

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <u>Hess</u>	DATE <u>6-24-11</u>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <u>1011580</u>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <u>Cci Mr. Keck, Depo, CMS file</u>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action



APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			



**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services

Center for Medicaid, CHIP and Surety &  
Certification  
Financial Management Group  
7500 Security Boulevard  
Baltimore, MD 21244

**RECEIVED**

Mr. Anthony E. Keck  
Executive Director  
Department of Health and Human Services  
P. O. Box 8206  
Columbia, SC 29202-8206

JUN 24 2011

JUN 21 2011

Dear Sir or Madam:  
Supplemental

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

The grant award listed below has been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 07/01/2011 - 09/30/2011 under Appropriation 75X0512 Centers for Medicare & Medicaid Services.

**Extension of Increased Medical Assistance Payment**

**\$8,862,000**

This grant award represents increased funding authorized under the provisions of section 5001 of the American Recovery and Reinvestment Act of 2009 as amended by section 201 of the Education Jobs and Medicaid Assistance Act (Public Law 111-226) enacted on August 10, 2010, which provides for a temporary increase in the Medicaid Federal medical assistance percentage (FMAP) used in funding your State's Medicaid program in federal FY 2011. The amendment made by section 201 of P.L. 111-226 extended the temporary increase in the FMAP to June 30, 2011. The amount of this grant award only represents the additional amount of funds associated with the extension of the increased FMAP determined under section 5001 of ARRA only for the expenditures for which the increased FMAP is available. In a separate grant award you will receive the amount of funds associated with the regular FMAP rate for the expenditures represented by this grant award and the additional Federal funds for the other expenditures for which the Federal matching rate is the regular FMAP or other matching rates.

The extension of the States' increased FMAPs has been determined in accordance with the provisions of section 5001 of ARRA as amended by section 201 of P.L. 111-226. The above grant award amount reflects an estimate of the extension of increased funds for your State for the period of the grant award related to the title XIX expenditures for which the extension of increased FMAP is available.

With the acceptance of this grant award and draw of such funds from the Payment Management System subaccount, you agree that:

- 1) Your State is eligible for the increased FMAP because the State is applying Medicaid eligibility standards, methodologies and procedures that are no more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008. If the State is currently ineligible because it does not meet this condition, the State may be retroactively eligible if it reinstates the former standards, methodologies and procedures prior to July 1, 2009. (Section 5001(f)(1) of ARRA)
- 2) Your State is eligible for the increased FMAP because no amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State. (Section 5001(f)(3) of ARRA)
- 3) In the case of a State that requires political subdivisions within the State to contribute toward the non-Federal share of expenditures under the Medicaid program, the State shall not be eligible for an increase in its FMAP under section (b) or (c) of section 501 of ARRA, if it requires such political subdivisions to contribute a greater percentage of the non-Federal share of such expenditures, or a greater percentage of the non-Federal share of payments under section 1923 of the Social Security Act (the Act) than the respective percentages that would have been required under the State Medicaid plan, State law, or both, as in effect on September 30, 2008, without regard to such increase. Voluntary contributions by a political subdivision to the non-Federal share of expenditures under the State plan under this title or contributions for purposes of this ARRA provision. (Section 501(g)(2) of ARRA, as modified by section 1905(cc) of the Act as amended by section 10201(c)(6) of the Affordable Care Act.)
- 4) The expenditures for which the State draws funds are of a type that would be eligible expenditures. Expenditures for disproportionate share hospital (DSH) payments are ineligible. Also ineligible are expenditures that are claimed based on the enhanced FMAP (described in section 2105(b) of the Act), or expenditures that are not paid based on the FMAP, such as expenditures for family planning services, administrative expenditures. Expenditures for services provided through an Indian Health Service facility are ineligible because such expenditures receive 100 percent FMAP, which is the ceiling level. And expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are higher than those in effect on July 1, 2008 are also ineligible for the increased FMAP. (Section 5001(e) of ARRA).
- 5) The expenditures for which the State draws funds are not payments for health care practitioner claims, or certain nursing home and hospital claims, that were received by the State during periods in which the State is not in compliance with prompt payment standards. (Section 5001(f)(2) of ARRA)

With the acceptance of this award, 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 this 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 (PSC). Inquiries regarding payment should be directed to:

Director, Division of Payment Management  
Post Office Box 6021  
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

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 Operations 

Enclosures 4  
CMS-1151(7-90)

JUN 21 2011

STATE:	<u>SOUTH CAROLINA</u>			
FISCAL YEAR	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>
QUARTER	1ST <input type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input checked="" type="checkbox"/>	4TH <input type="checkbox"/>

COMPUTATION OF AMOUNTS FOR EXTENSION OF ARRA  
INCREASE IN FMAP GRANTS UNDER TITLE XIX OF THE SSA

EXTENSION OF ARRA  
MEDICAL ASSISTANCE  
PAYMENTS

1. ADJUSTMENTS FOR QUARTER ENDED \$ 0

A. ACTUAL FEDERAL SHARE OF EXPENDITURES..... 0

B. ESTIMATED FEDERAL SHARE OF EXPENDITURES PREVIOUSLY FUNDED.... 0

C. DIFFERENCE..... 0

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

E. COLLECTIONS.....

F. OTHER.....

G. TOTAL ADJUSTMENTS..... A. 0

2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING APRIL 1, 2011 B. 8,862,000

3. NET AMOUNT TO BE CERTIFIED..... \$ 8,862,000

TOTAL AMOUNT TO BE CERTIFIED..... \$ C. 8,862,000

DATE APPROVED JUN 21 2011 COMPUTATION PREPARED BY:

INTERNAL TRANSMITTAL NO. AC-14 COMPUTATION REVIEWED BY:

Thia Calvinger  
Ann W



FOOTNOTES

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: THIRD/2011

**EXTENSION of ARRA TEMPORARY INCREASE of MEDICAID FMAP**

- A. The estimated expenditures for the THRD quarter Fiscal Year 2011 is being changed from \$46,979,000 to \$55,841,000 for the Extension of American Recovery and Reinvestment Act (ARRA). See attachment 1.

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

JUN 21 2011

CALCULATION OF SUPPLEMENTAL AWARD  
Extension of ARRA Increase in FMAP Funding Under Title XIX Under Section 5001 ARRA, as amended by P.L. 111-226

STATE:  SOUTH CAROLINA

QUARTER/FISCAL YEAR:  THIRD/2011

Secretary's Estimate of Funding Need for the Quarter	EXTENSION OF ARRA MEDICAL ASSISTANCE PAYMENTS
	\$ <u> 55,841,000 </u>

Less:

SPR Penalty, Attachment	XXXXXXXXXXXXXXXXXXXXXXXXXX
MEQC Penalty, Attachment	_____
Third Party Liability/Assignment of Rights-Billing Offset Attachment	XXXXXXXXXXXXXXXXXXXXXXXXXX
Part A (Buy-In) Premiums Attachment	_____
Part B (Buy-In) Premiums Attachment	_____
Part A Interest Attachment	_____
Part B Interest Attachment	_____

FUNDING ADJUSTMENT

Adjusted funding for the quarter	\$ <u> 55,841,000 </u>
Estimate previously funded for the quarter	<u> (46,979,000) </u>
Net Amount of Funding	<u> \$ 8,862,000 </u>

JUN 21 2011