

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Supra</i>	DATE <i>2-21-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER 101324	I <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Depo, CUS file</i>	I <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	I <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 4120
Atlanta, Georgia 30303-8909



February 9, 2012

RECEIVED

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

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Implementation Advanced Planning Document Update (IAPDU) dated May 03, 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.

The original IAPD and Request for Proposals (RFP) were approved on June 30, 2010 in the amount of \$27,180,044. The State of South Carolina issued the RFP on August 20, 2010 and then issued an award statement on April 19, 2011 to BCBSSC.

An updated IAPDU was submitted to the Regional Office and in it, South Carolina Department of Health and Human Services (SCDHHS) informed CMS that five (5) year costs of \$24,366,163 were negotiated. CMS thanks you for the updated information though we must inform you that since an approval was already given for this contract, a second approval for a lower amount will not be necessary. This letter reiterates the approval the initial IAPD and recognizes the award of the Third Party Liability (TPL) services contract to Blue Cross Blue Shield of South Carolina (BCBSC). This contract is scheduled to begin April 19, 2011 and the associated approval is effective from the date of this letter through June 29, 2012 with the opportunity to exercise four (4) option years. This approval also recognizes contract negotiation resulting in cost reductions of \$2,813,888 over a five (5) year period.

The updated Federal share of funding requested for this contract is \$17,091,598 [\$1,276,700 at 90 percent Federal Financial Participation (FFP), \$12,770,842 at 75 percent FFP, and \$3,044,057 at 50 percent FFP]. Funding is approved based upon the estimates shown in the budget detail section of the IAPDU.

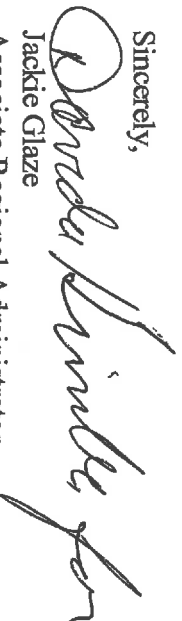
The State is reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished and whether or not the automatic data processing equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95, Section 621 and the SMM.

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As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the RFP and IAPDU 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 Enitan Oduneye at (404) 562-7424 or via E-mail at enitan.oduneye@cms.hhs.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rhonda Glaze", written in a cursive style.

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

CC: Rhonda Morrison
John Supra