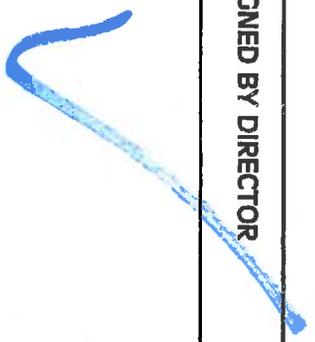


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>5-2-07</i>
---------------------------	------------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000695</i>	I I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	I I Prepare reply for appropriate signature DATE DUE _____
	I I 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
Financial Management 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

SEE FUNDING RESTRICTION

Dear Sir or Madam:

APR 20 2007

The grant award listed below has been approved for the period 10/1/06 - 9/30/07 under the State Children's Health Insurance Program (SCHIP), Appropriation No. 7550515

State Children's Health Insurance Program Payments

(6,901,060)

The above listed grant award reflects an adjustment to the amount of Federal funds appropriated for your State's Federal fiscal year (FY) 2005 SCHIP allotment which is available to your State in FY 2007. This adjustment to the FY 2005 allotment is made in accordance with paragraph 2104(h)(3) of the Social Security Act (the Act), as amended by section 201 of the National Institutes of Health Reform Act of 2006 (NIHRA - Public Law 109-482, enacted on January 15, 2007). The adjustment to the amounts of your available FY 2005 allotments in FY 2007 is made in advance of and subject to the publication in the Federal Register by the Secretary of Department of Health and Human Services of provisions to implement subsection 2104(h) of the Act, as amended by NIHRA, in order to address FY 2007 SCHIP funding shortfalls. This grant award may be subject to further adjustment based on those published implementing provisions. Computation of the award is shown on the enclosed statement.

The amount of the funds represented by this grant award, was determined in accordance with paragraph 2104(h)(3) of the Act, as amended by NIHRA, to reflect estimates of the amounts of your FY 2005 SCHIP allotments that were unexpended by March 31, 2007 using the most recent submission by your State of your State's FY 2007 estimated expenditures.

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 31 CFR 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,


Director,
Division of Financial Operations

Enclosures 3

CMS HCFA-L151(7-90)

RECEIVED

MAY 02 2007

Department of Health & Human Services
OFFICE OF THE DIRECTOR

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

STATE	South Carolina			
FISCAL YEAR	2	0	0	7
QUARTER	1ST <input type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input checked="" type="checkbox"/>	4TH <input type="checkbox"/>

1. ADJUSTMENTS FOR
FISCAL YEAR 2005 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.	(6,901,060)	
\$B.	(6,901,060)	

TOTAL AMOUNT TO BE CERTIFIED.....

DATE APPROVED

APR 20 2007

COMPUTATION CHECKED BY

INTERNAL TRANSMITTAL NO.

C-10

RB
km

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR Third/2007

APR 20 2007

A. Section 201 of the National Institutes of Health Reform Act of 2006 (NIHRA) amended the SCHIP statute to add a new section 2104(h) of the Social Security Act (the Act) relating to the redistribution of the unexpended Federal fiscal year (FY) 2004 and FY 2005 SCHIP allotments. In particular, section 2104(h)(3) of the Act, as amended by NIHRA, provides for a limited amount of certain States' unexpended FY 2005 allotments to become unavailable to those States as of April 1, 2007, in order that such amounts may be redistributed to other States which have SCHIP funding shortfalls in FY 2007. In accordance with this provision, we are reducing your previous grant award related to the SCHIP FY 2005 allotment by \$(6,901,060) in order for the net grant award to equal \$47,405,055.

For further information on the FY 2005 allotment that will be made available for redistribution to other States with funding shortfalls in FY 2007 and be unavailable to your State, refer to the notice published in the Federal Register with respect to this provision. This grant award may be subject to further adjustment based on those published implementing provisions.

B. The funding authorized by this grant award is paid subject to any future financial management review or audit.

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