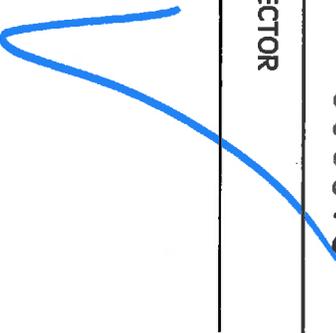


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>7-13-06</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000078</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action
2. DATE SIGNED BY DIRECTOR 	

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

FOOTNOTES

JUN 29 2006

THIRD PARTY LIABILITY/ASSIGNMENT OF RIGHTS BILLING OFFSET

STATE: SOUTH CAROLINA QUARTER/FISCAL YEAR THIRD/2006

A.	\$	(7,011)	Third Party Liability-Billing Offset
		(7,627)	Assignment of Rights-Billing Offset
	\$	<u>(14,638)</u>	Total Computable Amount of Offset

This offset represents the adjustment of your State's Medicaid grant award authority for the administrative costs incurred by the Social Security Administration (SSA) in collecting and providing Third Party Liability data and/or obtaining Assignment of Rights to medical benefits for your State under the terms of your Section 1634 agreement. The billing notice was issued by

G. Jeff Chaney, Director of Accounting Management Group, to your state on May 15, 2006

Under the terms of the modified Section 1634 agreement, SSA agrees to collect Third Party Liability Information and obtain Assignment of Rights from Supplemental Security Income applicants and recipients who are also eligible for Medicaid. If you elect not to pay for the costs of these administrative services when due, the costs will be offset from your quarterly Medicaid grant award authority. In this situation, the Secretary, under the authority of the Federal Claims Collection Act of 1966, codified at 31 U.S.C. 3711 and the implementing regulations located in 42 CFR 401, Subpart F, may recover the amount due by offset against funds owed the State.

To obtain reimbursement or recognize credit adjustment for the portion of the Third Party Liability Offset subject to Federal participation, report the total computable amount of the billing notice on Line 7.A. for the Form CMS-64.10 (Third Party Liability Recovery Procedure - Billing Offset) in your next quarterly expenditure report (Form CMS-64).

To obtain Federal reimbursement or recognize credit adjustments for the portion of the Assignment of Rights offset subject to Federal participation, report the total computable amount of the billing notice on Line 7.B. of the Form CMS-64.10 (Assignment of Rights - Billing Offset) in your next quarterly expenditure report (Form CMS-64).

A footnote, highlighting the fact that the recoupment was made by offsetting your Medicaid grant award authority, should be included with the expenditure report. Insert the remark in the footnote section of the certification page.

Questions regarding the billing notice should be directed to Danette Diaz-Juarez, Division of Accounting on (410) 786-7449 and program questions should be directed to the Third Party Liability Branch, Division of Payment System on (410) 786-3392.

See Attachment 1.

JUN 29 2006

CALCULATION OF SUPPLEMENTAL AWARD

STATE: South Carolina

QUARTER/FISCAL YEAR:

Third/2006

	MEDICAL ASSISTANCE PAYMENTS	DSH ADJUSTMENTS PAYMENTS	ADMINISTRATION PAYMENTS
Secretary's Estimate of Funding Need for the Quarter	\$ 780,212,000	\$	\$ 25,619,000

Less:

SPR Penalty, Attachment _____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	_____
MEQC Penalty, Attachment _____	_____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Third Party Liability/Assignment of Rights-Billing Offset Attachment _____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	(14,638)
Part A (Buy-In) Premiums Attachment _____	_____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B (Buy-In) Premiums Attachment _____	_____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part A Interest Attachment _____	_____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B Interest Attachment _____	_____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX

FUNDING ADJUSTMENT	_____	_____	_____
Adjusted funding for the quarter	\$ 780,212,000	\$ 0	\$ 25,604,362
Estimate previously funded for the quarter	(780,212,000)	_____	25,619,000
Net Amount of Funding	\$ 0	\$ 0	\$ (14,638)