

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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>9-24-07</i>
--------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000161</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Wells</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			

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



September 19, 2007

Ms. Emma Forkner, 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

SEP 24 2007

*Log: Myers
c: wells
Neer*

RECEIVED

RE: Partial Year Rate Increase MCO Ethical Contract (Select Health) for 2005

Dear Ms. Forkner:

We have reviewed the proposed rate increase for the period July 1, 2007 through December 31, 2007, for the Ethical Model Medicaid MCO contract (Select Health). We found that the contract amendment, which includes the capitation rates are within the rate range that was certified by an actuary, meets the requirements contained in 42 CFR 438 effective August 13, 2003. The rate range was approved by CMS on March 30, 2007. Based on our review of the submitted documents and information provided by your staff, we approve the rate increase.

If any future actuarial study or financial review reveals inaccuracies in the submitted capitation rate cost data, we reserve the right to recover the federal share of any unallowable costs resulting from the inaccuracies. In addition, if errors in the rates are later determined, you will be required to adjust your quarterly expenditure report to the Centers for Medicare & Medicaid Services.

We appreciate the effort and cooperation provided by your staff during our review. Should you have any questions, please contact Elaine Elmore at 404-562-7408.

Sincerely,

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