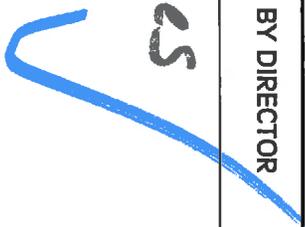


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

| | |
|---------------------------|-------------------------------|
| TO <i>Melba</i> | DATE <i>8-30-06</i> |
|---------------------------|-------------------------------|

| | |
|---|---|
| DIRECTOR'S USE ONLY | ACTION REQUESTED |
| 1. LOG NUMBER <i>000175</i> | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Ries</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. | | | |

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 41T20
Atlanta, Georgia 30303-8909



August 23, 2006

Rog. Wells
cc: Mac. Gestin
cc: Ries

RECEIVED
AUG 20 2006
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Mr. Robert M. Kerr, Director
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Re: South Carolina Title XIX State Plan Amendment, Transmittal #06-005

Dear Mr. Kerr:

We have reviewed South Carolina's State Plan Amendment (SPA) 06-005 which was submitted to the Atlanta Regional Office on June 12, 2006. This State Plan Amendment proposes to disregard the most recent Cost-of-Living Adjustment (COLA) for the Poverty Level Aged and Disabled population when the annual Social Security and Railroad Retirement COLAs and Poverty Level adjustments cause ineligibility. This disregard continues unless the individual loses Medicaid coverage for any other reason (other than the COLA increase) for three consecutive months. Upon reapplication, the COLA is no longer disregarded.

Based on the information provided, we are pleased to inform you that South Carolina SPA 06-005 is approved. The effective date is April 1, 2006.

Copies of the signed CMS-179 form and approved plan page are enclosed. If you have any questions regarding this amendment, please contact Elaine Elmore at (404) 562-7408.

Sincerely,

Renard L. Murray

Renard L. Murray, D.M.
Associate Regional Administrator
Division of Medicaid & Children's Health

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
SC 06-005

2. STATE
South Carolina

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR

4. PROPOSED EFFECTIVE DATE

HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

April 1, 2006

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:
1902

7. FEDERAL BUDGET IMPACT:

a. FFY 2006 \$ 162,450
b. FFY 2007 \$ 216,600

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

SUPPLEMENT 8a TO ATTACHMENT 2.6-A, Page 1

SUPPLEMENT 8a TO ATTACHMENT 2.6-A, Page 1

10. SUBJECT OF AMENDMENT:

Cost-of-Living Adjustment (COLA) disregard.

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Mr. Kerr was designated by the Governor
to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

13. TYPED NAME:

Robert M. Kerr

South Carolina Department of Health and Human Services

14. TITLE:

Director

Post Office Box 8206
Columbia, SC 29202-8206

15. DATE SUBMITTED:
June 12, 2006

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

June 12, 2006

18. DATE APPROVED:

August 23, 2006

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

April 1, 2006

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Renard L. Murray, D.M.

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

Revision: HCFA-PM-91-4
August 1991

(BPD)

SUPPLEMENT 8a to ATTACHMENT 2.6-A
Page 1
OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r) (2) OF THE ACT*

Section 1902(F) State

Non-Section 1902(F) State

- A. For Qualified Medicare Beneficiaries, Aged and Disabled, Working Disabled, and Specified Low-Income Medicare Beneficiaries, the rules for valuing in-kind support and maintenance are not applied.
- B. For pregnant women with income below the state established poverty level (185% as of 7/90), a married pregnant minor who lives with her parents is automatically considered emancipated and her parents income is not considered in determining her eligibility.
- C. For pregnant women, infants and children with income below the state established poverty level (185% as of 7/90), a deduction of child care expenses of \$200 per month per child less the amount paid by the ABC voucher program for each child receiving child care is used.
- D. For individuals applying under Section 1902(m) (1) of the Act, disregard the first \$50 of unearned income.
- E. For Poverty Level Aged and Disabled when the annual Social Security and Railroad Retirement COLAs and Poverty Level adjustments cause ineligibility, disregard the most recent COLA increase. This disregard continues until the individual loses Medicaid coverage for any other reason for three consecutive months.

*More liberal methods may not result in exceeding gross income limitations under section 1903(F).

TN NO. : 06-005
Supersedes :
TN No. : 02-004

Approval Date: 08/23/06 Effective Date: 04/01/06