

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

**ACTION REFERRAL**

TO <i>Singh</i>	DATE <i>5/18/09</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER  <i>100648</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Hs. Forkner, Depo, Morrison, CUS files</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action DATE DUE _____

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

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St, SW, Suite 4T20  
Atlanta, Georgia 30303-8909



May 13, 2009

**RECEIVED**

MAY 18 2009

Emma Forkner, Director  
South Carolina Department of Health and Human Services  
P.O. Box 8306  
Columbia, SC 29202-8206

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:


This is in response to your letter dated April 20, 2008, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve a proposed Implementation Advance Planning Document (IAPD) update to extend the existing contract with Blue Cross Blue Shield of South Carolina for one year under the third contract option. This contract provides operational support for the South Carolina Medicaid Management Information System.

The State is requesting approval of \$11,461,249 (\$131,464 at 90 percent; \$6,765,880 at 75 percent; \$925,178 at 50 percent; \$350,483 CHIP; Total FFP: \$8,173,005) to extend the contract for 12 months. I am pleased to inform you that CMS approves the Department's request in accordance with 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the State Medicaid Manual (SMM), Part 11. This approval is effective May 12, 2009 and ends June 24, 2010.

The State is reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished and whether or not the automatic data processing equipment or services are being efficiently, and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95, Section 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the APD for this project will require our prior written approval to qualify for FFP. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the SMM, Part 11. Only actual costs incurred are reimbursable. The State must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

If there are any questions concerning this approval, please contact L. David Hinson at (404) 562-7411 or via E-mail at [Lawrence.hinson@cms.hhs.gov](mailto:Lawrence.hinson@cms.hhs.gov).

Sincerely,

Handwritten signature of L. David Hinson in cursive script.

Mary Kaye Justis, RN, M.S.  
Acting, Associate Regional Administrator  
Division of Medicaid & Children's Health Operations