

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

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| TO <i>Supra</i> | DATE <i>12-13-12</i> |
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| DIRECTOR'S USE ONLY | ACTION REQUESTED |
|---|---|
| 1. LOG NUMBER <i>000181</i> | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Singleton, Deps, CMS f.2</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 |
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| 3. | | | |
| 4. | | | |

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

December 7, 2012

SC-12-007

Anthony E. Keck, Director
Department of Health & Human Services
1801 Main Street
Columbia, SC 29201-8206

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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

Thank you for the Operational Advance Planning Document-Update (OAPD-U) that South Carolina submitted to the Centers for Medicare & Medicaid Services (CMS) on November 15, 2012. In accordance with 45 CFR Part 95, Section 95.610, the State submitted the OAPD-U to summarize the operational activities and expenditures of its Business Intelligence System (BIS) contract for the most recent State Fiscal Year, and to document its projected budget and planned acquisition activities for the next 12-month period. The State's BIS contract with Truven Health Analytics (formerly Thomson Reuters) provides management for key components of the Medicaid Management Information System (MMIS), including the Decision Support System (DSS), Surveillance and Utilization Review Subsystem (SURS), Management and Administrative Reporting Subsystem (MARS), and the Data Warehouse.

CMS approves South Carolina's OAPD-U effective on the date of this letter. Our approval of the State's OAPD-U is subject to the requirements in regulations at 45 CFR Part 95. Funding identified in the OAPD-U was previously approved by CMS in letters to the State dated May 14, 2009 (approving an Implementation Advance Planning Document (IAPD)), and July 19, 2010 (approving an Implementation Advance Planning Document-Update (IAPD-U) in support of the State's BIS contract with Thomson Reuters). A correction to the IAPD-U approval letter was issued on November 2, 2010.

The State is reminded that onsite reviews may be conducted to determine whether or not the objectives for which Federal Financial Participation (FFP) was approved are being accomplished, and whether or not the automatic data processing (ADP) 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 State Medicaid Manual (SMM). As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the APD for this project will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR Part 95.623, State acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

Any changes to previously approved contracts for this effort require CMS prior approval pursuant to 45 CFR 95.611. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and the SMM, Part 11. Only actual costs incurred are reimbursable. The State must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

I would like to thank you and your staff for your ongoing success in administering South Carolina's MMIS. If there are any questions concerning this information, please contact John Allison at (828) 575-2876 or via email at John.Allison@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations