

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singlehew/Chavis	3-14-14

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000315	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR CC: Mr. Heck, Kost, Depo, CMS file Same as Log #318.	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE 4-11-14 <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1. Cleared 6/10/15, letter attached			
2.			
3.			
4.			

Brenda James

From: Sheila Chavis
Sent: Thursday, March 13, 2014 12:28 PM
To: Brenda James
Cc: Sheila Chavis
Subject: FW: SC 13-023 RAI
Attachments: SC-SPA 13-023 RAI.PDF

RECEIVED

MAR 14 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Brenda,
Please log the attached RAI. Thanks!

Sheila Chavis

Public Information Director I

CHAVISS@scdhhs.gov

803.898.2707 / 803.898.2707

cell: 803.521.2903

1801 Main Street

Columbia, South Carolina - 29202-8206

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SOUTH CAROLINA

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From: Fields, Stanley (CMS/CMCHO) [<mailto:STANLEY.FIELDS@cms.hhs.gov>]
Sent: Tuesday, March 11, 2014 10:26 AM
To: Sheila Chavis
Cc: Fields, Stanley (CMS/CMCHO); Jeff Saxon
Subject: SC 13-023 RAI

Good morning Sheila, attached is a request for additional information letter for this amendment. The original has been mailed to you. Thanks.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

March 11, 2014

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

RECEIVED

MAR 14 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

RE: State Plan Amendment (SPA) 13-023

Dear Mr. Keck:

We have reviewed the proposed amendment to Attachments 4.19-A and 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 13-023. Effective November 1, 2013 this amendment provides for a 5.37% increase to the payment rates for state owned long term care psychiatric hospitals and psychiatric residential treatment facilities, and 4.86% increase for state operated mental health nursing facilities. Also the 2012 cost reports will be used to update the payment rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. Before we can continue processing this amendment, we need additional or clarifying information.

The regulation at 42 CFR 447.252(b) requires that the state plan include a comprehensive description of the methods and standards used to set payment rates. Section 6002 of the State Medicaid Manual explains further that the state plan must be comprehensive enough to determine the required level of federal financial participation (FFP) and to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Further, since the plan is the basis for FFP, it is important that the plan's language be clear and unambiguous. Therefore, we have the following additional questions/concerns regarding TN 13-023:

1. Please provide an updated analysis for block 7 of the 179 to reflect the 12 month period of the SPA and provide authorization for pen and ink changes to reflect the revised amounts on the CMS-179 for FFY 2014 and 2015.
2. Pending SPA SC 13-023 revises material that is currently pending in SPA SC 11-022, 12-014, 12-024 and 13-021. We cannot take action on SC 13-023 until all our concerns for the

previous amendments are resolved. Any changes made to these amendments should be included in SC 13-023.

3. The public notice provided with this amendment included a reference to the weighted average rate. Please explain how these rates were calculated and include the methodology in the state plan amendment.
4. Page 4 section II.3 and Page 12 section II.5-These sections are being amended to include the following, "Effective for services incurred on or after November 1, 2013, the base year used to calculate each SCDMH freestanding governmental long-term care psychiatric hospital rate will be each facility's 2012 fiscal year. Should this include the reference to the 2012 fiscal year cost report?
5. Pages 17, 19, and 23-On each of these pages you have deleted the language that rates will be trended to the midpoint of the base year to the rate year. Please include a description of the method that will be used.
6. Please provide a copy of the rate sheet and cost report for Veterans Victory House, William Hall Psychiatric Institute and CM Tucker/Roddey nursing facility. Include both the Medicare and Medicaid schedules.
7. Please provide an updated UPL that includes all hospitals and nursing facilities. The UPL demonstrations should include a comprehensive narrative description of the methodology (step by step) used to determine the UPL. The demonstration should also include a spreadsheet with provider specific information that starts with the source data and identifies the numerical result of each step of the UPL calculation. All source data should be clearly referenced (i.e., cost report year, W/S line, columns, and claims reports, etc...) in the demonstration.
8. Please provide a copy of the Federal Register or Global Insight tables that is the source of the inflation.

We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all state Medicaid directors dated January 2, 2001, if we have not received the state's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will continue to defer FFP for state payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

Please submit your response to:

Mr. Anthony Keck
Page 3

Please submit your response to:

National Institutional Reimbursement Team
Attention: Stanley Fields
SPA Waivers Atlanta R04@cms.hhs.gov

If you have any questions, please contact Stanley Fields at (502) 223-5332.

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive, flowing style.

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Tim Weidler, NIRT
Davida Kimble, ROIV
Stanley Fields, ROIV NIRT
Anna Dubois, ROIV NIRT
Dicky Sanford, ROIV NIRT
Maria Drake, ROIV NIRT
Mary Holly, ROIV

Closes Log # 318 + 315 ✓



Nikki Haley GOVERNOR
Christian L. Saura DIRECTOR
P.O. Box 8206 • Columbia, SC 29202
www.scdhhs.gov

June 10, 2015

Ms. Jackie L. Glaze
Associate Regional Administrator
Center for Medicare and Medicaid Services
Division of Medicaid & Children's Health
Atlanta Regional Office
61 Forsyth Street, SW - Suite 4T20
Atlanta, Georgia 30303-8909

RE: Request for Additional Information (RAI) on South Carolina Title XIX State Plan Amendment (SPA), Transmittal # SC 13-023

Dear Ms. Glaze:

This is in response to your Request for Additional Information (RAI) dated March 11, 2014 regarding the above-referenced SPA. Please find below the South Carolina Department of Health and Human Services' (SCDHHS) responses to your questions.

1. Please provide an updated analysis for block 7 of the 179 to reflect the 12 month period of the SPA and provide authorization for pen and ink changes to reflect the revised amounts on the CMS-179 for FFY 2014 and 2015.

SCDHHS Response: The SCDHHS does not need to revise the CMS 179 estimates. The estimate for FFY 2014 represents an eleven month period while the estimate for FFY 2015 represents a twelve month period. The estimate includes the additional cost associated with governmental long term psychiatric hospitals, a state owned PRTF, and state owned nursing facilities.

2. Pending SPA SC 13-023 revises material that is currently pending in SPA SC 11-022, 12-014, 12-024 and 13-021. We cannot take action on SC 13-023 until all our concerns for the previous amendments are resolved. Any changes made to these amendments should be included in SC 13-023.

SCDHHS Response: SCDHHS has incorporated all changes to amendments SC 11-022, 12-014, 12-024 and 13-021.

3. The public notice provided with this amendment included a reference to the weighted average rate. Please explain how these rates were calculated and include the methodology in the state plan amendment.

SCDHHS Response: The weighted average rates are not needed in the state plan amendment. These rates were determined for public notice purposes only to reflect the percentage increases associated with the different provider types which were impacted by this state plan amendment. The November 1, 2013 and October 1, 2012 Medicaid rates for each provider were multiplied by FY 2014 projected Medicaid days to determine the weighted average rate for each provider type impacted.

4. Page 4 Section II.3 and Page 12 section II.5-These sections are being amended to include the following, "Effective for services incurred on or after November 1, 2013, the base year used to calculate each SCDMH freestanding governmental long-term care psychiatric hospital rate will be each facility's 2012 fiscal year. Should this include the reference to the 2012 fiscal year cost report?

SCDHHS Response: The SCDHHS agrees with CMS and has revised the plan page accordingly. Additionally the SCDHHS has replaced the reference "SCDMH freestanding governmental long-term psychiatric hospitals" to "freestanding governmental long-term psychiatric hospitals".

Pages 17, 19, and 23-On each of these pages you have deleted the language that rates will be trended to the midpoint of the base year to the rate year. Please include a description of the method that will be used.

SCDHHS Response: The SCDHHS has provided further clarification within the impacted pages and has enclosed the revised payment language for CMS review.

5. Please provide a copy of the rate sheet and cost report for Veterans Victory House, William Hall Psychiatric Institute and CM Tucker/Roddey Nursing facility. Include both the Medicare and Medicaid schedules.

SCDHHS Response: The requested cost reports and rate sheets have been enclosed for your review.


6. Please provide an updated UPL that includes all hospitals and nursing facilities. The UPL demonstrations should include a comprehensive narrative description of the methodology (step by step) used to determine the UPL. The demonstration should also include a spreadsheet with provider specific information that starts with the source data and identifies the numerical result of each step of the UPL calculation. All source data should be clearly referenced (i.e., cost report year, W/S line, columns, and claims reports, etc...) in the demonstration.

SCDHHS Response: The SCDHHS has submitted this documentation earlier in accordance with the CMS UPL Compliance requirements. We have enclosed the FFY 2014 UPL demonstrations for your review.

7. Please provide a copy of the Federal Register or Global Insight tables that is the source of the inflation.

SCDHHS Response: We have enclosed the source of the trend factors used in the provider rate updates as requested.

If additional information is needed or if you have questions, please contact Jeff Saxon at (803) 898-1023 or Sheila Chavis at (803) 898-2707.

Sincerely,

Christian L. Soura
Director