


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Jacobs</i>	DATE <i>1-10-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000347</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Myers, Hamilton, Caulley</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

Administrator

Washington, DC 20201

DEC 31 2007

RECEIVED

JAN 04 2008

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

*Log. Jacobs
cc: Myers,
Hamilton*

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

We are pleased to inform you that South Carolina's request for an extension of its section 1115 Family Planning Demonstration, as modified by the Special Terms and Conditions (STCs) accompanying this award letter, has been approved as project number 11-W-00057/4. Under this demonstration, the State will cover family planning services to uninsured (defined as not having creditable coverage) women of reproductive age with family incomes at or below 185 percent of the Federal poverty level (FPL), who are not otherwise eligible for Medicaid, the State Children's Health Insurance Program (SCHIP), or Medicare. Approval of the extension of this demonstration is under the authority of section 1115 of the Social Security Act (the Act) and is effective as of January 1, 2008, through December 31, 2010.

Please be aware that pharmacists, physicians, and other health care professionals would be protected by the Federal regulations at 42 U.S.C. section 300a-7(d), which provides:

No individual shall be required to perform or assist in the performance of any part of a health service program or research activity funded in whole or in part under a program administered by the Secretary of Health and Human Services if his performance or assistance in the performance of such part of such program or activity would be contrary to his religious beliefs or moral convictions.

Enclosed are the STCs (including Attachment A related to budget neutrality and Attachment B related to demonstration service codes) that the State must meet as a condition for approval of this demonstration. These STCs define the nature, character, and extent of Federal involvement in this project. This award letter is subject to our receipt of your written acceptance of the award, including the STCs, within 30 days of the date of this letter.

All requirements of the Medicaid program as expressed in law, regulation, and policy statement not expressly identified as not applicable in this letter shall apply to the South Carolina Family Planning Demonstration.

Medicaid Costs Not Otherwise Matchable

Under the authority of section 1115(a)(2) of the Act, the following expenditures that would otherwise not be regarded as expenditures under title XIX of the Act will be regarded as expenditures under the State's title XIX plan. All requirements of the Medicaid statute will be applicable to such expenditure authorities (including adherence to income and eligibility system verification requirements under section 1137(d)), except those specified below as not applicable to these expenditure authorities. In addition, all requirements in the enclosed STCs will apply to these expenditure authorities.

Expenditures for family planning services to uninsured (defined as not having creditable coverage) women of reproductive age with family incomes at or below 185 percent of the FPL, who are not otherwise eligible for Medicaid, SCHIP, or Medicare.

Medicaid Requirements Not Applicable to the Medicaid Expenditure Authorities

All Medicaid requirements apply, except the following:

1. **Amount, Duration, and Scope of Services (Comparability)—Section 1902(a)(10)(B)**

To the extent necessary to allow the State to offer the demonstration population a benefit package consisting only of family planning services and to allow the State to vary the benefit package to provide additional family planning services to a subset of the demonstration population.
2. **Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)—Section 1902(a)(43)(A)**

The State will not furnish or arrange for EPSDT services to the demonstration population.
3. **Retroactive Coverage—Section 1902(a)(34)**

Individuals enrolled in the family planning demonstration program will not be retroactively eligible.
4. **Eligibility Procedures—Section 1902(a)(17)**

Parental income will not be included when determining a minor's (individual under age 18) eligibility for the family planning demonstration.

Your project officer is Ms. Nancy Dieter, who may be reached at (410) 786-7219. Ms. Dieter is available to answer any questions concerning the scope and implementation of your demonstration project. Communications regarding program matters and official correspondence concerning the project should be submitted to the project officer at the following address:

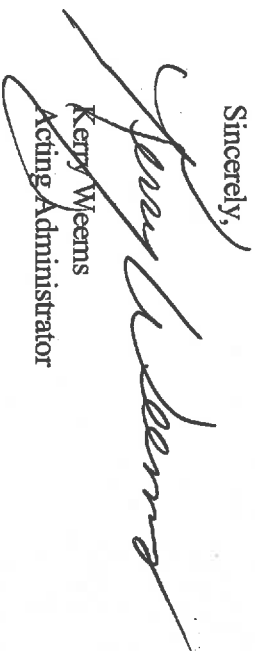
Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, MD 21244-1850
E-mail: Nancy.Dieter@cms.hhs.gov

Official communications regarding program matters should be submitted simultaneously to Ms. Dieter and to Mr. Jay Gavens, Acting Associate Regional Administrator, in the Atlanta Regional Office. Mr. Gavens' address is:

Centers for Medicare & Medicaid Services
Division of Medicaid
Atlanta Regional Office
61 Forsyth Street SW., Suite 4T-20
Atlanta, GA 30303-8909

We extend our congratulations to you on this award and look forward to working with you during the course of the demonstration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kerry Weems", is written over a horizontal line.

Kerry Weems
Acting Administrator

Enclosures

Page 4 – Ms. Emma Forkner

cc:

Jay Gavens, Acting ARA, CMS Atlanta Regional Office

Centers for Medicare & Medicaid Services (CMS)
Special Terms and Conditions

Project Number: 11-W-00057/4

Project Title: South Carolina Family Planning Demonstration

State: State of South Carolina

General Financial Requirements

1. All requirements of the Medicaid program expressed in law, regulation, or policy statement not expressly waived or identified as not applicable in the Demonstration award letter of which these Special Terms and Conditions (STCs) are part, will apply to the South Carolina Section 1115 Family Planning Demonstration.
 - a. The State must, within the time frame specified in law, regulation, or policy directive, come into compliance with any changes in Federal law, regulation, or policy that occur after the approval date of this Demonstration, unless the provision being changed is explicitly waived under the STCs herein governing the Demonstration. For the current extension period of the South Carolina Section 1115 Family Planning Demonstration, this requirement shall apply to all regulation and policy statements issued by CMS with respect to the Deficit Reduction Act of 2005 (DRA), including, but not limited to, the documentation of citizenship requirements contained in section 1137 of the Social Security Act.
 - b. To the extent that a change in Federal law, which does not exempt State section 1115 Demonstrations, would affect State Medicaid spending in the absence of the Demonstration, CMS will incorporate such changes into a modified budget limit for the section 1115 Family Planning Demonstration. The modified budget limit will be effective upon implementation of the change in Federal law, as specified in law. If the new law cannot be linked specifically with program components that are, or are not, affected by the section 1115 Family Planning Demonstration (e.g., laws affecting sources of Medicaid funding and/or disallowances involving provider taxes or donations) the effect of enforcement on the State's budget limit will be proportional to the size of the section 1115 Family Planning Demonstration in comparison to the State's entire Medicaid program (as measured in aggregate medical assistance payments).
 - c. The State must submit its methodology to CMS for complying with the change in law. If the methodology is consistent with Federal law and in accordance with Federal projections of the budgetary effects of the new law, CMS would approve the methodology. Should CMS and the State, working in good faith to ensure State flexibility, fail to develop within 90 days of the implementation of the

change in Federal law a methodology to revise the without-Demonstration baseline that is consistent with Federal law and in accordance with Federal budgetary projections, a reduction in Federal payments will be made according to the method applied in non-demonstration States.

d. Budget Neutrality Monitoring Procedures (See Attachment A).

2. The following financial reporting procedures must be adhered to:

The State will continue to provide quarterly expenditure reports using Form CMS-64 to separately report expenditures for those receiving services under the Medicaid program and those participating in the Demonstration. CMS will provide Federal financial participation (FFP) only for allowable Demonstration expenditures that do not exceed the predefined limits, as specified in Attachment A. Demonstration participants include all individuals who obtain one or more covered medical family planning service(s) through the Demonstration.

a. In order to track expenditures under this Demonstration, South Carolina will report expenditures through MBES/CBES, following routine CMS-64 reporting instructions outlined in section 2500 of the State Medicaid Manual. All expenditures subject to the budget neutrality cap shall be reported on separate Forms CMS-64.9 Waiver and/or 64.9P Waiver, identified by the Demonstration project number assigned by CMS (including the project number extension, which indicates the Demonstration year in which services were rendered or for which capitation payments were made). For monitoring purposes, cost settlements attributable to the expenditures subject to the budget neutrality cap must be reported on line 10B, in lieu of lines 9 or 10C.

b. The Federal share for Demonstration expenditures matched at the State's regular match rate should be reported using column (B) of Form CMS-64.9 Waiver and/or 64.9P Waiver and in column (D) for services eligible for the family planning match rate of 90 percent.

c. All claims for South Carolina's family planning services provided during the Demonstration period (including any cost settlements) must be made within 2 years after the calendar quarter in which the State made the expenditures. During the 2-year period following the conclusion or termination of the Demonstration, the State must continue to separately identify Demonstration expenditures using the procedures outlined above in order to properly account for these expenditures in determining budget neutrality.

d. Administrative costs will not be included in budget neutrality; however, the State must separately track and report administrative costs attributable to the Demonstration on Form CMS-64.10 Waiver and/or 64.10P Waiver.

- e. The State will provide to CMS, on a yearly basis, the average total Medicaid expenditures for a Medicaid-funded birth. The cost of a birth includes prenatal services and delivery, pregnancy-related services, and services to infants from birth up to age 1. (The services should be limited to the services that are available to women who are eligible for Medicaid because of their pregnancy and their infants.)
- f. The State will submit to CMS, on a yearly basis, the number of actual births that occur to Demonstration participants (participants include all individuals who obtain one or more covered medical family planning service(s) through the Demonstration).
- g. The South Carolina Medicaid office must institute a data sharing relationship with the State Agency that performs the calculation of the vital statistics in order to ensure State compliance with the birth data reporting requirements under the Demonstration. The State must notify CMS if birth data will not be available within 3 months of the end of each Demonstration year.
- h. State will assure CMS that no duplicative Federal payments will be made for individuals who are enrolled in the State's regular Medicaid program or any other Federally funded program (i.e., title X or title XXI). The State will not use title XIX funds to pay for individuals enrolled in regular Medicaid or any other Federally funded program who seek services under the Section 1115 Family Planning Demonstration, if the State is already covering the costs of services for that individual under any of these other programs.

- 3. The standard Medicaid funding process will be used during the Demonstration. South Carolina must continue to estimate total matchable Medicaid expenditures for the entire program on the quarterly Form CMS-37. The State must provide supplemental schedules that clearly distinguish between matchable Demonstration expenditure estimates (by major component) and non-demonstration Medicaid expenditure estimates. CMS will make Federal funds available each quarter based upon the State's estimates, as approved by CMS.

Within 30 days after the end of each quarter, the State must submit the Form CMS-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. CMS will reconcile expenditures reported on the Form CMS-64 with Federal funding previously made available to the State for that quarter, and include the reconciling adjustment in the finalization of the award to the State.

- 4. CMS will provide FFP at the appropriate 50 percent administrative match rate for general administration costs, such as, but not limited to, claims processing, eligibility assistance and determinations, outreach, program development, and program monitoring and reporting.

5. The State will certify that State/local monies are used as matching funds for Demonstration purposes and will further certify that such funds will not be used as matching funds for any other Federal grant or contract, except as permitted by Federal law.
6. FFP for services (including prescriptions) provided to individuals under the section 1115 Family Planning Demonstration will be available at the following rates and as described in Attachment B:
 - a. For services whose primary purpose is family planning (i.e., contraceptives and sterilizations), FFP will be available at the 90-percent matching rate. Procedure codes for office visits, laboratory tests, and certain other procedures must carry a primary diagnosis code that specifically identifies them as family planning services.
 - b. Family planning-related services reimbursable at the Federal Medical Assistance Percentage (FMAP) rate are defined as those services generally performed as part of, or as follow-up to, a family planning service for contraception. Such services are provided because a “family planning-related” problem was identified/diagnosed during a routine/periodic family planning visit. Services/surgery, which are generally provided in an ambulatory surgery center/facility, a special procedure room/suite, an emergency room, an urgent care center or a hospital for family planning-related services, are not considered family planning-related services and are not covered under the Demonstration.
 - c. FFP will not be available for the costs of any services, items or procedures that do not meet the requirements specified above, even if family planning clinics or providers provide them. For example, in the instance of testing for sexually transmitted infections (STI) as part of a family planning visit, the match rate would be 90 percent. The match rate for the subsequent treatment would be the regular FMAP rate. For testing or treatment not associated with a family planning visit (e.g., those provided at a public STI clinic), no match would be available.

Administrative Reports and Deliverables

7. The State will submit narrative progress reports 30 days following the end of each Demonstration quarter. The fourth quarterly report of every Demonstration year will summarize the preceding Demonstration year’s activity and serve as the annual report. The format for these reports will be decided upon by CMS and the State. The annual report will be due 90 days following the end of the fourth quarter of each project year. CMS reserves the right to request the annual report in draft for prior review.

8. The State will provide to CMS, on a quarterly basis, the number of individuals enrolled in the Demonstration at that point in time as well as an unduplicated count of the number of individuals receiving services during the quarter with an annual number provided in the 4th quarterly report for each calendar year. This information should be included in the quarterly narrative progress report provided to CMS.
9. Within 30 days from the date of approval of the Demonstration, the State shall demonstrate to CMS how enrollees potentially eligible for Medicaid or SCHIP are notified that they may be eligible (for Medicaid or SCHIP) so that these enrollees make an informed decision to enroll in the family planning Demonstration instead of the State's Medicaid or SCHIP program.
10. Within 60 days from the date of approval of the Demonstration extension, the State will provide to CMS for approval an appropriate updated methodology for ensuring the integrity of initial and annual eligibility re-determination of individuals covered under the section 1115 Family Planning Demonstration based on income at or below 185 percent of the Federal poverty level (FPL).
11. The State will provide to CMS an updated list of Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) codes covered under the Demonstration on January 31st of each Demonstration year. This revised code list should reflect only changes due to updates in these services and should only include services for which the State has already received approval.
12. No later than 180 days prior to the end of the Demonstration award period, South Carolina shall submit a draft final report to the CMS project officer for comments. The final report will incorporate all CMS comments and evaluation findings. The final report shall also contain a disclaimer that the opinions expressed are those of the State and do not necessarily reflect the opinions of CMS. The final report is due 90 days after the end of the Demonstration award period. The final Demonstration report may not be released or published without permission from the CMS project officer, except as required by law, within the first 4 months following receipt of the report by the CMS project officer.
13. South Carolina will notify the CMS project officer before formal presentation of any report or statistical or analytical material based on information obtained through this cooperative agreement. Formal presentation includes papers, articles, professional publications, speeches, and testimony. During this research, whenever the State or its designee determines that a significant new finding has been developed, he/she will immediately communicate it to the CMS project officer before formal dissemination to the general public.
14. The State will assume responsibility for the accuracy and completeness of the information contained in all technical documents and reports submitted. The CMS

project officer will not direct the interpretation of the data in preparing these documents and reports.

15. At any phase of the Demonstration, including the Demonstration's conclusion, the State, if so requested by the project officer, must submit to CMS analytic data file(s), with appropriate documentation, representing the data developed/used in end-product analyses generated under the Demonstration. The analytic file(s) may include primary data collected or generated under the Demonstration and/or data furnished by CMS. The content, format, documentation, and schedule for production of the data file(s) will be agreed upon by the State or its designee and the CMS project officer. The negotiated format(s) could include both the file(s) that would be limited to CMS internal use and the file(s) that CMS could make available to the general public.

16. At any phase of the Demonstration, including the Demonstration's conclusion, the State, if so requested by the project officer, must deliver any materials, systems, or other items developed, refined, or enhanced during or under the Demonstration to CMS. The State agrees that CMS will have royalty-free, nonexclusive, and irrevocable rights to reproduce, publish, or otherwise use and authorize others to use such materials, systems, or items for Federal Government purposes.

17. An updated phase-out plan for the Demonstration needs to be submitted to CMS for approval within 90 days of the award of the Demonstration. The phase-out plan must address the fact that the State is responsible for informing enrollees of the fact that the Demonstration will end 3 years from the Demonstration extension effective date (January 1, 2008, through December 31, 2010).

18. The State shall submit a revised and updated implementation schedule to CMS within 30 days from the award of the Demonstration extension. The revised schedule will include the implementation of the evaluation of the Demonstration extension and other requirements described in these STCs.

Eligibility

19. The State shall only enroll individuals into the Family Planning Demonstration that meet Medicaid citizenship requirements and provide social security numbers (consistent with Medicaid statute and regulations) prior to being enrolled in the Demonstration.

20. The State shall only enroll individuals into the family planning Demonstration that are uninsured (defined as not having creditable coverage). Since the State had enrolled some insured individuals prior to this extension period, the State will have up to 1 year from the date of the approval letter to disenroll these individuals at their annual eligibility redetermination. During this 1-year period, the State shall pursue third party liability reimbursement for any individual who has private insurance and ensure

that Medicaid will be the payer of last resort. This applies to all Demonstration populations including those under age 19. The State may, consistent with Medicaid requirements, allow for confidentiality exceptions on a case-by-case basis, but each case must be examined to ensure compliance with Medicaid third party liability requirements.

21. The State will ensure that redeterminations of eligibility for this Demonstration are conducted, at a minimum, once every 12 months. The process for eligibility redeterminations shall not be passive in nature, but will require that an action be taken by the section 1115 Family Planning Demonstration recipient. South Carolina may satisfy this requirement by having the recipient sign and return a renewal form to verify the current accuracy of the information previously reported to the State.

Primary Care Referral and Evaluation

22. The State shall facilitate access to primary care services for enrollees in the Medicaid section 1115 Family Planning Demonstration. The State shall submit to CMS a copy of the written materials, including any revised materials, which are distributed to the Family Planning Demonstration participants as soon as they are available. The written materials must explain to the participants how they can access primary care services. In addition, the State must evaluate the impact of providing referrals for primary care services, as described in the State's Demonstration evaluation design.
23. Should CMS conduct an independent evaluation of the section 1115 Family Planning Demonstration the State will cooperate fully with CMS or the independent evaluator selected by CMS, to assess the impact of the Medicaid Demonstration and/or to examine the appropriateness of the averted birth budget neutrality methodology. The State will submit the required data to CMS or its contractor.
24. The State must implement the evaluation design, as approved, and report its progress in each of the Demonstration's quarterly reports. The State will submit any changes to the evaluation design to CMS for review and approval prior to implementing the changes (i.e., changes to hypotheses being tested or target populations).
25. Family planning expenditures under the Medicaid program have increased in recent years and CMS is interested in monitoring these expenditures. Thus, as part of our overall monitoring of the Demonstration, CMS will also be monitoring the rate in expenditure growth for family planning services. This monitoring will be done on a per capita basis, using total expenditures recorded during the first year of the Demonstration as a baseline. As a frame of reference we will be comparing the annual rate of growth of actual expenditures with the baseline amount trended forward using Consumer Price Index (CPI) Medical. The comparison of actual per capita expenditures over the life of the Demonstration and per capita expenditures trended using CPI Medical will be considered if the State should seek an extension of

their Family Planning Demonstration.

Suspension/Termination of Demonstration

26. Failure to operate the Demonstration as approved and according to Federal and State statutes and regulations will result in withdrawal of approval for the Demonstration. The Federal statutes and regulations with which the State must comply in the operation of the Demonstration include civil rights statutes and regulations that prohibit discrimination on the basis of race, color, national origin, disability, sex, age, and religion, including Privacy Rules in the Federal regulations at 45 CFR Parts 160 and 164, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, title II of the Americans with Disabilities Act, and the nondiscrimination provisions of the Omnibus Budget Reconciliation Act of 1980.
27. CMS may suspend or terminate any Demonstration in whole, or in part, any time before the date of expiration, whenever it determines that the State has materially failed to comply with the terms of the Demonstration. CMS will promptly notify the State in writing of the determination and the reasons for the suspension or termination, with the effective date. The budget neutrality test will be applied from the date of implementation through the date of termination, without adjustment.
28. CMS reserves the right to unilaterally terminate the Demonstration and the accompanying Federal matching authority if CMS determines that continuing the Demonstration would no longer be in the public interest. If a section 1115 Family Planning Demonstration is terminated by CMS, the State will be liable for cumulative costs under the Demonstration that are in excess of the cumulative target expenditures specified in the "Expenditure Review" section of Attachment A for the Demonstration year of withdrawal.
29. If, after the Demonstration approval, CMS and the State cannot reach agreement on any item(s) cited in this document, either party has the right to terminate the agreement subject to the termination/phase-out terms outlined above.

Attachment A
Monitoring Budget Neutrality for the
South Carolina Family Planning Demonstration

The following is the method by which budget neutrality will be monitored for the South Carolina section 1115 Family Planning Demonstration.

South Carolina will be subject to a limit on the amount of Federal title XIX funding it will receive for extending Medicaid eligibility for family planning services during the demonstration extension period. This limit will be determined using a pre/post comparison of fertility rates for demonstration participants. Thus, South Carolina will be at risk for the cost of family planning services (including traditional family planning services at the enhanced match rate and ancillary services at the FMAP rate described in the Special Term and Conditions) that are not offset by the demonstration intervention. The demonstration aims to increase the number of women receiving comprehensive reproductive health services while reducing unintended pregnancy for Medicaid-participating, childbearing women with income at or below 185 percent of the Federal poverty level (FPL). The demonstration will not change the current division of Federal and State responsibility for costs of the current Medicaid program. The Centers for Medicare & Medicaid Services (CMS) will confirm that the demonstration expenditures do not exceed the levels that would have been in the absence of the demonstration.

Annual Budget Limits

To calculate the overall expenditure limit for the demonstration, separate budget limits will be calculated for each year, and will be on a demonstration year (DY) basis. These annual estimates will then be added to obtain an expenditure estimate over the entire demonstration period. The Federal share of the estimate will represent the maximum amount of Federal financial participation (FFP) that the State can receive during the expanded family planning services demonstration. For each DY, the Federal share will be calculated using the FMAP rate(s) for that 12-month period.

The intent of the demonstration is to avert unintended pregnancies in order to offset the cost of family planning services for demonstration participants. During each year of the demonstration, the number of births averted (BA) will be estimated by the following equation:

$$BA = (\text{base year fertility rate} - \text{fertility rate of demonstration participants during DY}) \times (\text{number of demonstration participants during DY}), \text{ where fertility rates will be measured per thousand. The base year fertility rate will be adjusted for age groupings, using the age distribution of the actual demonstration participants and predetermined age-specific fertility rates. Participants are all women who obtain one or more covered medical family planning service(s) through the demonstration. At its option, the State may also adjust the fertility rates for ethnicity.}$$

The base-year fertility rate must reflect fertility rates during 1993 for individuals in families with income up to 185 percent of the FPL. The fertility rates will include births paid by Medicaid.

The calculation of the average cost of a birth (BC) during each year of the demonstration will be the following:

BC = (cost of prenatal services + delivery and pregnancy related costs + costs for infants up to year 1 of life)/number of deliveries, where the costs and number of deliveries pertain to the South Carolina Medicaid program.

The annual budget limit will be the savings that are calculated by multiplying the number of births averted by the average cost of a birth.

How the Budget Limit Will Be Applied

The budget limit calculated above will apply to demonstration expenditures, as reported by the State on the CMS-64 forms. If, at the end of the demonstration period, the costs of the demonstration services exceed the budget limit, the excess Federal funds will be returned to CMS.

Expenditure Review

The CMS will enforce budget neutrality over the life of the demonstration, rather than annually. However, no later than 6 months after the end of each DY or as soon thereafter as the data are available, the State will calculate annual expenditure targets for the completed year. This amount will be compared with the actual claimed FFP for Medicaid. Using the schedule below as a guide, if the State exceeds these targets, it will submit a corrective action plan to CMS for approval. The State will subsequently implement the approved program.

<u>Year</u>	<u>Cumulative Target Expenditures</u>	<u>Percentage</u>
Year 1	Year 1 budget limit amount	+4 percent
Year 2	Years 1 and 2 combined budget limit amount	+2 percent
Year 3	Years 1 through 3 combined budget limit amount	+0 percent

The State, whenever it determines that the demonstration is not budget neutral or is informed by CMS that the demonstration is not budget neutral, shall immediately collaborate with CMS on corrective actions, which shall include submitting a corrective action plan to CMS within 21 days of the date the State is informed of the problem. While CMS will pursue corrective actions with the State, CMS will work with the State to set reasonable goals that will ensure that the State is in compliance by the end of year 3.

The “with” and “without” demonstration costs (Federal share) follow. The “without” demonstration costs are estimates of the costs of births that would occur in the absence of the demonstration. The “with” demonstration costs are estimates of family planning services provided to demonstration participants.

YEAR	WITHOUT DEMONSTRATION	WITH DEMONSTRATION	TOTAL SAVINGS
2008	\$395,855,238	\$282,337,112	\$113,518,126
2009	\$412,990,127	\$294,561,667	\$118,428,460
2010	\$431,456,566	\$307,753,861	\$123,702,705
TOTAL	\$1,240,301,930	\$884,652,640	\$355,649,291

Attachment B: South Carolina Procedure Codes

State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	00851	Anesthesia, Intraperitoneal Procedure, Lower Abdomen, Including Laparoscopy; Tubal Ligation/Transection	x			01/01/05
SC	00952	Anesthesia for vaginal Procedure (including biopsy of labia, vagina, cervix, or endometrium); hysteroscopy and/or hysterosalpingography.		x		1/1/2008
SC	11975	Insertion, Implantable Contraceptive Capsules	x			01/01/05
SC	11976	Removal, Implantable Contraceptive Capsules	x			01/01/05
SC	11977	Removal with Reinsertion, Implantable Contraceptive Capsules	x			01/01/05
SC	11981	Insertion, non-biodegradable drug delivery implant		x		04/01/07
SC	11982	Removal, non-biodegradable drug delivery implant		x		04/01/07
SC	11983	Removal with Reinsertion, non-biodegradable drug delivery implant, and/or		x		04/01/07
SC	36415	Collection of Venous Blood by Venipuncture		x		01/01/05
SC	36416	Collection of capillary blood specimen (e.g., finger, heel, ear stick)		x		1/1/2008
SC	57170	Diaphragm or Cervical Cap Fitting w/Instructions	x			01/01/05
SC	58300	Insertion of Intrauterine Device	x			01/01/05
SC	58301	Removal of Intrauterine Device	x			01/01/05

Attachment B: South Carolina Procedure Codes

State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	58340	Catheterization and introduction of saline or contrast material for saline infusion sonohysterography (SIS) or hysterosalpingography		x		11/02/06
SC	58565	Laparoscopy/Hystercopy with bilateral fallopian tube cannulation to induce occlusion by placement of permanent implants	x			11/02/06
SC	58600	Ligation or Transation of Fallopian Tube(s), Abd or vaginal, Unilateral or Bilateral	x			01/01/05
SC	58615	Occlusion of Fallopian Tube(s) by Device (e.g., Band, Clip) Vaginal or Suprapubic Approach	x			01/01/05
SC	58670	Laparoscopy With Fulgration of Oviducts (With or Without Transection)	x			01/01/05
SC	58671	Laparoscopy With Occlusion of Oviducts by Device (e.g., Band, Clip)	x			01/01/05
SC	71010	Radiologic examination, chest; single view, frontal		x		1/1/2008
SC	74740	Hysterosalpingography, radiological supervision and interpretation		x		11/02/06
SC	80048	Basic Metabolic Panel		x		01/01/05
SC	81000	Urinalysis by Dip Stick or Tablet Reagent for Bilirubin, Glucose, Hemoglobin, Ketones, Leukocytes, Nitrite, PH, Protein, Specific Gravity, Urobilinogen, Any Number of These Constituents; Non-automated, with Microscopy		x		01/01/05

Attachment B: South Carolina Procedure Codes

State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	81001	Urinalysis by Dip Stick or Tablet Reagent for Bilirubin, Glucose, Hemoglobin, Ketones, Leukocytes, Nitrite, PH, Protein, Specific Gravity, Urobilinogen, Any Number of These Constituents; Automated, with Microscopy		x		01/01/05
SC	81002	Urinalysis by Dip Stick or Tablet Reagent for Bilirubin, Glucose, Hemoglobin, Ketones, Leukocytes, Nitrite, PH, Protein, Specific Gravity, Urobilinogen, Any Number of These Constituents; Non-automated, without Microscopy		x		01/01/05
SC	81003	Urinalysis by Dip Stick or Tablet Reagent for Bilirubin, Glucose, Hemoglobin, Ketones, Leukocytes, Nitrite, PH, Protein, Specific Gravity, Urobilinogen, Any Number of These Constituents; Automated, with Microscopy		x		01/01/05
SC	81005	Urinalysis; qualitative or semiquantitative, except immunoassaysal kit		x		1/1/2008
SC	81007	Urinalysis; bacteriuria screen, by non-culture technique, commercial kit		x		1/1/2008
SC	81015	Urinalysis microscopic only		x		1/1/2008
SC	81020	Urinalysis; two or three glass test		x		1/1/2008
SC	81025	Urine Pregnancy Test by Visual Color Comparison Methods		x		01/01/05
SC	84702	Gonadatropin Chorionic Quantitative		x		01/01/05
SC	84703	Gonadatropin Chorionic Qualitative		x		01/01/05

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State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	84780	Infectious Agent Detection by Nucleic Acid, Bartonella henselae and Bartonella Quintana, direct probe Technique; Candida species		x		1/1/05
SC	85007	Blood count; manual differential WBC count (includes RBC morphology) and platelet estimation		x		1/1/2008
SC	85008	Blood count, manual blood smear examination without differential parameters		x		1/1/2008
SC	85009	Blood count; differential WBC count, buffy coat		x		1/1/2008
SC	85013	Blood Smear, Spun Microhematocri		x		01/01/05
SC	85014	Blood Smear, Hematocit		x		01/01/05
SC	85018	Hemoglobin		x		01/01/05
SC	85025	Blood Count, Complete CBC with Automated Differential WBC Count		x		01/01/05
SC	85027	Blood count; automated differential WBC count, complete CBC, automated (hgb, Hct, RBC, WBC, and platelet count)		x		1/1/2008
SC	85032	Manual cell count (erythrocyte, leukocyte or platelet) each		x		1/1/2008
SC	86255	Fluorescent noninfectious agent antibody, screen, each		x		1/1/2008
SC	86592	Syphilis Test, Qualitative		x		01/01/05
SC	86593	Syphilis; qualitative		x		1/1/2008
SC	86689	HTLV or HIV antibody		x		1/1/2008
SC	86694	Herpes simplex; non-specific type test		x		1/1/2008

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SC	86695	Herpes simplex; type 1		x		1/1/2008
SC	86696	Antibody; herpes simplex type 2		x		1/1/2008
SC	86701	Immunoassay performed by multiple step method for the detection of antibodies to infectious agents-HIV-1		x		1/1/2008
SC	86702	Antibody HIV 2		x		1/1/2008
SC	86703	HIV-1&2		x		1/1/2008
SC	86781	Treponema pallidum, confirmatory test (e.g., FTA-abs)		x		1/1/2008
SC	87081	Culture, bacterial, screening only, for single organisms		x		1/1/2008
SC	87110	Culture, chlamydia		x		1/1/2008
SC	87164	Dark field examination, any source; includes specimen collection		x		1/1/2008
SC	87177	Smear, primary source, with interpretation, fluorescent and/or acid fast stain for bacteria, fungi, or cell types		x		1/1/2008
SC	87205	Smear, Primary Source with Interpretation; wet and dry mount for ova and parasites concentration and identification		x		01/01/05
SC	87206	Smear, primary source with interpretation fluorescent and /or acid fast stain for bacteria, fungi, or cell types		x		1/1/2008
SC	87207	Smear, primary source with interpretation, special stain for inclusion bodies or intracellular parasites (e.g., malaria, kala azar, herpes)		x		1/1/2008
SC	87209	Smear, primary source with interpretation, complex special stain (e.g., trichrome, iron hemotoxylin) for ova and parasites		x		1/1/2008

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State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	87210	Smear, Primary Source with Interpretation; Wet Mount for Infections Agents (e.g., Saline, India Ink, KOH Preps)		x		01/01/05
SC	87220	Tissue examination for fungi		x		1/1/2008
SC	87270	Chlamydia trachomatis		x		1/1/2008
SC	87480	Candida species, direct probe technique		x		1/1/2008
SC	87481	Candida species, amplified probe technique		x		1/1/2008
SC	87482	Candida species, quantification		x		1/1/2008
SC	87490	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Chlamydia Trachomatis		x		01/01/05
SC	87491	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Chlamydia Trachomatis, Amplified Probe Technique		x		01/01/05
SC	87510	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Gardnerella Vaginalis		x		01/01/05
SC	87511	Gardnella vaginalis, amplified probe technique		x		1/1/2008
SC	87512	Gardnella vaginalis, quantification		x		1/1/2008
SC	87528	Herpes simplex, direct probe technique		x		1/1/2008
SC	87529	Herpes simplex, amplified probe technique		x		1/1/2008
SC	87530	Herpes simplex, quantification		x		1/1/2008
SC	87531	Herpes virus-6, direct probe technique		x		1/1/2008
SC	87532	Herpes virus-6, amplified probe technique		x		1/1/2008

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State	Code	Description	Always Family Planning 90% FFP	Family Planning with Primary Diagnosis Code in V25 series or FP Modifier 90% FFP	Family Planning - Related Codes Reimbursed at FMAP Rate	Approved
SC	87533	Herpes virus-6, quantification		x		1/1/2008
SC	87534	HIV-1, direct probe technique		x		1/1/2008
SC	87535	HIV-1, amplified probe technique		x		1/1/2008
SC	87536	HIV-1, quantification		x		1/1/2008
SC	87537	HIV-2, direct probe technique		x		1/1/2008
SC	87538	HIV-2, amplified probe technique		x		1/1/2008
SC	87539	HIV-2, quantification		x		1/1/2008
SC	87590	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Neisseria Gonorrhoeae, Direct Probe Technique		x		01/01/05
SC	87591	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Neisseria Gonorrhoeae, Amplified Probe Technique		x		01/01/05
SC	87592	Neisseria gonorrhea, amplified probe technique		x		1/1/2008
SC	87620	Papillomavirus, human quantification		x		1/1/2008
SC	87621	Infectious Agent Detection by Nucleic Acid; Bartonella Henselae and Bartonella Quintana, Direct Probe Technique; Papillomavirus, Human, Amplified Probe Technique		x		01/01/05
SC	87622	Papillomavirus, human, direct probe technique		x		1/1/2008
SC	87660	Trichomonas vaginalis, direct probe technique		x		1/1/2008

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SC	87797	Infectious Agent Detection by Nucleic Acid; Not Otherwise Specified; Direct Probe Technique, Each Organism		x		01/01/05
SC	87850	Neisseria gonorrhea		x		1/1/2008
SC	88108	Cytopathology, concentration technique, smears and interpretation		x		1/1/2008
SC	88141	Cytopathology, Cervical or Vaginal; Requires Interpretation by a Physician		x		01/01/05
SC	88142	Cytopathology, Cervical or Vaginal; Collected in Preservative Fluid; Automated Thin Layer Preparation, Manual Screening Under Physician Supervision		x		01/01/05
SC	88143	Cytopathology, manual screening & rescreening under physician supervision		x		1/1/2008
SC	88147	Cytopathology smears, screening by automated system under physician supervision		x		1/1/2008
SC	88148	Cytopathology, screening by automated system with manual rescreening		x		1/1/2008
SC	88150	Cytopathology, Slides, Cervical or Vaginal; Manual Screening Under Physician Supervision		x		01/01/05
SC	88152	Cytopathology, slides, cervical or vaginal		x		1/1/2008
SC	88153	Cytopathology, slides, manual screening & rescreening under physician supervision (use in conjunction with 88142-88154, 88164-88167)		x		1/1/2008
SC	88154	Cytopathology, slides, computer assisted		x		1/1/2008
SC	88155	Cytopathology, slides, cervical or vaginal		x		1/1/2008
SC	88160	Cytopathology, smears, any other source		x		1/1/2008

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SC	88161	Cytopathology, preparation, screening and interpretation		x		1/1/2008
SC	88162	Cytopathology, extended study involving over 5 slides and/or multiple stains		x		1/1/2008
SC	88164	Cytopology Slides, Cervical or Vaginal (the Bethesda System). Manual Screening Under Physician Supervision		x		01/01/05
SC	88165	with manual screening and rescreening under physician supervision		x		1/1/2008
SC	88166	with manual screening and computer-assisted rescreening under physician supervision		x		1/1/2008
SC	88167	with manual screening and computer assisted rescreening using cell selection and review under physician supervision		x		1/1/2008
SC	88172	Cytopathology evaluation of fine needle aspirate; immediate cytohistologic study to determine adequacy of specimen(s)		x		1/1/2008
SC	88173	Cytopathology; interpretation and report		x		1/1/2008
SC	88174	Cytopathology, cervical or vaginal (any reporting system), collected in preservative fluid, automated system, under physician supervision		x		1/1/2008
SC	88175	Cytopology Slides, Cervical or Vaginal, Collected in Preservative Fluid; Automated Thin Layer Preservative, Screening, Manual Re-Screening Under Physician Supervision		x		01/01/05
SC	88300	Level I Surgical Pathology, gross examination only		x		1/1/2008

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SC	88302	Level II - Surgical Pathology, Gross and Microscopic Examination		x		01/01/05
SC	88305	Level IV Surgical Pathology, gross and microscopic examination			x	1/1/2008
SC	90772	Therapeutic, prophylactic or diagnostic injection (specify substance or drug); subcutaneous or intramuscular		x		1/1/2008
SC	99000	Handling and/or conveyance of specimen for transfer from the physician's office to a laboratory		x		1/1/2008
SC	99071	Educational Supplies, Such as Books, Tapes, and Pamphlets, Provided by the Physician for the Patient's Education at Cost to the Physician		x		01/01/05
SC	99201	Office or Other Outpatient Visit; New Patient; Level 1		x		01/01/05
SC	99202	Office or Other Outpatient Visit; New Patient; Level 2		x		01/01/05
SC	99203	Office or Other Outpatient Visit; New Patient; Level 3		x		01/01/05
SC	99204	Office or Other Outpatient Visit; New Patient; Level 4		x		01/01/05
SC	99205	Office or Other Outpatient Visit; New Patient; Level 5		x		01/01/05
SC	99211	Office or Other Outpatient Visit; Established Patient; Level 1		x		01/01/05
SC	99212	Office or Other Outpatient Visit; Established Patient; Level 2		x		01/01/05
SC	99213	Office or Other Outpatient Visit; Established Patient; Level 3		x		01/01/05

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SC	99214	Office or Other Outpatient Visit; Established Patient; Level 4		x		01/01/05
SC	99215	Office or Other Outpatient Visit; Established Patient; Level 5		x		01/01/05
SC	99238	Hospital discharge day management 30 minutes or less		x		1/1/2008
SC	99239	More than 30 minutes		x		1/1/2008
SC	99241	Office or Other Outpatient Consultation; New or Established Patient; Level 1		x		01/01/05
SC	99242	Office or Other Outpatient Consultation; New or Established Patient; Level 2		x		01/01/05
SC	99243	Office or Other Outpatient Consultation; New or Established Patient; Level 3		x		01/01/05
SC	99244	Office Consultation for a New or Established Patient		x		11/02/06
SC	99245	Office consultation for new or established patient, which requires these 3 components: comprehensive history; comprehensive examination, and decision making of high complexity. Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and of moderate severity. Physician usually spends 80 minutes face to face with the patient/family		x		1/1/2008

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SC	99401	Preventive Medicine, Counseling and/or Risk Reduction, Individual (Approximately 15 minutes)		x		01/01/05
SC	99402	Preventive Medicine, Counseling and/or Risk Reduction, Individual (Approximately 30 minutes)		x		01/01/05
SC	A4261	Cervical cap for contraceptive use	x			1/1/2008
SC	A4266	Diaphragm for Contraceptive Use	x			1/1/2008
SC	A4267	Contraceptive Supply, Condom Male	x			01/01/05
SC	A4268	Contraceptive Supply, Condom, Female	x			01/01/05
SC	A4269	Contraceptive Supply, Spermicide	x			01/01/05
SC	A4550	Major Surgical Tray (includes Anesthesia Injection)		x		01/05/05
SC	J0550	Injection, Penicillin G Benzathine, up to 2,400,000 units			x	1/1/2008
SC	J0570	Injection, Penicillin G Benzathine, up to 1,200,000 units			x	1/1/2008
SC	J0696	Injection, ceftriaxone sodium, per 250 mg			x	1/1/2008
SC	J1055	Injection Medroxyprogesterone Acetate (Depo-Provera)	x			01/01/05
SC	J1056	Injection Medroxyprogesterone Acetate/Esetradiol Cypionate 25 mg/5mg (Lunelle)	x			01/01/05
SC	J7300	Intrauterine Copper Contraceptive	x			01/01/05
SC	J7302	Levonorgestrel - Release IU Contraceptive 52 mg	x			01/01/05
SC	J7303	Contraceptive, Hormone w/Vaginal Ring	x			01/01/05
SC	J7304	Contraceptive Supply, Hormone Patch	x			01/01/05
SC	J7306	Levonorgestrel (contraceptive) implant system, including implants and supplies	x			1/1/2008
SC	Q0091	Pap Smear, Handling Fee-Convey to Lab		x		01/01/05

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SC	Q0111	Wet Mount		x		01/01/05
SC	Q0112	All Potassium Hydroxide (KOH)		x		01/01/05
SC	S0180	Etonogestrel (contraceptive) implant system, including implants and supplies	x			04/01/07
SC	S3645	HIV-1 antibody testing of oral mucosal transudate		x		1/1/2008
SC	S4981	Insertion of levonorgestrel-releasing intrauterine system	x			1/1/2008
SC	S4989	Contraceptive Intrauterine Device (e.g., Progestacert IUD), including implants and supplies	x			01/01/05
SC	S4993	Contraceptive Pills for Birth Control	x			01/01/05
SC	S9445	Patient Education, Individual, Not otherwise Classified, Non-Physician Provider		x		01/01/05
SC	S9446	Patient Education, Group, Not otherwise Classified, Non-Physician Provider		x		01/01/05
SC	T1015	Clinic Visit, Encounter; All Inclusive		x		01/01/05
SC	T1023	Screening to Determine the Appropriateness of consideration of an Individual for Participation in a Specified Program, Project, or Treatment Protocol		x		01/01/05