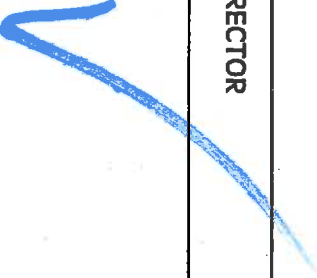


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>10-2-06</i>
--------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000284</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>G. Kerr</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

Center for Medicaid and State Operations
Finance, Systems, and Budget Group
7500 Security Boulevard
Baltimore, MD 21244

Mr. Robert M Kerr
Executive Director
Department of Health and Human Services
P.O. Box 8206
Columbia, S.C. 29202-8206

SEP 27 2006

RECEIVED
OCT - 2 2006
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Sir or Madam:
SUPPLEMENTAL

The grant award listed below has been approved for the period 07/01/2006 - 09/30/2006 under the State Children's Health Insurance Program, Appropriation No. 758/10515.

**State Children's Health Insurance Program
Payments**

\$(44,505,041)

The above listed grant award provides Federal funds for expenditures made in accordance with your State child health plan approved under Title XXI of the Social Security Act. Computation of the award is shown on the enclosed statement.

With the acceptance of this award, you agree to comply with the requirements of the Cash Management Improvement Act (CMIA) of 1990 as codified in 31CFR Part 205 and with the requirements of 45 CFR Part 92.

Any questions you may have in connection with this grant award should be referred to the appropriate Centers for Medicare & Medicaid Services Regional Office financial contact for your State.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center (PSC). Inquiries regarding payment should be directed to:

Director, Division of Payment Management
Post Office Box 6021
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

A. Stephen Rose
Director,
Division of Financial Management

STATE <u>South Carolina</u>				
FISCAL YEAR	<u>2</u>	<u>0</u>	<u>.0</u>	<u>6</u>
QUARTER	1ST <input type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input checked="" type="checkbox"/>

COMPUTATION OF AMOUNTS FOR STATE CHILDREN'S
HEALTH INSURANCE PAYMENT GRANTS UNDER TITLE XXI
OF THE SOCIAL SECURITY ACT

1. ADJUSTMENTS FOR
FISCAL YEAR 1998 ALLOTMENT
- A. ACTUAL FEDERAL SHARE OF
EXPENDITURES.....
- B. ESTIMATED FEDERAL SHARE OF
EXPENDITURES PREVIOUSLY FUNDED....
- C. DIFFERENCE.....
- D. NET ADJUSTMENTS APPLICABLE TO
PRIOR PERIODS.....
- E. COLLECTIONS.....
- F. OTHER.....
- G. TOTAL ADJUSTMENTS.....
2. ESTIMATED FEDERAL SHARE OF
EXPENDITURES FOR QUARTER
BEGINNING
3. NET AMOUNT TO BE CERTIFIED.....

STATE CHILDREN'S HEALTH INSURANCE PAYMENTS	
\$ A.	8,008,671
B.	(52,513,712)
	(44,505,041)
C.	(44,505,041)
\$	(44,505,041)

TOTAL AMOUNT TO BE CERTIFIED.....
DATE APPROVED SEP 27 2008
INTERNAL TRANSMITTAL NO. _____

COMPUTATION CHECKED BY
C-04

km

9/14

QUARTER/FISCAL YEAR Fourth/2006

THIS AWARD IS FUNDED UNDER HHS SINGLE LETTER OF CREDIT NO. 75-08
SEP 2 / 1966

157-600-0286-Z3

[illegible]

* CURRENT QUARTER FUNDING

FOOTNOTES

STATE: South Carolina

QUARTER/FISCAL YEAR FOURTH/2006

SEP 27 2006

- A. \$ (8,008,671) represents the expenditure amounts reported for the State Children's Health Insurance Program (SCHIP) under M-SCHIP and SCHIP as reported on the FY 2002 through FY 2004 quarterly expenditure reports, as reflected on the fourth quarter FY 2004 Form CMS-21C (certified as of November 30, 2004) and applied against the FY 1998 reallocation. The total draws to your FY 1998 reallocation SCHIP Payment Management System (PMS) subaccount, REDIST98, must reflect this amount.
- B. \$(52,513,712) represents the total of your previous grant authorization to your REDIST98 PMS subaccount and is equal to your total FY 1998 SCHIP reallocation.
- C. \$(44,505,451) represents the total adjustment to reduce the previous authorization in your REDIST98 PMS subaccount as shown in footnote B \$52,513,712 to the level of actual SCHIP expenditures as referenced in footnote A \$8,008,671.

Refer any questions you have on the above, to your Regional Office contact or Debbie Abshire on 410-786-9291. See Attachment 1.