

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singlehry</i>	DATE <i>3-8-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100355</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Fect, Depa CMS file, Charis cleared 8/7/12, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-23-12</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.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303

CENTERS for MEDICARE & MEDICAID SERVICES

**CMS**

March 2, 2012

**RECEIVED**

MAR 07 2012

Mr. Anthony E. Keck  
Director  
South Carolina Department of Health and Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202-8206

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

RE: State Plan Amendment (SPA) 11-027

Dear Mr. Keck:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-027. Effective November 1, 2011 this amendment proposes to revise the inpatient hospital reimbursement methodology for determining disproportionate share hospital payments. Specifically, the changes being proposed will establish criteria to determine general acute care and long term acute care hospitals that will be subject to a reduction in their federal fiscal year 2011/2012 disproportionate share hospital payments.

We conducted our review of your submittal according to the statutory requirements at sections, 1902(a), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. Before we can continue processing this amendment, we need additional or clarifying information.

The regulation at 42 CFR 447.252(b) requires that the State plan include a comprehensive description of the methods and standards used to set payment rates. Section 6002 of the State Medicaid Manual explains further that the State plan must be comprehensive enough to determine the required level of Federal financial participation and to allow interested parties to understand the rate setting process and the items and services that are paid through these rates. Further, since the plan is the basis for FFP, it is important that the plan's language be clear and unambiguous. Therefore, we have the following additional questions/concerns regarding TN 11-027.

1. This SPA revises material that is currently pending in SPA 11-026. We cannot take action on SPA 11-027 until all our concerns with SPA 11-026 are resolved. In addition, any changes to SPA 11-026 should be included in SPA 11-027.

Mr. Anthony E. Keck  
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We are requesting this additional/clarifying information under provisions of section 1915(f) of the Social Security Act (added by PL 97-35). This has the effect of stopping the 90-day clock for CMS to take action on the material. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid directors dated January 2, 2001, if we have not received the State's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment. In addition, because this amendment was submitted after January 2, 2001 and is effective after January 1, 2001, please be advised that we will continue to defer FFP for State payments made in accordance with this amendment until it is approved. Upon approval, FFP will be available for the period beginning with the effective date through the date of approval.

Please submit your response to:

National Institutional Reimbursement Team  
Attention: Mark Cooley  
CMS, CMSO  
7500 Security Boulevard, M/S S3-14-28  
Baltimore, MD 21244-1850

If you have any questions or would like to discuss our comments and questions, please contact Stanley Fields at 502-223-5332.

Sincerely,



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

Cc: Venesa Day, CMCS  
Mary Cieslicki, CMCS  
Mark Cooley, CMCS  
Tim Weidler, NIRT  
Stanley Fields, ROIV NIRT  
Anna Dubois, ROIV NIRT  
Davida Kimble, ROIV  
Cheryl Wigfall, ROIV  
Michelle White, ROIV  
Mary Holly, ROIV

August 7, 2012

National Institutional Reimbursement Team  
Attention: Mark Cooley  
Centers for Medicare and Medicaid Services, CMSO  
7500 Security Boulevard, M/S S3-14-28  
Baltimore, Maryland 21244-1850

**Re: Request for Additional Information on the South Carolina Title XIX State Plan  
Amendment (SPA), Transmittal # SC 11-027**

Dear Mr. Cooley:

The South Carolina Department of Health and Human Services has provided the attached responses to the questions raised in Ms. Jackie Glaze's March 2, 2012 Request for Additional Information regarding SPA SC 11-026. Please note approval of SC 11-027 is contingent upon the approval of SC 11-026.

We look forward to CMS approval of SPA SC 11-027. If you have any questions or additional information is needed, please contact Mr. Jeff Saxon at (803) 898-1023 or Ms. Sheila Chavis at (803) 898-2707.

Sincerely,



Anthony E. Keck  
Director

AEK/sc  
Enclosure