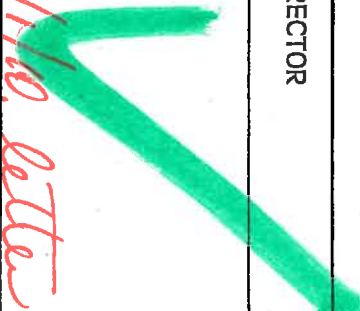


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>6-18-10</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>100491</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>6-28-10</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action	<div style="text-align: center;">  </div>	
2. DATE SIGNED BY DIRECTOR <i>cc: Melle Shubert</i>			

Checked 7/1/10, better

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



RECEIVED

JUN 18 2010

Department of Health & Human Services
OFFICE OF THE DIRECTOR

State of South Carolina Department of Mental Health

MENTAL HEALTH COMMISSION:

Alison Y. Evans, PsyD, Chair
Joan Moore, Vice Chair
Jane B. Jones
Everard Rutledge, PhD
J. Buxton Terry

2414 Bull Street • P. O. Box 485
Columbia, SC 29202
Information: (803) 898-8581

John H. Magill
State Director of Mental Health

June 16, 2010

Ms. Emma Forkner, State Director
SC Department of Health and Human Services
1801 Main Street
Columbia, SC

Dear Ms. Forkner:

Department of Mental Health (DMH) staff are preparing for the implementation of the State Plan Amendment and staff would like to get clarification about two issues that were raised before and for which we do not have clear direction.

One of the issues has to do with steps taken by your agency to monitor the accuracy of claims for services by private providers of paraprofessional services authorized by DMH or other state agencies. As you know, DMH has set aside some limited funding in the upcoming fiscal year to pay the State match for authorized paraprofessional services by qualified private providers for some of our clients with serious and persistent mental illness who require additional supports. It is in both our agencies interest that measures be in place to ensure no payments are made for services that exceed those authorized by DMH or other State agencies.

We understand that DHHS is planning to implement an automated monitoring system in the future, but I would like to know what interim measures DHHS has or will put in place in the short term to help DMH corroborate the accuracy of claims for authorized services.

A second issue is about the development of a procedure by which DMH will recover the state match it paid for paraprofessional services in cases when a provider to whom the Department has referred a client for services is subsequently required to pay-back money as result of an audit. We understand that at this point your agency does not have a particular way of ensuring the re-allocation of the state match to the DMH budget, but would like assurance that a procedure will be put in place in the near future.

Thank you for your assistance in resolving these issues.

Very truly yours,


John H. Magill
State Director

MISSION STATEMENT

To support the recovery of people with mental illnesses.

DMH South Carolina
Department of
Mental Health



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

July 1, 2010

Mr. John Magill, State Director
South Carolina Department of Mental Health
2414 Bull Street
PO Box 485
Columbia, South Carolina 29202

Dear Mr. Magill: *John*

This is in response to your letter dated June 16, 2010, regarding issues raised by the Department of Mental Health (DMH) related to the implementation of the State Medicaid Plan Amendment for Rehabilitative Behavioral Health Services.

We certainly understand your concern about monitoring the accuracy of claims submitted by private providers. The Department of Health and Human Services (DHHS) has initiated the development of a Prior Authorization System which we anticipate will be ready for implementation later this year.

As discussed with your staff at our June 28th monthly meeting, DHHS will provide monthly expenditure reports to each referring state agency. Each agency will be responsible for reviewing the detailed claims information against what was authorized by the agency and to identify any discrepancies for necessary action. DHHS will also be monitoring for outliers and discrepancies and will adjust for the discrepancies when identified. This process will not apply in the event of a post payment review conducted by the Division of Program Integrity.

We are aware that DMH has set aside a specific amount of state match for the upcoming fiscal year for authorized paraprofessional services, referred to qualified providers for DMH adult beneficiaries with serious and persistent mental illness who require additional support. In order to track these funds and ensure that if unauthorized services are paid, they are credited back into the DMH state match fund, DHHS has created a unique fund code to capture the clubhouse program expenditures. A monthly management report will allow DMH to see a breakdown of the services rendered by the five providers. If an error is identified, the provider can be notified and void the claim or DHHS program area staff can void the claim. DHHS will allow DMH thirty days time from receipt of the report to make necessary adjustments.

491 ✓

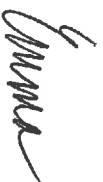
Mr. John Magill, State Director
July 1, 2010
Page 2

An adjustment made at the claim level will ensure that the state match is credited back to the DMH budget code. We anticipate production of this process to be effective with the July 16th payment. DMH should notify the five clubhouse programs and request that they hold all billing until July 12th to ensure the integrity of this process.

We believe these measures will address the concerns raised by DMH regarding the accuracy of services authorized and the paid claims.

If you should have further questions, please contact Ms. Pheobia Cooper in the Division of Family Services, at 803-898-2565. As always, we appreciate your participation in the Medicaid Program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emma".

Emma Forkner
Director

EF/mwcj