

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Hutto</i>	DATE <i>6-19-14</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000413	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Kost, Deps, CMS Site</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
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

June 12, 2014

SC-14-004

Mr. Anthony E. Keck, Director
Department of Health & Human Services
1801 Main Street
Columbia, SC 29201-8206

RECEIVED

JUN 19 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Operational Advance Planning Document-Update (OAPD-U) that South Carolina submitted on April 22, 2014. In accordance with 45 CFR Part 95.610, the state submitted the OAPD-U to summarize the operational activities and expenditures of its Third Party Liability (TPL) System contract for the most recent contract year, and to document its projected budget and other activities for the remainder of Federal Fiscal Year 2014. South Carolina contracts with Blue Cross Blue Shield of South Carolina to perform TPL claims processing. This partial year approval will allow the state to realign their OAPD submissions to align with federal fiscal years. The state is requesting \$2,907,069 (\$1,901,503 total federal financial participation (FFP); \$1,343,905 at 75% FFP; and \$557,598 at 50% FFP). This funding will expire on September 30, 2014. Included within this budget is \$801,138 for a change order to create a crosswalk of vendor codes to minimize improperly rejected claims executed without CMS prior approval.

Our approval of South Carolina's OAPD-U is subject to the requirements in regulations at 45 CFR Part 95, Subpart F, and 42 CFR Part 433, Subpart C. Funding identified in the OAPD-U was previously approved by CMS in a letter to the state dated February 9, 2012, approving a contract with Blue Cross Blue Shield of South Carolina for \$24,366,163 for a base period of one year with four one year options. Included within this approval is a change order in the amount of \$801,138 executed without CMS prior approval in accordance with 45 CFR Part 95.623. The State must submit a Corrective Action Plan within 30 days of the date of this notice designed to prevent such actions from occurring on future projects which require FFP.

South Carolina is reminded that onsite reviews may 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 (ADP) 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

Mr. Anthony E. Keck
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621 and the State Medicaid Manual (SMM). As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the APD for this project will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR Part 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

Any changes to previously approved contracts for this effort require CMS prior approval pursuant to 45 CFR 95.611. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and Part 11 of the SMM. 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.

I would like to thank you and your staff for your ongoing success in administering South Carolina's Medicaid Management Information System (MMIS), of which the Medicaid TPL contract is an important part. If there are any questions concerning this information, please contact L. David Hinson at (404) 562-7411 or via email at Lawrence.Hinson@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

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