

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Bowling Wells</i>	DATE <i>7-5-07</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>000005</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>7-12-07</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____	<input type="checkbox"/> Necessary Action
2. DATE SIGNED BY DIRECTOR <i>Marga on 7/17/07</i>	<input type="checkbox"/> FOIA DATE DUE _____		

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.	<i>Cleared on 7/17/07</i>		<i>Letter attached. Signed by Security Officer as ABC</i>
2.			
3.			
4.			



South Carolina
Department of
Mental Health

07103
SUSAN, pls let me know if
you want listed - Alv. Jan 03
/P.O. Box 485
3, S.C. 29202
(03) 898-8581

John H. Magill
State Director of Mental Health

MISSION STATEMENT

To support the recovery of people with mental

Magill
Bowling
Jan 03

June 28, 2007

RECEIVED

JUL 03 2007

Susan Bowling,
Acting Director
SC Department of Health and Human Services
1801 Main Street, PO Box 8206
Columbia, South Carolina 29202

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Susan:

During the past several years, the Center for Medicare and Medicaid Services (CMS) has had ongoing discussions regarding federal financial participation (FFP) requirements for rehabilitative services. The proposed changes have the potential to negatively impact the stability of thousands of our clients with severe and persistent mentally ill conditions. Clients being served by sixteen of our seventeen Community Mental Health Centers have been successful in remaining in the community for years with less or no hospitalization because of ongoing supportive and rehabilitative services that are provided in the community as well as at the clinic sites. These individuals depend on this support due to the nature of their illness as well as to the lack of resources both in the community and their own families. Without these services, both the state mental health hospitals and acute care hospitals will definitely see an increase in the number of admissions, or individuals awaiting a hospital bed. More importantly, the clients will face the devastating experience of decompensation after years of stability and for some of them, independence.

As you are aware, services for our clients have been delivered under the Medicaid rehabilitative services state plan option. We are proposing an alternative Medicaid rehabilitative state plan option due to CMS' recent interest in redefining FFP requirements for rehabilitative services and the chronic nature of the clients we serve. We are requesting DHHS to work with SCDMH to develop a state plan amendment under Section 6086 Home and Community-based Services of the Deficit Reduction Act of 2005. We are currently in discussions with the Iowa Medicaid and mental health authorities regarding their recently approved state plan amendment under this option.

MENTAL HEALTH COMMISSION:

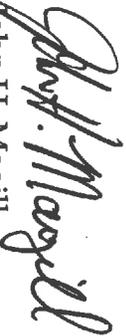
Alison Y. Evans, PsyD, Chair, Hartsville
Joan Moore, Vice Chair, Goose Creek

Jane B. Jones, Esqley
Harold E. Cheatham, Ph.D., Clemson

J. Buxton Terry, Columbia
H. Lloyd Howard, Landrum

Per recent discussions with Medicaid staff, it is our understanding that each state Medicaid program is limited to one target population under the DRA state plan option. SCDMH is requesting priority consideration as the state's designated target population. I would appreciate your assistance in identifying the next steps for our agencies to undertake this critically needed habilitative service delivery model. We look forward to working with DHHS on this initiative. Your assistance is greatly appreciated.

Sincerely,

A handwritten signature in black ink, reading "John H. Magill". The signature is written in a cursive style with a large, prominent "J" and "M".

John H. Magill
State Director



State of South Carolina
Department of Health and Human Services

Log 005

Mark Sanford
Governor

Susan B. Bowling
Acting Director

July 17, 2007

Mr. John H. Magill, State Director
South Carolina Department of Mental Health
Post Office Box 485
Columbia, South Carolina 29202

Dear Mr. Magill:

Thank you for your letter proposing an alternative Medicaid habilitative state plan option for clients with severe and persistent mental illness and your request for priority consideration regarding this target population. We will consider your priority request as we continue to internally assess the needs of the various populations that we serve. In doing so, we will explore new and existing Medicaid funding options to include those allowed through the Deficit Reduction Act of 2005.

Further, we will keep you informed of any Center for Medicare and Medicaid Services (CMS) changes in requirements to rehabilitative services and how they may affect current services provided by your agency. We appreciate the Department of Mental Health's support for Medicaid beneficiaries with persistent mental illness. However, as previously discussed with your staff, we have identified the need to revisit some of the existing services provided to the clients based on current CMS requirements. The Department of Health and Human Services will continue to work with your designee(s) to identify allowable Medicaid funding opportunities to assist this population.

Thank you for your continued efforts to provide quality services to Medicaid beneficiaries. Should you have any questions or need additional assistance, you may contact Ms. Jean C. McDaniel at 898-2565.

Sincerely,

Felicity Costin Myers, Ph.D.
Bureau Chief

FCM/mj