



June 27, 2013

The Honorable Thomas C. Alexander
South Carolina Senate
313 Gressette Building
Columbia, South Carolina 29201

Dear Senator Alexander:

Governor Haley's veto of \$5 million in funds earmarked for nursing homes was based on the concern that this allocation of one-time funds creates a recurring cost in the budget for which revenue may not be available in future years. This concern is heightened given the overall amount of one-time funds allocated to Medicaid in SFY2014.

Periodic rebasing of nursing home reimbursement is an important policy goal given the high percentage of all nursing home beds filled by Medicaid beneficiaries. Therefore, *the Department has identified recurring funds within our budget that achieve the same goal of increasing the nursing home line by \$5 million* while avoiding the trap of using non-recurring revenues which may not be available in the future.

If you have any questions, please do not hesitate to contact me at 803-898-2504.

Sincerely,



Anthony Keck
Director