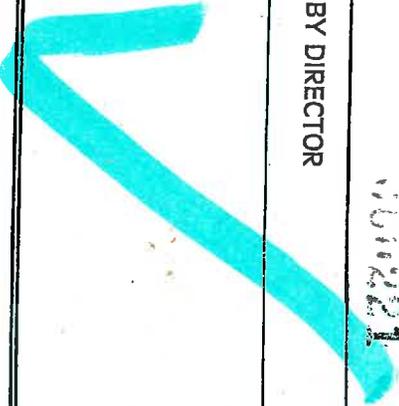


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Hess</i>	DATE <i>12-12-11</i>
-------------------	-------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>010221</i>	<input type="checkbox"/> I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<input type="checkbox"/> I Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> I 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

Center for Medicaid, CHIP and Survey & Certification
Financial Management Group
7500 Security Boulevard
Baltimore, MD 21244

RECEIVED

Mr. Anthony E. Keck
Executive Director
Department of Health and Human Services
P. O. Box 8206
Columbia, SC 29202-8206

DEC 12 2011

Department of Health & Human Services
OFFICE OF THE DIRECTOR

DEC - 8 2011

Dear Sir or Madam:
Billing offset

The grant awards listed below have been approved for federal funding for allowable Medicaid expenditures incurred by your State during the period 10/01/2011 - 12/31/2011 under Appropriation 75X0512 Centers for Medicare & Medicaid Services.

Medical Assistance Payments	\$(436,909)
Medicaid State Children's Health Insurance Program Payments	\$0
Administration Payments	\$0
Total Grant Awards	\$(436,909)

The above listed grant awards provide Federal funds for expenditures made in accordance with your State plan approved under Title XIX of the Social Security Act. Computation of the awards is shown on the enclosed statement.

With the acceptance of these awards, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised), and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with the 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. 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,

Deborah Stokes
Director,
Division of Financial Operations

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

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

	MEDICAL ASSISTANCE PAYMENTS	M-CHIP PAYMENTS	ADMINISTRATION PAYMENTS
1. ADJUSTMENTS FOR THE YEAR ENDED		0	\$
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	0	0	0
2. ESTIMATED FEDERAL SHARE OF EXPENDITURES FOR QUARTER BEGINNING OCTOBER 1, 2011	A. (436,909)	0	0
3. NET AMOUNT TO BE CERTIFIED	\$ (436,909)	0	\$ 0

TOTAL AMOUNT TO BE CERTIFIED \$ (436,909)

DATE APPROVED DEC 9 2011 COMPUTATION PREPARED BY: *Khia Livingston*
INTERNAL TRANSMITTAL NO. 26 COMPUTATION REVIEWED BY: *gr* (436,909)

PART A

FOOTNOTES

STATE SOUTH CAROLINA QUARTER/FISCAL YEAR FIRST/2012

A. \$ (435,819) represents the adjustment of your State's Medicaid grant award authority for delinquent Medicare Part A premiums that were due on NOVEMBER 1, 2011

\$ (1,090) represents interest assessed on delinquent Medicare Part A premiums calculated as follows:

Overdue Medicare Part A Premiums	\$ <u>435,819</u>
Applicable Supplementary Insurance Trust Fund Rate	<u>3.000</u> %
Number of Days Interest To Be Charged	<u>30</u>
Interest on Overdue Premiums (Overdue Premium Amounts times Trust Fund Rate times Number of Days Interest is to be Charged Divided by 360 Days)	\$ <u>1,090</u>

Under Section 301 of the Medicare Catastrophic Coverage Act of 1988, P.L. 100-360 States may pay premiums for certain groups of needy individuals in the Medicare Hospital Insurance program (referred to as HI or Medicare Part A). The benefit to States is to pass along certain expenses to the Medicare program which would otherwise have to be paid by the Medicaid Program. If a State fails to pay premiums when due, it violates the terms of the contractual agreement. In this situation, the Secretary under the authority of the Federal Claims Collection Act of 1966, codified at 31 U.S.C.3711, and implementing regulations located in 42 CFR 401 Subpart F, may recover the amounts due, including interest, by offset against funds owed the State. The interest rate will be the Supplementary Medical Insurance Trust Fund rate as computed for new investments in accordance with Section 1841 (C) of the Act, 42 U.S.C. 1395T (C) and is applied in 30-day increments over a 360-day year based on Treasury Fiscal Manual 1 TFM 6-8000. For additional information see Federal Register, Volume 50, Number 189 (September 30, 1985), pages 39784 and 39785.

To obtain Federal reimbursement for the portion of the premiums subject to Federal participation report the applicable Total Computable and Federal Share amounts on Line 17.(A) of the form CMS-64.9 or 64.9p (Health Insurance Payments, Part A Premiums) on your next quarterly expenditure report (Form CMS-64). A footnote, highlighting the fact that payment was made by offsetting your grant award authority, should be included with the expenditure report. Insert this remark in the footnote section of the certification page.

Interest assessed on overdue premiums is not subject to Federal reimbursement. To record the interest amount for recordkeeping purposes, enter the interest amount on Line 5 of the form CMS-64 Summary Sheet, identify it as "Interest-Overdue Premiums."

Question regarding this matter, should be directed to Fran Ferrante, Chief, Premium Billing Branch at (410) 786-6193

See Attachment 1.

MEMORANDUM

\$ 435,818.60 refers to delinquent Medicare Part A Premiums collected through offset to be credited to accounts receivable.

\$ 1,090.40 refers to interest charged on overdue Medicare Part A Premiums

partapi.wk1

DEC - 3 2011

FOOTNOTES

STATE SOUTH CAROLINA QUARTER/FISCAL YEAR FIRST/2012

A. \$ 0 represents the adjustment of your State's Medicaid grant award authority for delinquent Medicare Part B premiums that were due on NOVEMBER 1, 2011

\$ 0 represents interest assessed on delinquent Medicare Part B premiums calculated as follows:

Overdue Medicare Part B Premiums	\$ _____
Applicable Supplementary Insurance Trust Fund Rate	_____
Number of Days Interest To Be Charged	_____ %
Interest on Overdue Premiums (Overdue Premium Amounts times Trust Fund Rate times Number of Days Interest is to be Charged Divided by 360 Days)	_____
	\$ _____

Under Section 1843 of the Social Security Act States may enter into contractual agreements with the Secretary of the Department of Health and Human Services (Secretary) to enroll in Medicare Part B (Supplementary Medical Insurance) those Medicaid beneficiaries who are also eligible for Medicare. These agreements are commonly referred to as "buy-in" agreements. States which have entered into "buy-in" agreements with the Secretary agree to enroll individuals eligible for both programs in the Part B program, and to pay the Part B premium on their behalf. If a State fails to pay premiums when due, it violates the terms of the contractual agreement. In this situation, the Secretary under the authority of the Federal Claims Collection Act of 1966, codified at 31 U.S.C. 3711, and the implementing regulations located in 42 CFR 401 Subpart F, may recover the amounts due, including interest, by offsets against funds owed the State. The interest rate will be the Supplementary Medical Insurance Trust Fund rate as computed for new investments in accordance Section 1841 (C) of the Act, 42 U.S.C. 1395t(C) and is applied in 30-day increments over a 360-day year based on the Treasury Fiscal Manual I TFM 6-8000. For additional information see Federal Register, Volume 50, Number 189 (September 30, 1985), pages 39784 and 39785.

To obtain Federal reimbursement for the portion of the premiums subject to Federal participation report the applicable Total Computable and Federal Share amounts on Line 17.(B) of the form CMS-64.9 or 64.9p (Health Insurance Payments, Part B Premiums) on your next quarterly expenditure report (Form CMS-64). A footnote, highlighting the fact that payment was made by offsetting your grant award authority, should be included with the expenditure report. Insert this remark in the footnote section of the certification page.

Interest assessed on overdue premiums is not subject to Federal reimbursement. To record the interest amount for recordkeeping purposes, enter the interest amount on Line 5 of the form CMS-64 Summary Sheet, identify it as "Interest-Overdue Premiums."

Question regarding this matter, should be directed to Fran Ferrante, Chief, Premium Billing Branch at (410) 789-6193

See Attachment 2.

MEMORANDUM

\$ 0.00 refers to delinquent Medicare Part B Premiums collected through offset to be credited to accounts receivable.

\$ 0.00 refers to interest charged on overdue Medicare Part B Premiums

partbpi.wk1.

CALCULATION OF SUPPLEMENTAL AWARD

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR:

FIRST/2012

	MEDICAL ASSISTANCE PAYMENTS	M-CHIP PAYMENTS	ADMINISTRATION PAYMENTS
Secretary's Estimate of Funding Need for the Year	\$ 892,041,000	\$	\$ 25,539,000

Less:

Third Party Liability/Assignment of Rights-Billing Offset	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part A (Buy-In) Premiums Attachment <u>2</u>	(435,819)	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B (Buy-In) Premiums Attachment <u>3</u>	0	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Phase-Down Premiums Attachment _____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part A Interest Attachment <u>2</u>	(1,090)	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Part B Interest Attachment <u>3</u>	0	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
Phase-Down Interest Attachment _____	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX

FUNDING ADJUSTMENT

Adjusted funding for the quarter	\$ 891,604,091	\$ 0	\$ 25,539,000
Estimate previously funded for the quarter	(892,041,000)	_____	(25,539,000)
Net Amount of Funding	<u>\$ (436,909)</u>	<u>\$ 0</u>	<u>\$ 0</u>

PARTASUM

FORM CMS-152 (10/14/93) Supporting Schedule
 ATTACHMENT: 2

DEPARTMENT OF HEALTH AND HUMAN SERVICES
 CENTERS FOR MEDICARE AND MEDICAID SERVICES

Part A Premium and Interest Offset
 Against the Estimated Funding for the Quarter

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FIRST/2012

	September *	October *	November *	TOTAL
Premium Offset	\$ _____	_____	(435,819)	\$ (435,819)
Interest Assessed	_____	_____	(1,090)	(1,090)
Total	\$ <u>0</u>	<u>0</u>	<u>(436,909)</u>	\$ <u>(436,909)</u>

Footnotes:

- (1) Offset on 1st quarter FY _____ 2012 grant award dated _____
- (2) Offset on 1st quarter FY _____ 2012 grant award dated _____
- (3) Offset on 1st quarter FY _____ 2012 grant award dated 12/08/2011

NOTE: Report the Medicaid portion of these expenditures on the expenditure report for the quarter ending December 31, 2011

* Billing Month

partA2.wk1

12-13-2011

Part B Premium and Interest Offset
 Against the Estimated Funding for the Quarter

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FIRST/2012

	September *	October *	November *	TOTAL
Premium Offset	\$ _____	_____	0	\$ _____ 0
Interest Assessed	_____	_____	0	_____ 0
Total	\$ _____ 0	_____ 0	_____ 0	\$ _____ 0

Footnotes:

- (1) Offset on 1st quarter FY _____ 2012 grant award dated _____
- (2) Offset on 1st quarter FY _____ 2012 grant award dated _____
- (3) Offset on 1st quarter FY _____ 2012 grant award dated _____

NOTE: Report the Medicaid portion of these expenditures on the expenditure report for the quarter ending December 31, 2011

* Billing Month

partB2.wk1

SEP 30 2011