

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Bawling</i>	<i>8-28-06</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000177</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>9-5-06</i>
2. DATE SIGNED BY DIRECTOR <i>Cleaved 9/18/06</i> <i>attached.</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <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 St., Suite 4120
Atlanta, Georgia 30303-8909



August 23, 2006

*Pos-Bowling
"Reddy's Sign"*

RECEIVED

AUG 23 2006

Robert M. Kerr, Director
Department of Health and Human Services
P. O. Box 8206
Columbia, South Carolina 29202-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Kerr:

This is in response to your request to renew South Carolina's Home and Community Based Waiver Program for individuals with HIV / AIDS. This request has been assigned control number 0186.90.R3. This number should be used in all correspondence pertaining to the renewal. Our review of the renewal application found that it did not conform fully to statutory and regulatory requirements. Please provide additional information and make changes necessary to respond to the issues identified below. Note this is an informal inquiry and does not stop the 90-day review clock. Therefore, please submit the requested information to the Regional Office staff as quickly as possible so that adequate time is allowed for our review and to address any further questions and / or clarifications.

(1) APPENDIX B-4: Medicaid Eligibility Groups Served in the Waiver:

In Appendix C of the currently approved waiver, the State included "Optional State supplemental recipients" and "All other mandatory and optional groups under the plan". The State did not include these groups in this request. Is this an oversight or intentional? Please clarify.

(2) APPENDIX B-5: Post-Eligibility Treatment of Income:

In Appendix B-5-b-2, Regular Post Eligibility Treatment of Income, the State completed item ii, Allowance for the spouse only. The State specified that, "the amount of the allowance is \$2,416".

The State did not complete the first check-off in this section which specifies that, "The state provides an allowance for a spouse who **does not** meet the definition of a community spouse in section 1924 of the Act. Describe the circumstances under which this allowance is provided".

Does the State intend to provide an allowance for a spouse who does not meet the definition of a community spouse under 1924 of the Act (the State has completed the spousal impoverishment section of the waiver application for those spouses who do meet the definition of a community spouse under section 1924)? If the State intends to provide an allowance under this section, it must describe the circumstances under which this

allowance is provided. If the State does not intend to provide an allowance it should remove both the check-mark and the dollar amount specified in this section.

Additionally, if the State intends to provide an allowance for the spouse under the regular post eligibility rules, we believe that the amount proposed by the State (\$2416) exceeds the amount permitted by law. Section 42 CFR 435.726 specifies that for an individual with only a spouse at home, the amount of the allowance must be based on a reasonable assessment of need but must not exceed the highest of the SSI standard, the optional state supplement standard, or the medically needy income standard (South Carolina does not have a medically needy program/standard). Therefore, please explain how the proposed amount comports with the regulatory requirements of section 435.726 or revise the amount accordingly.

In Appendix B-5-d, Post Eligibility Treatment of Income Using Spousal Impoverishment Rules, the State checked, "The following dollar amount \$1809" and "The following formula is used to determine the needs allowance 300% of SSI". Since both of these amounts are equal to the special income level for institutionalized individuals, the State should remove both of these allowances from the waiver application and check the special income level for institutionalized individuals.

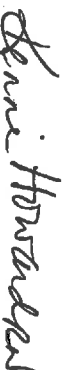
(3) **APPENDIX E: Participant Direction of Services**

The State has requested that this waiver be considered for Independence Plus (IP) designation. However, in Appendix E-1-b: Participant Direction Opportunities, the State indicates the choice of Participant – Employer Authority. For the waiver to be considered for the IP designation, the State must allow for both employer and budget authority. Please clarify your intent.

On page E-1:8, the State has not indicated its goal for the number of participants who are expected to elect the participant direction opportunity. Please provide these estimates.

If you have additional questions or are in need of assistance, please contact Kenni Howard at (404) 562-7413 or Terrie Morris at (404) 562-7414.

Sincerely,



Kenni Howard, RN
Health Insurance Specialist
Medicaid & SCHIP Policy Branch



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Robert M. Kerr
Director

September 18, 2006

Kenni Howard, RN
Health Insurance Specialist
Medicaid & SCHIP Policy Branch
Centers for Medicare and Medicaid Services
61 Forsyth Street SW, Suite 4T20
Atlanta, Georgia 30303-8909

Dear Ms. Howard:

This is in response to your letter requesting additional information regarding our renewal request for waiver control number 0186.90.R3, South Carolina's home and community-based waiver for persons with HIV and AIDS. By issue, our responses to each question are indicated below.

(1) APPENDIX B-4: Medicaid Eligibility Groups Served in the Waiver:

In Appendix C of the currently approved waiver, the State included "Optional State supplemental recipients" and "All other mandatory and optional groups under the plan." The State did not include these groups in this request. Is this an oversight or intentional? Please clarify.

State's response: This was an oversight. The preprint has been corrected.

(2) APPENDIX B-5: Post-Eligibility Treatment of Income:

In Appendix B-5-b-2, Regular Post Eligibility Treatment of Income, the State completed item ii, Allowance for the spouse only. The State specified that, "the amount of the allowance is \$2,416."

The State did not complete the first check-off in this section which specifies that, "The state provides an allowance for a spouse who does not meet the definition of a community spouse in section 1924 of the Act. Describe the

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circumstances under which this allowance is provided."

State response: The allowance is not provided under any circumstance.

Does the State intend to provide an allowance for a spouse who does not meet the definition of a community spouse under 1924 of the Act (the State has completed the spousal impoverishment section of the waiver application for those spouses who do meet the definition of a community spouse under section 1924)? If the State intends to provide an allowance under this section, it must describe the circumstances under which this allowance is provided. If the State does not intend to provide an allowance it should remove both the check mark and the dollar amount specified in this section.

State response: The State does not intend to provide an allowance for a spouse who does not meet the definition of a community spouse.

Additionally, if the State intends to provide an allowance for the spouse under the regular post eligibility rules, we believe that the amount proposed by the State (\$2416) exceeds the amount permitted by law. Section 42 CFR 435.726 specifies that for an individual with only a spouse at home, the amount of the allowance must be based on a reasonable assessment of need but must not exceed the highest of the SSI standard, the optional state supplement standard, or the medically needy income standard (South Carolina does not have a medically needy program/standard). Therefore, please explain how the proposed amount comports with the regulatory requirements of section 435.726 or revise the amount accordingly.

State response: Per the answer earlier, the paragraph above is not applicable.

In Appendix B-5-d, Post Eligibility Treatment of Income Using Spousal Impoverishment Rules, the State checked, "The following dollar amount \$1809" and "The following formula is used to determine the needs allowance 300% of SSI." Since both of these amounts are equal to the special income level for institutionalized individuals, the State should remove both of these allowances from the waiver application and check the special income level for institutionalized individuals.

State response: The preprint has been corrected to indicate special income level for institutionalized individuals.

Kenni Howard, RN
September 18, 2006
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(3) APPENDIX E: Participant Direction of Services

The State has requested that this waiver be considered for Independence Plus (IP) designation. However, in Appendix E-1-b: Participant Direction Opportunities, the State indicates the choice of Participant – Employer Authority. For the waiver to be considered for the IP designation, the State must allow for both employer and budget authority. Please clarify your intent.

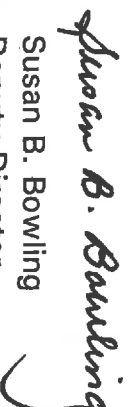
State response: The Independence Plus designation was checked in error. The revised application reflects that the State does not wish to be considered for IP designation.

On page E-1:8, the State has not indicated its goal for the number of participants who are expected to elect the participant direction opportunity. Please provide these estimates.

State response: These estimates are provided in the revised application.

Thank you for the opportunity to respond to these questions. The revised waiver renewal application request is being sent electronically to address these issues. Should you have any further questions, please contact Roy Smith at (803) 898-2721 or by e-mail at Smithroy@scdhs.gov.

Sincerely,


Susan B. Bowling
Deputy Director

SBB/wsk