

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Singleton</i>	<i>5/21/09</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100651</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Foraker Depo, Mouison, CMS files</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.			

May 14, 2009

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

Dear Ms. Forkner:

This is in response to your letter dated April 7, 2009, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve a proposed Implementation Advance Planning Document (IAPD) to takeover and enhance the Decision Support Sub-System (DSS), and Surveillance and Utilization Review Sub-System (SURS), plus the Management and Administrative Reporting Sub-System (MARS) of the South Carolina Medicaid Management Information System (MMIS). The enhanced systems will form a state-of-the-art Medicaid Business Intelligence System with enhanced analysis capabilities such as data modeling and health outcome impact. The State is requesting approval of \$17,590,377 (Federal Share: \$3,604,951 at 90 percent; \$10,061,156 at 75 percent; \$85,500 at 50 percent; Total FFP: \$13,751,107) for Design, Development and Installation and operation of the new systems for 3 base years plus 2 option years.

I am pleased to inform you that CMS approves the Department's IAPD/DIS in accordance with 42 CFR Par 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the State Medicaid Manual. This approval is effective May 13, 2009, and ends on May 12, 2014. Approval of contractual costs for the new DSS, SURS and MARS vendor will be determined after the competitive procurement process is complete, and a contract and IAPD/DIS update are submitted for CMS prior approval in accordance with 45 CFR 95.611 and the SMM, Part 11. Approval of operational costs (i.e., 75 or 50 percent FFP) for the replacement system will be determined following full operations and subsequent Certification by CMS in accordance with 42 CFR 433, Subpart C, and the SMM, Part 11.

The State is 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 revision and amendment 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:

- (1) The Department's ability to demonstrate progress in meeting project milestones.
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 report for the project. These reports must measure progress against the approved DIS. Monthly status report 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.

In any event, authorization of Federal funding for the project will expire on May 12, 2014. Upon successful completion of the 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 project, and;
- Assurances/documentation that the completed project met the objectives and performed the functions described in the approved APD.

All costs identified in the IAPD are understood to be estimated costs only. Allowable costs are determined by 42 CFR Par 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the SMIM, Part 11. Only actual costs incurred are reimbursable. The State must provide adequate support for all costs claimed in addition to provided detailed records and proper audit trails.

If there are any questions concerning this approval, please contact David Hinson at (404) 562-7411 or via E-mail at Lawrence.hinson@cms.hhs.gov.

Sincerely,



Mary Kaye Justis, RN, MBA
Acting, Associate Regional Administrator
Division of Medicaid and Children's Health Operations