

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleton</i>	DATE <i>11-8-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>.1011204</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Ms. Forkner, Deps, CWS 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  
61 Forsyth St., SW, Suite 4T20  
Atlanta, Georgia 30303-8909



November 2, 2010

Emma Forkner, Director  
South Carolina Department of Health and Human Services  
P.O. Box 8306  
Columbia, SC 29202-8206

**RECEIVED**  
NOV 05 2010  
Department of Health & Human Services  
CENTERS FOR MEDICARE & MEDICAID SERVICES

Re: Revised Approval Letter - Thompson Reuters Contract

Dear Ms. Forkner:

We have made the correction to the 90 percent FFP amount contained in our July 19, 2010 approval letter. This letter thus replaces our original letter. Thank you for bringing this to our attention.

I am pleased to inform you that CMS approves SCDDHHS's request dated July 15, 2010, for a proposed Implementation Advance Planning Document Update (IAPDU), and a contract with Thompson Reuters, 440002495, to provide services for the South Carolina Decision Support System (DSS), Surveillance and Utilization Review System (SURS), and Management and Administrative Report System (MARS). The approval represents \$12,745,960 (\$558,000 at 90%; \$5,227,942 at 75%; \$2,577,685 at 50%; \$8,363,627 Total FFP) which is \$4,844,417 less than the approved estimate of \$17,590,377.

This approval is made in accordance with 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the State Medicaid Manual (SMM), Part 11. The approval is effective July 19, 2010 and ends July 18, 2015. The State is reminded to request CMS prior approval to exercise any option years included under this contract. Approval of operational costs (i.e., 75 or 50 percent FFP) for this project will be determined following full operation of the replacement system and subsequent Certification by CMS in accordance with 42 CFR 433, Subpart C, and the SMM, Part 11.

The State 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 equipment or services are being efficiently, and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95, Section 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the IAPD for this project will require our prior written approval to qualify for FFP. In addition, continued Federal funding of this project is contingent upon:

Ms. Emma Forkner, Director  
November 2, 2010  
Page 2 of 2

- (1) The Department's ability to demonstrate progress in meeting project milestone commitments. Should the project deviate from the CMS approved IAPD/DIS, FFP for the project as described in the IAPD/DIS may be suspended or disallowed as provided for in Federal regulations at 45 CFR 95.611(c)(3) and 95.612;
- (2) The timely submission of monthly status reports for this project. These reports must measure progress against the approved DIS. Monthly status reports should be submitted to this office by the last day of each calendar month. For reports that end on a calendar quarter, you are requested to add the amounts spent to date and show the balance of approved IAPD funding remaining;
- (3) Timely submission of all required quarterly 90/10 financial reports for all approved projects;
- (4) Timely submission of all reports prepared by an Independent Verification and Validation (IV&V) and/or quality assurance contractor;
- (5) Timely submission of minutes from the project management committee to address strategic directions and provide executive input.

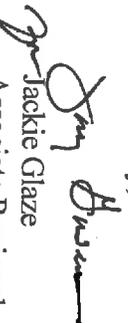
In any event, authorization of Federal funding for the Care Call replacement project will expire on July 28, 2015. Upon successful completion of this project, please provide my office with written notification that includes the following:

- The date the project was completed and officially accepted by the State as complete;
- Submission of project closeout documentation within 60 calendar days of the date the project was officially accepted by the State as complete;
- The final cost to complete the Care Call replacement project, and;
- Assurances/documentation that the Care Call replacement project completed met the objectives and performed the functions described in the approved APD.

Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the SMM, Part 11. 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.

I would like to thank you and your staff for your efforts in developing and implementing the South Carolina DSS/SURS/MARS replacement project. If there are any questions concerning this approval, please contact Enitan Odunye at (404) 562-7424 or via E-mail at [enitan.odunye@cns.hhs.gov](mailto:enitan.odunye@cns.hhs.gov).

Sincerely,



Jackie Glaze

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

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., SW, Suite 4T20  
Atlanta, Georgia 30303-8909



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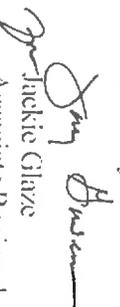
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Sincerely,



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

**From:** "Oduneye, Enitan (CMS/CMCHO)" <Enitan.Oduneye@CMS.hhs.gov>  
**To:** Rhonda Morrison <morrison@scdhs.gov>  
**Date:** 11/3/2010 8:44 AM  
**Subject:** SC Approval: DSS SURS/MARs contract, revised 90% figures  
**Attachments:** SC APPROVAL DSS SURS MARSSContract (revised 90 percent number) 07 10.doc.pdf

Rhonda,  
This is a signed electronic copy of the approval letter I sent to you earlier. I will put a hardcopy in the mail later today.  
Thanks

**From:** Rhonda Morrison  
**To:** Jan Polaty, Kimberly Strong Whisenant  
**Date:** 1/13/2010 8:52 AM  
**Subject:** Fw: SC Approval: DSS SURs/MARs contract, revised 90% figures  
**Attachments:** SC Approval: DSS SURs/MARs contract, revised 90% figures

Jan, you'll receive a hardcopy of this in the mail, as well. CMS made an error in the figures that we pointed out to them (good catch Kim!) so this is the corrected version.