

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleton/Chavis</i>	DATE <i>6-4-14</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000398</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Beck, Kost, Deps, CMS file</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

May 21, 2014

SC-14-003

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

RECEIVED

JUN 02 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the sole source contract with DentaQuest, LLC for dental administrative services beginning June 8, 2014, effective the date of this notice in accordance with 45 CFR 95.611. The sole source contract is required due to the state's inability to complete a competitive procurement of a replacement contract prior to the expiration of the existing agreement on June 7, 2014. In order to complete the competitive procurement process CMS will limit the initial approval of this interim month-to-month contract to 15 months, or until replaced by a competitively procured vendor, whichever occurs first. CMS reminds the state that it should have an effective protocol in place to avoid the use of sole source agreements for this and all other contracts associated with the Medicaid Management Information System.

CMS also approves the corresponding Operational Advance Planning Document-Update (OAPD) in accordance with 45 CFR Part 95.610, which depicts the operational activities and expenditures of the dental administrative services contract with DentaQuest, and to document its projected budget until September 30, 2014. The state must submit an OAPD for FY 2015 in order to claim funding for the remaining period approved under this notice. In addition to the references used above CMS considered Section 1903(a)(3) of the Social Security Act, as well as Part 11 of the State Medicaid Manual (SMM). As requested in the OAPD, CMS approves funding in the amount of \$2,214,990 (Total Federal Financial Participation \$1,478,505; \$1,113,032 at 75%: \$365,473 at 50%) for system operations and maintenance. Funding approval will expire on September 30, 2014.

As specified in 42 CFR § 433.112, South Carolina must align the dental administrative services project with the Seven Standards and Conditions for enhanced Medicaid funding. The state will also demonstrate how the dental administrative services project is integrated with the state's Replacement Medicaid Management Information System (MMIS) program, as Point of Sale (POS) claims adjudication, prospective and retrospective drug utilization review, and other pharmacy related-activities will be functions of this project's system solution.

Mr. Anthony E. Keck
Page 2

South Carolina is also reminded that onsite reviews will 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 § 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR § 95.611, all subsequent revisions and amendments to the APD will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR § 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

In addition, continued federal funding for this contract is contingent upon the state initiating monthly submission of the Transformed Medicaid Statistical Information System (T-MSIS) format beginning in early 2014. Data submissions are expected to meet quality validation routines for acceptance within 30 days of the reporting month. MSIS formats will no longer be accepted as part of this transition.

Should the MMIS fail to maintain and produce all federally required program management data and information, including the required T-MSIS, eligibility, provider, and managed care encounter data, in accordance with requirements in Part 11 of the State Medicaid Manual and the approved APD for this effort, FFP may be suspended or disallowed as provided for in federal regulations at 45 CFR 95.612.

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 State Medicaid Manual. All costs identified in the APD are understood to be estimates only. 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.

If there are any questions concerning this information, please contact David Hinson at (404) 562-7411 or via e-mail at lawrence.hinson@cms.hhs.gov.

Sincerely,



Jackie Glaze

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