DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singleton	2-27-12

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 10-333	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR cc: Mr. Keck, Dep. CMS file Letter dated 3/21/12 attached	[ ] Prepare reply for appropriate signature DATE DUE _____ [ ] FOIA DATE DUE _____ [X] 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.			

Immunizations: *Attachment 4.19B; Page 2, Section 3*

4. For transparency purposes, please identify the administrative fee reimbursed to Medicaid providers and include the following language to this section:

> "Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency's fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency's website)."

Family Planning Services and Supplies: *Attachment 4.19B; Page 2a.2, Section 4.c*

5. This section provides for reimbursement "at an established fee schedule" based on cost or by other methodologies set forth in other sections of the plan. This language is not transparent. Please identify those sections in this section or identify what family planning services are being paid according to the a fee schedule and include the following language to this section:

> "Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency's fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency's website)."

For the family planning services being reimbursed at cost, SC should revise this page to clearly describe how "actual allowable Medicaid costs" are determined (i.e. direct costs, indirect cost methodology, use of a CMS approved time study, allocation statistic, interim rate methodology, uniform cost report, reconciliation, and settlement process).

Tribal Consultation

The following are questions related to Section 5006(e) of the Recovery Act (Public Law (P.L.) 111-5) requirement for Tribal Consultation. Also, in compliance with the approval of SC 11-004 which defines SC's tribal consultation requirements, please provide the supporting documentation of consultation and please provide responses to the following tribal consultation questions.

1. Is the submittal of this State Plan likely to have a direct impact on Indians or Indian health programs (Indian Health Service, Tribal 638 Health Programs, Urban Indian Organizations)?

Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

This SPA would [ ] / would not [ ] violate these provisions, if they remained in effect on or after January 1, 2014.

3. Section 1905(aa) of the Act provides for a "disaster-recovery FMAP" increase effective no earlier than January 1, 2011. Under section 1905(cc) of the Act, the increased FMAP under section 1905(aa) of the Act is not available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.

   This SPA would [ ] / would not [ ] qualify for such increased federal financial participation (FFP) and is not in violation of this requirement.

4. Does SC 11-020 comply with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims?

Standard Funding Questions

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)

We are requesting this additional/clarifying information under provisions of section 1915(f)(2) 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, which would have expired on March 7, 2012. 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.

If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

Jackie Glaze

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

Log #000333

South Carolina Department of Health & Human Services

Anthony E. Keck, Director
Nikki R. Haley, Governor

March 21, 2012

Ms. Jackie L. Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

RE: Request For Additional Information on South Carolina Title XIX State Plan Amendment (SPA), Transmittal # SC 11-020

Dear Ms. Glaze:

This is in response to your request for additional/clarifying information regarding the above-referenced SPA dated February 23, 2012. Please find the South Carolina Department of Health and Human Services' (SCDHHS) responses to your requests below:

HCFA 179

1. Please provide a copy of the public notice that meets the requirements as set forth by 42 CFR 447.205. A public notice must be published before the effective date of SC's proposed change.

   The public notice attached was the notice that was used for SC 11-005.

2. How did SC determine a budget neutral impact noted on the HCFA 179?

   SC 11-020 was the result of a companion letter to SC 11-005.

Other Laboratory and X-Ray Services: *Attachment 4.19B; Page 2, Section 3*

3. For clarity purposes, when referencing the physician services methodology, please revise the language to identify the methodology is located at Attachment 4.19-B, Page 2a.2 Section 5.

   Response: Corrected page Attachment 4.19-B, Page 2 is attached.

   Also, how does the fee schedule for x-rays pay for the technical component separately from the professional component?

Response: SCDHHS develops the fee schedule to include both the professional and the technical components for reimbursement purposes. Modifiers are used to denote technical (TC) and professional (26) components on the fee schedule.

Immunizations: *Attachment 4.19-B; Page 2, Section 4b*

4. For transparency purposes, please identify the administrative fee reimbursed to Medicaid providers and include the following language to this section:

"Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency's fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency's website)."

Response: Corrected Attachment 4.19-B, Page 2 is attached.

Family Planning Services and Supplies: *Attachment 4.19-B; Page 2a.2, Section 4.c*

5. This section provides for reimbursement "at an established fee schedule" based on cost or by other methodologies set forth in other sections of the plan. This language is not transparent. Please identify those sections in this section or identify what family planning services are being paid according to the a fee schedule and include the following language.

"Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency's fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency's website)."

Response: Corrected page Attachment 4.19-B, Page 2a.2 is attached.

For the family planning services being reimbursed at cost, SC should revise this page to clearly describe how "actual allowable Medicaid costs" are determined (i.e. direct cost, indirect cost methodology, use of a CMS approval time study, allocation statistic, interim rate methodology, uniform cost report, reconciliation, and settlement process).

Response: For Family Planning Service all services are reimbursed based on a fee schedule. SCDHHS does not cost settle for any Family Planning Service.

Tribal Consultation

In regards to Section 5006(e) of the Recovery Act (Public Law (P.L.) 111-5) requirement for Tribal Consultation, the following responses are provided.

1. Is the submittal of SC 11-020 likely to have a direct impact on Indians or Indian health programs (Indian Health Service, Tribal 638 Health Programs, Urban Indian Organizations)?

   The Indian Health Services Program's (i.e. Catawba Service Unit) Medicaid rate will not be impacted by this plan amendment.

2. If SC 11-020 is not likely to have a direct impact on Indians or Indian health programs, please explain why not.

   This plan amendment will affect services received by the Indians by providers other than the Catawba Service Unit. Every effort is being made to ensure that the changes imposed do not have adverse impact on any beneficiary's ability to receive medically necessary services and in an appropriate place of service in the most cost effective manner.

3. If SC 11-020 is likely to have a direct impact on Indians or Indian health programs please respond to the following questions:

   a. How did the State consult with the Federally-recognized tribes and Indian health programs prior to submission of this SPA or waiver request?

   The IHS now sits on our Medical Care Advisory Committee (MCAC). All SPA submissions are presented to this committee. The Rate Reduction Provider Bulletin was forwarded to IHS on March 4, 2011 by email. The rate reduction was discussed on a conference call with IHS on March 8, 2011. It was explained that the reduction would not impact payments made to the IHS facility

   b. If the tribes and Indian health programs were notified in writing, please provide a copy of the notification, the date it was sent and a list of the entities notified. In addition, please provide information about any concerns expressed by the tribes and/or Indian health providers and the outcome.

   Tonya Cornwell, Vicky Reynders and Dawn Canty of IHS participated on the March 8, 2011 call. They had no questions or comments. Written minutes were distributed to them and to Donald Rodgers, Chief on March 8, 2011. He was invited to the call but did not participate.

   c. If the consultation with the tribes and Indians health providers occurred in a meeting, please provide a list of invitees, a list of attendees, the date the meeting took place and information about any concerns expressed by the tribes and/or Indian health providers and the outcome.

Maintenance of Effort (MOE)

1. Under section 1902(gg) of the Social Security Act (the Act), as amended by the Affordable Care Act, as a condition of receiving any Federal payments under the Medicaid program during the MOE period indicated below, the State shall not have in effect any eligibility standards, methodologies, or procedures in its Medicaid program which are more restrictive than such eligibility provisions as in effect in its Medicaid program on March 10, 2010.
MOE Period.

   § Begins on: March 10, 2010, and
   § Ends on: The date the Secretary of the Federal Department of Health and Human Services determines an Exchange established by a State under the provisions of section 1311 of the Affordable Care Act is fully operational.

1. Is SC in compliance with the conditions of the MOE provision of section 1902(gg) of the Act for continued funding under the Medicaid program?

   Response: Yes.

2. Section 1905(y) and (z) of the Act provides for increased federal medical assistance percentages (FMAP) for expenditures made on or after January 1, 2014 for individuals determined eligible under section 1902(a)(10)(A)(i)(VIII) of the Act. Under section 1905(cc) of the Act, the increased FMAP under sections 1905(y) and (z) would not be available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.

   Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

   Response: This SPA would [ ] / would not [X] violate these provisions, if they remained in effect on or after January 1, 2014.

3. Section 1905(aa) of the Act provides for a "disaster-recovery FMAP" increase effective no earlier than January 1, 2011. Under section 1905(cc) of the Act, the increased FMAP under section 1905(aa) of the Act is not available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.

   Response: This SPA would [X] / would not [ ] qualify for such increased federal financial participation (FFP) and is not in violation of this requirement.

4. Does SC 11-020 comply with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims?

   Response: Yes.

Standard Funding Questions

Since this SPA is a result of the approval of SC 11-005, which included the answers to the standard funding questions, SCDHHS did not resubmit this information. The funding arrangements have not changed since our submission of SPA SC 11-005.

If additional information is needed of if you have questions, please contact Deirdra T. Singleton at (803) 898-2647 or Sheila Chavis at (803) 898-2707.

Sincerely,

Anthony E. Keck
Director

AEK/sh

Enclosures