

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

ACTION REFERRAL

TO	DATE
<i>Boaling</i>	<i>7-11-07</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000016	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Wells, Singleton</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 St., SW, Suite 4T20
Atlanta, Georgia 30303-8909



July 3, 2007

Log: Bowling
c: Wells
"Nec. action"

RECEIVED

JUL 11 2007

Susan B. Bowling, Acting 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. Bowling:

This is in response to your letter dated June 7, 2007, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve a proposed Advance Planning Document Update (APDU) to exercise the first option year under the existing contract with First Health Services Corporation, and expand the scope of the contract to include Dose Optimization Services.

The State is requesting approval of \$6,198,880 (Federal Share: \$4,647,764 at 75/25; \$931 at 50/50; totaling \$4,648,695) to exercise the first option year with First Health Services Corporation under contract 04—S6353-A10533 for the option period beginning March 19, 2007 through March 18, 2008. The State also requests that the scope of the contract be expanded to include Dose Optimization Services for the same period.

I am pleased to inform you that CMS retroactively 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, and the South Carolina MMIS Corrective Action Plan (CAP). This approval is effective June 19, 2007 and ends of March 18, 2008.

- (1) 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 project 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 APDU for this project will require our prior written approval to qualify for FFP.

I would like to thank you and your staff or your efforts in developing and implementing the South Carolina PBM project. If there are any questions concerning this approval, please contact J. David Hinson at (404) 562-7411 or via E-mail at Lawrence.hinson@cms.lhs.gov.

Sincerely,

A handwritten signature in dark ink, reading "Renard L. Murray". The signature is written in a cursive style with a large, stylized "R" and "M".

Renard L. Murray, D.M.
Associate Regional Administrator
Division of Medicaid & Children's Health Operations