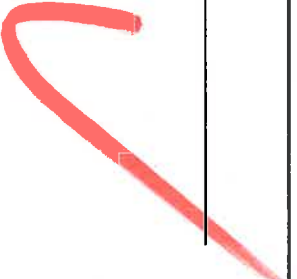


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Bowling</i>	DATE <i>11/13/06</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000359</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Kerr</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>11/22/06</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1. <i>Cleared 12/20/06, letter attached</i>			
2.			
3.			
4.			



State of South Carolina
Department of Health and Human Services

Key #359
mailed 12/20/06
✓

Mark Sanford
Governor

Robert M. Kerr
Director

December 13, 2006

Virgie R. Chambers
Office of School Based Health Finance
South Carolina Department of Education
1429 Senate Street
Columbia, South Carolina 29201

Log 359
mailed 12/20/06
R. Kerr

Dear Ms. Chambers:

Thank you for your recent letter regarding the discontinuation of Applied Behavioral Therapy Services (ABTS) rendered in the school setting. As you are already aware, effective June 30, 2007, funding responsibility for ABTS will become the responsibility of each local school district. Until that date, local school districts should follow the same billing procedures to be reimbursed for these services.

Program staff from the Department of Health and Human Services will continue to work with staff from the State Department of Education regarding Medicaid reimbursable school-based services. It is my understanding that the existing work group comprised of representatives from both agencies currently meets about every other month to address Medicaid school-based services. This is the appropriate forum to address Medicaid policies and procedures relating to school-based services.

As you are aware, school-based services are currently being scrutinized by the Centers for Medicare and Medicaid Services. In fact, there are several outstanding issues, such as Title V nursing services and market based rates for rehabilitative therapy services, pending resolution. Therefore, we believe it prudent to thoroughly evaluate the quality of existing Medicaid reimbursable school-based services and to ensure that these services are in compliance with state and federal regulations before pursuing further program expansion.

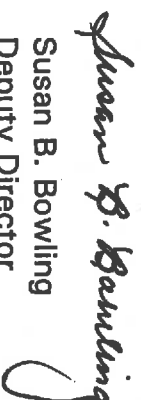
We have evaluated your request regarding the feasibility of implementing the use of personal care services in the school setting. Currently, South Carolina Medicaid policy limits the use of personal care services to the home environment and is based on medical necessity criteria which requires an attending physician order. Additionally, the services must be provided by a personal care aide under the supervision of a

Virgie R. Chambers
December 13, 2006
Page Two

registered nurse. We are researching the Minnesota State Medical Assistance program related to school-based services referenced in your letter and will keep your abreast of feedback received.

Thank you for your commitment to providing quality school-based services for children. If you have any questions or if we can be of further assistance, please contact Sheila Mills at (803) 898-2555.

Sincerely,


Susan B. Bowling
Deputy Director

SBB/k



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Robert M. Karr
Director

December 13, 2006

Virgie R. Chambers
Office of School Based Health Finance
South Carolina Department of Education
1429 Senate Street
Columbia, South Carolina 29201

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Log # 359

Virgie R. Chambers
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Sincerely,


Susan B. Bowling
Deputy Director

SBB/k



RECEIVED

NOV 13 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

**STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

**INEZ MOORE TENENBAUM
STATE SUPERINTENDENT OF EDUCATION**

November 9, 2006

**Mr. Robert M. Kerr
Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206**

Dear Mr. Kerr:

Thank you for your recent letter concerning discontinuance of Medicaid reimbursement for Applied Behavior Therapy Services (ABTS) effective December 30, 2006. After receiving your letter I learned that the State DHHS will now provide state funding to continue this needed service until June 30, 2007. On behalf of our children with autism who currently are receiving school-based services and on behalf of the 40 school districts that currently receive over \$1.4 million in Medicaid reimbursement for ABTS services, I thank you for your efforts to continue funding through the end of the fiscal year.

While a short-term solution has been identified so that funding continues through the end of this fiscal year, a long-term solution is needed. Therefore, I recommend that staff from the State Department of Education and the Department of Health and Human Services establish a workgroup to identify or develop other Medicaid-reimbursable school-based services that can benefit children with autism as well as other children with disabilities. It is my hope that this group can develop a plan for submission to the Centers for Medicare and Medicaid before July 1, 2007.

One possible service that I believe this workgroup can explore is that of personal care services. Title 42, Chapter 7, Subchapter XIX, §1396(d) defines personal care services as those furnished to an individual who is not an inpatient or resident of a hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental disease that are (A) authorized for the individual by a physician in accordance with a plan of treatment or (at the option of the State) otherwise authorized for the individual in accordance with a service plan approved by the State, (B) provided by an individual who is qualified to provide such services and who is not a member of the

Healthy children learn better!

OFFICE OF SCHOOL BASED HEALTH FINANCE, RUTLEDGE 1114

1429 SENATE STREET, COLUMBIA, SOUTH CAROLINA 29201

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Mr. Robert Kerr

Page 2

November 9, 2006

individual's family, and (C) furnished in a home or other location. Other states, such as Minnesota provide this service in school-based settings to assist in accomplishing certain activities of daily living, instrumental activities of daily living, other health-related functions and observation/monitoring and redirection/intervention for behavior. Again, providing Medicaid reimbursement for a service such as this in a school-based setting can address the health-related needs of many of our special needs children, including those with autism.

SDE's Offices of School-Based Health Finance and Exceptional Children have begun the task of identifying potential parents, school districts staff and other health care providers who should be able to provide assistance to the workgroup. I am requesting that you identify DHHS staff to advise and assist the workgroup in developing a federally acceptable plan or array of services for the school-based setting.

I will coordinate efforts for the State Department of Education. Please have DHHS staff that will help to staff this workgroup contact me.

Again, thank you for your commitment to school-based health services. I look forward to hearing from you in the near future.

Sincerely,

A handwritten signature in cursive script that reads "Virgie R. Chambers".

Virgie R. Chambers
Director

VRC