 fax

>>> "Wilkerson, Joyce C. (CMS/SC)" <Joyce.Wilkerson@cms.hhs.gov> 6/10/2010 4:07 PM >>>

Please see the attached letter regarding South Carolina DHHS' finalization of the DDSN cost reports.  
Please let us know if you have any questions. Thank you for your cooperation.

Joyce C. Wilkerson, MBA, CPA  
Branch Manager  
Financial Management Branch 1  
Division of Medicaid & Children's Health Operations  
Centers for Medicare & Medicaid Services  
61 Forsyth Street, SW - Suite 4T20  
Atlanta, Georgia 30303-8909  
(404) 562-7426

**RECEIVED**

JUN 11 2010

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
Division of Medicaid & Children's Health Operations  
61 Forsyth St., Suite 4120  
Atlanta, Georgia 30303-8909



June 10, 2010

**RECEIVED**

Ms. Emma Forkner, Director  
Department of Health and Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202-8206

JUN 11 2010  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Re: Finalization of South Carolina Department of Disabilities and Special Needs (DDSN) Cost Reports


Dear Ms. Forkner:

This is a follow-up to our onsite visit at the State's Department of Health and Human Services (DHHS) from February 1-4, 2010 and our teleconference call on June 3, 2010. During our onsite visit, we reviewed South Carolina's DDSN costs for the period of October 1, 2006-September 30, 2008. The scope of our review included obtaining documentary evidence of the State's process for determining Room & Board (R&B) costs and determining whether the reimbursement methodologies used by DHHS for the 1915 (c) waiver services provided in group residential settings include any R&B costs.

During our Exit Conference on February 4, 2010, we stated that South Carolina had not finalized the DDSN cost reports since 2001. We are unable to determine whether R&B costs were properly excluded from the DDSN 1915 (c) waiver costs without this information. Additionally, since the SC DDSN waiver includes a Certified Public Expenditure methodology, DHHS is out of compliance with the waiver until the cost reports have been finalized. During our June 3<sup>rd</sup> teleconference call, your staff agreed to finalize all DDSN cost reports by December 31, 2010. Please notify Michelle White and Cheryl Wigfall of our office upon finalization of the reports. Upon finalization of these reports, we will request a sample to review as part of our documentary evidence.

Thank you for your cooperation and assistance in this matter. If you have any questions or need additional information, please contact Michelle White, Financial Analyst, at (404) 562-7328; Cheryl Wigfall, Funding Specialist, at (803) 252-7172; or Joyce Wilkerson, Branch Manager, at (404) 562-7426.

Sincerely,

  
Jackie L. Glaze

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