

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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>4-19-10</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>1001425</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forkner, Dops, CMS file</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action		

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



April 14, 2010

RECEIVED

APR 19 2010

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

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Re: Cost Reporting by the South Carolina Department of Disabilities and Special Needs (DDSN)
Noted During the February 4, 2010 Exit Conference

Dear Ms. Forkner:

This is in response to your letter, dated April 8, 2010. In that letter, you requested an extension until July 1, 2011 for South Carolina to come into compliance with the reporting requirements for the DDSN Home and Community Based Waiver residential rates. In our previous letter to you, dated March 30, 2010, we requested that you prospectively come into compliance effective July 1, 2010.

We have carefully considered the information provided by you and your staff to include budgetary constraints, required administrative process changes, and beneficiary impact. While we are not able to grant you an extension until July 1, 2011, we are granting you an extension until January 1, 2011 to come into compliance. Specifically, beginning January 1, 2011, we ask that you remove the regional and DDSN level administrative expenses from the service claims. You should then properly claim them on the CMS 64.10 as administrative expenses at 50% FFP, reporting on the CMS 64 for the quarter ending March 31, 2011.

We hope this additional time will lessen the impact to the Medicaid beneficiaries and your organization. Please let us know if you need our assistance identifying the specific costs and allocations that need to be moved to administration. If you have any questions or need additional information, please contact Joyce Wilkerson, Financial Management Branch 1 Manager, (404)562-7426, Michelle White, Financial Analyst, (404)562-7328, or Cheryl Wigfall, Funding Specialist, (803)252-7172.

Sincerely,

Jackie L. Glaze
Acting Associate Regional Administrator
Division of Medicaid and Children's Health
Operations