

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Supra</i>	DATE <i>10-3-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101150</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Heck, Dept CMS file closed 10/20/11, see attached letter,</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
Consortium for Medicaid and Children's
Health Operations
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601



September 22, 2011

RECEIVED

OCT 03 2011

Tony Keck, Director
South Carolina Department of Health & Human Services
1801 Main Street, PO Box 8206
Columbia, South Carolina 29201-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

Thank you for South Carolina's revised State Medicaid Health Information Technology Plan (SMHP) and Health Information Technology Implementation Advance Planning Document-Update (HIT IAPD-U), submitted to the Centers for Medicare & Medicaid Services (CMS) on August 2, 2011.

CMS approves the State's revised SMHP effective on the date of this letter, but requires changes to the SMHP as specified in Enclosure A. Please submit these changes to CMS for our review and approval in a revised, red-lined SMHP by October 24, 2011. When submitting the revised SMHP, please include a change control document identifying where in the SMHP the State has addressed the required changes. Our approval of the State's SMHP is subject to provisions in regulations at 42 CFR Part 495, Subpart D.

CMS also approves the State's HIT IAPD-U, but requires changes to the HIT IAPD-U as specified in Enclosure B. Please submit these changes to CMS for our review and approval in a red-lined HIT IAPD-U by October 24, 2011. When submitting the HIT IAPD-U, please include a change control document identifying where in the HIT IAPD-U the State has addressed the required changes. We are approving total funding for activities described in the State's SMHP and HIT IAPD-U in an amount not to exceed \$3,027,313 (Federal share \$2,724,582). Approval of funding for this phase of the HIT IAPD-U will expire on September 30, 2013.

Please refer to Enclosure C for additional information about State responsibilities concerning activities described in the HIT IAPD-U.

CMS continues to appreciate South Carolina's commitment and dedication to administering the Medicaid EHR Incentive Program, and looks forward to the program's contribution to improved healthcare for populations served by the Medicaid Program.

If there are any questions concerning this information, please contact Rick Friedman at (410) 786-4451, or via email at Richard.Friedman@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Garner". The signature is written in black ink and is positioned above the printed name and title.

Jackie Garner
Consortium Administrator

Enclosure A

As a condition of approval of the SMHP, the following issues must be addressed in a revised SMHP and submitted for CMS review and approval.

1. Page 100, Patient Volume: If the State allows out-of-state Medicaid data for patient volume calculations, then eligible professionals (EPs) need to understand that the denominator and numerator would increase accordingly. Please make this clearer in the SMHP.
2. Page 103, Patient Volume: The State cannot restrict a new EP from using the group proxy patient volume calculation. As long as that EP is a Medicaid provider, and meets the requirements for participating as an EP, s/he can use the group proxy patient volume, even if s/he does not have a single encounter for that reporting period.

Enclosure B

As a condition of approval of the HIT IAPD-U, the following issues must be addressed in a revised HIT IAPD and submitted for CMS review and approval.

1. Page 36, Total Expenses: Please explain the "State Indirect Cost" of \$92,701. What anticipated expenses contribute to this amount?
2. Page 36, Total Expenses: Please break out the contract costs into a sub-table, and explain these expenses.
3. Regarding the funds totaling \$2,240,196 (Federal share \$2,019,177) that CMS approved for HIT implementation activities in our December 2, 2010 letter to the State: Please document the status of these funds, including total approved HIT IAPD funds, HIT IAPD expenditures to date (broken out by type of expenditure), and unexpended HIT IAPD funds, if any.
4. Other concern: The State verifies that it is working on Stage 1 Meaningful Use (MU) requirements, but the State's Medicaid Management Information System (MMIS) is old and not capable of information exchange with the State Level Repository (SLR). So where will the MU data come from for Stage 1? If the MU data comes from the Health Information Exchange (HIE), then will the State contribute HIT administrative funding for HIE development expenses, and cost-allocate these expenses in a HIT IAPD-U?

Enclosure C

General HIT IAPD Information

All costs identified in this HIT IAPD are understood to be estimated costs only. Allowable costs relating to the Medicaid EHR Incentive Program are determined by CMS regulations and policy described in this HIT IAPD approval notice. 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.

This approval does not include the projected provider incentive payments. Upon receipt of this HIT IAPD approval, please coordinate with the State's budget office to include the incentive payments on Form CMS-37, Medicaid Program Budget Report in the appropriate Administrative Section. The State will need to work with the CMS Regional Office Financial Management Group (FMG) staff to submit a supplemental CMS-37 that reflects this HIT IAPD award. The State should be sure to update the 37.12 budget narrative to reflect their expected budgetary needs by quarter.

As required in regulations at 42 CFR 495.340, the State must submit a HIT IAPD update no later than 60 days after the occurrence of project changes including but not limited to any of the following: (1) a projected cost increase of \$100,000 or more; (2) a schedule extension of more than 60 days for major milestones; (3) a significant change in planning approach or implementation approach, or scope of activities beyond that approved in the HIT IAPD; (4) a change in implementation concept or a change to the scope of the project; or, (5) a change to the approved cost allocation methodology. As required in regulations at 42 CFR 495.342, the State must submit an annual HIT IAPD 60 days from the HIT IAPD approved anniversary date.

Log # 150 ✓



October 20, 2011

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services-Region IV
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909

Dear Ms. Glaze:

Thank you for the Centers for Medicare and Medicaid Services (CMS) September 22, 2011 response and approval of the South Carolina Department of Health and Human Services (SCDHHS) updated South Carolina State Medicaid Health Information Technology Plan (SMHP), Version 4, and of the Health Information Technology (HIT) Implementation Advanced Planning Document (IAPD), Version 2.0, for the South Carolina Medicaid EHR Incentive Program.

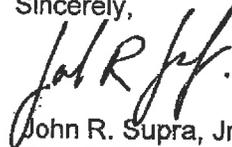
In response to CMS requirements for changes to the SMHP, as specified in Enclosure A to the September 22 letter, we respectfully submit changes to the SMHP, enclosed as Version 4.1. The accompanying Change Control document identifies where in the SMHP SCDHHS addressed the required changes.

In response to CMS requirements for more information in the IAPD, as specified in Enclosure B to the September 22 letter, we respectfully submit changes to the IAPD, enclosed as Version 2.1. The accompanying Change Control document identifies where in the IAPD SCDHHS has provided the requested information.

We look forward to continuing to work with CMS as we administer the Medicaid EHR Incentive Program and support provider efforts to reach meaningful use of certified EHR technology.

Should you have any questions concerning this information, please contact Susan Hartnett at (803) 898-0147, or via e-mail at Hartnetts@scdhhs.gov.

Sincerely,



John R. Supra, Jr.
Deputy Director & CIO

JRS/swh
Enclosures

Brenda James - Fwd: South Carolina SMHP version 4.1 and HIT IAPD-U version 2.1

From: Teeshla Curtis
To: Brenda James
Date: 10/20/2011 3:20 PM
Subject: Fwd: South Carolina SMHP version 4.1 and HIT IAPD-U version 2.1
Attachments: SMHPv4.1 & HIT IAPDv2.1 Update Cover Letter.PDF; SCDHHS SMHP v4.1 Change Control Document.PDF; SCDHHS SMHP version v4.1 final redlined.PDF; SCDHHS SMHP version v4.1 final.PDF; SCDHHS HIT I-APD v2.1 Change Control Document.PDF; SCDHHS HIT I-APD 2011 v2.1 final redline.PDF; SCDHHS HIT I-APD 2011 v2.1 final.PDF

Brenda,

Please see the email below as the response to Log 150.

Thanks,
Teeshla

>>> Susan Hartnett 10/20/2011 3:16 PM >>>

Dear Ms. Glaze,

In response to CMS' comments to the South Carolina Department of Health and Human Services SMHP version 4.0 and HIT IAPD-U version 2.0, we are pleased to submit for your review and approval the SMHP version 4.1 (including its change control document, and red-lined version) and HIT IAPD-U version 2.1 (including its change control document, and red-lined version). A cover letter from Mr. John R. Supra, SCDHHS Deputy Director & CIO, is also included. Please contact me (hartnetts@scdhhs.gov , or 803-898-0147) with any questions.

Respectfully submitted,

Susan W. Hartnett
Director, Division of Health Information Technology
S.C. Department of Health & Human Services
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