


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

**ACTION REFERRAL**

TO	DATE
Bowling	7/3/06

<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER 000003	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <u>7/13/06</u>
2. DATE SIGNED BY DIRECTOR 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<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.			
2.			
3.			
4.			

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite 4120  
Atlanta, Georgia 30303-8909



June 29, 2006

RECEIVED

JUL 03 2006

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

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Mr. Kerr:

The Centers for Medicare and Medicaid Services (CMS) is conducting an assessment of South Carolina's Home and Community-Based Services Waiver (# 40181.90.R1). This assessment will be used to evaluate the overall performance of South Carolina's waiver program throughout the currently approved period and to identify the need for any modifications or technical assistance necessary for South Carolina to continue to successfully operate this waiver program. The results of this assessment will also be considered by CMS as it reviews the waiver renewal process.

CMS has revamped its process for assessing and conducting on-going monitoring activities for the Home and Community-Based Waiver program. States have likewise begun to make improvements in the management and quality oversight of their HCBS waivers, conducting their own reviews to measure and improve quality. The new assessment process focuses federal oversight on the state's structures for and capacity to discover problems and areas that need improvement, and on the state's success on implementing remedies and improvement strategies.

CMS is now requesting states to demonstrate that they have / use adequate mechanisms for finding and resolving problems on an ongoing basis. Attached to this letter is a listing of the evidentiary-based information that we need to review in order to make this determination. We request that you provide the information identified in the attachment and submit it by July 31, 2006.

CMS staff may be able to make its determination as to whether South Carolina is meeting the assurances based on the state's responses, eliminating the need for additional review activities. To expedite the assessment process, we ask that you provide concise, specific information that demonstrates the State's oversight activities and results.

While we recognize the value of state policies and procedures with regard to oversight activities, this assessment focuses on the extent to which the policies and procedures have been implemented, and the results of the state's oversight activities. That is, how does the state identify quality issues, and how do they address them when they are identified? As you will see in the attachment, we are requesting evidence as to the implementation of oversight activities.

Mr. Robert Kerr  
June 29, 2006  
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After reviewing South Carolina's requested submissions, we will contact your staff to discuss any necessary follow-up activities. Please feel free to contact me at (404) 562-7413 with any questions about this request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kenni Howard". The signature is fluid and cursive, written in a professional style.

Kenni L. Howard, RN  
Medicaid & SCHIP Policy Branch  
Division of Medicaid and Children's Health

Attachment

cc: Mark Reed, CMS Central Office

## **Qualified Providers**

Evidence that:

- The state verifies, on a periodic basis, that providers meet required licensing and/or certification standards and adhere to other state standards.
- The state monitors non-licensed/non-certified providers to assure adherence to waiver requirements.
- The state implements its policies and procedures for verifying that training is provided in accordance with state requirements and the approved waiver.

Examples:

Reports from state monitoring; minutes of committee meetings showing evaluation of findings and recommendations related to provider qualifications and training; actions taken when deficiencies are identified such as sanctions or correspondence; reports include both licensed providers and those qualified through other means; analysis of complaints or incident reports; documentation of TA/training sessions. Do not submit policies, procedures, forms, qualification standards or provider records.

## **Health and Welfare**

Evidence that:

- The state, on an ongoing basis, identifies and addresses and seeks to prevent instances of abuse, neglect and exploitation.

Examples:

Ongoing monitoring reports; reports and analysis of complaints; reports and analysis of allegations of abuse neglect and exploitation; results of investigations and actions taken; reports and action taken on plan of care discrepancies; minutes of QA or other committee meetings that show review of monitoring, recommended actions and follow-up reports. Do not submit policies, procedures, forms or individual participant records.

## **Administrative Authority**

Evidence that:

- The Medicaid agency or operating agency conducts routine, ongoing oversight of the waiver program.

Examples:

A description of the state quality management program with evidence of activity such as monitoring and review reports; committee minutes, a record of actions taken, record of service denials and appeal request; copies of issued notices of appeal.

## **Financial Accountability**

Evidence that:

- State financial oversight exists to assure that claims are coded and paid in accordance with the reimbursement methodology specified in the approved waiver.

Examples:

Audit reports; monitoring reports; management meeting minutes that reflect analysis, recommendations and actions.