

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Supra</i>	<i>1-26-12</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>00290</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Keck, Depo, CMS file</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  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

CENTERS for MEDICARE & MEDICAID SERVICES

**CMS**

January 23, 2012

Mr. Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street,  
Columbia, SC 29201

**RECEIVED**

JAN 26 2012

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the proposed Implementation Advanced Planning Document (IAPD) received at the Regional Office on December 15, 2011 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. We performed our review of this request in accordance with Federal regulations at Section 1903(a) (3) (A) of the Social Security Act, 42 CFR 433.112 and 42 CFR 433.15(b) (3) and the State Medicaid Manual Part 11.

This approval reflects the intent of the South Carolina Department of Health and Human Services (SCDHHS) to build on the South Carolina Medicaid Management Information System's (MMIS) compliance with the new Health Insurance Portability and Accountability Act (HIPAA) standards, as identified in the final rules of January 16, 2009, by implementing required updates of the International Classification of Diseases version 10 (ICD-10) code set. The purpose of the funding requested is to cover the costs of Design, Development, and Implementation (DDI) associated with policy changes, staff training, provider outreach, as well as travel and educational materials. This approval is effective from the date of this letter through October 31, 2013 with the State indicating that the changes needed for ICD-10 will be implemented by September 18, 2013.

The activities for this project period will include:

1. Training and Provider outreach, and business process impacts;
2. Ensure current MMIS compliance, conduct requirements analysis, and remediate using ICD-10 to ICD-9 crosswalk;
3. Ensure new MMIS preparation, conduct policy modification, and remediate using ICD-9 to ICD-10 crosswalk; and
4. Design, Development and Implementation (DDI) to include Quality Assurance testing, User Interface testing, and Vendor Interface testing.

The total funding requested is \$16,886,337 of which the total Federal Financial Participation (FFP) is \$15,153,003. This represents: \$14,956,503 at 90 percent FFP, \$187,500 at 75 percent FFP, and \$9000 at 50 percent FFP. Funding is approved based upon the estimates shown in the budget detail section of the IAPD.

Mr. Anthony E. Keck, Director  
January 23, 2012  
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The State is reminded that onsite reviews will be conducted to determine whether or not the objectives for which this IAPD 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 IAPD for this project will require our prior written approval to quality 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 to be claimed in addition to providing detailed records and proper audit trails.

If there are any questions concerning this approval, please contact Eritan Oduneye at (404) 562-7424 or via E-mail at [eritan.oduneye@cms.hhs.gov](mailto:eritan.oduneye@cms.hhs.gov).

Sincerely,



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

CC: Rhonda Morrison  
John Supra