

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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>5/13/09</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>1011639</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forlmer Cleared 7/2/09, after approval 1/1/FOIA</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>5/22/09</i> DATE DUE _____
	<input 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.			

DSSS

Serving Children and Families

KATHLEEN M. HAYES, PH.D.
STATE DIRECTOR

MARK SANFORD
GOVERNOR

RECEIVED

May 8, 2009

MAY 13 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Emma Forkner, Director
SC Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29201

Dear Ms. ^{Emma}Forkner:

The South Carolina Department of Social Services (SCDSS) requests reinstatement as a Medicaid provider of Targeted Case Management (TCM) Services for DSS foster children who have serious mental, emotional or behavioral disturbances (SED). This subgroup of the foster care population is particularly disadvantaged and in need of improved coordination of medical, behavioral, educational and social services. There is an existing State Plan Amendment which covers DSS TCM services for this population.

We propose to make TCM services available to foster children with SED in all counties of the state. The primary goals of our proposed TCM services are to 1) identify the strengths, problems and needs of foster children with SED, 2) develop and implement comprehensive case management plans to address the needs of these children, 3) access, coordinate and monitor service delivery for the children, and 4) improve the medical, social and personal outcomes of the children and youth served.

The proposed TCM activities for foster children with SED will be separate and distinct from basic child welfare and foster care services, and will be provided in accordance with federal CMS and South Carolina Medicaid requirements. In addition, DSS costs for child welfare and Medicaid TCM services will be appropriately separated and allocated in accordance with the cost allocation requirements of OMB Circular A-87.

TCM services for SCDSS foster children who have SED will be provided by Intensive Foster Care and Clinical Services (IFCCS) Service Coordinators. IFCCS Service Coordinators have specialized training that enables them to provide TCM services in addition to providing basic child welfare foster care services. Service Coordination under the IFCCS model is guided by a comprehensive strengths-based individualized plan of care for foster children with SED and their families and caregivers. Due to the intensity of providing basic foster care as well as specialized TCM services, each IFCCS Service Coordinator generally has a caseload of no more than 10 children.

Emma Forkner
May 8, 2009
Page 2

I respectfully request that you direct your staff to begin negotiations on a contract with SCDDSS so that we may provide Targeted Case Management services as briefly outlined above. We would like the effective date of this contract to be July 1, 2009. I have authorized my Chief of Staff, Katie Morgan, and Charlie Wadsworth, Director of Intensive Foster Care and Clinical Services, to represent DSS on this issue.

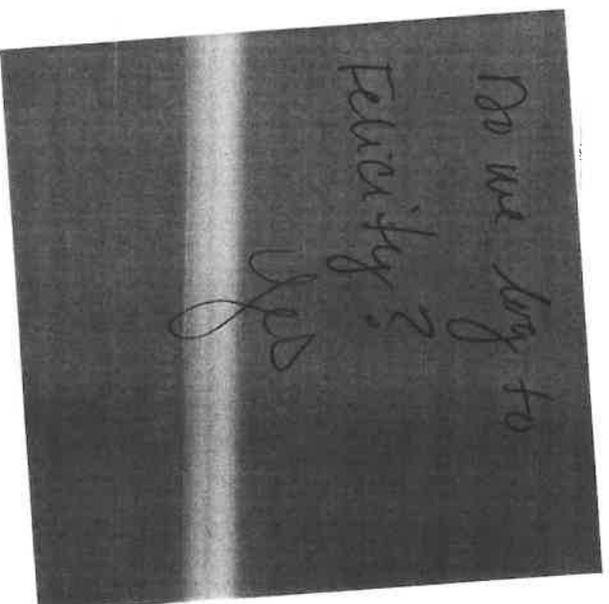
Thank you for your consideration of this important issue. We look forward to continued cooperation between our agencies in all matters, including working to improve the lives of the children in this disadvantaged subgroup of the foster care population.

Sincerely,



Kathleen M. Hayes, Ph.D.
State Director

cc: Katie C. Morgan
Charlie Wadsworth



Do we log to
Emily?
Yes

KATHLEEN M. HAYES, PH.D.
STATE DIRECTOR

DSSS
Serving Children and Families

MARK SANFORD
GOVERNOR

Ref Log # 639
C: Ms. Forkner
Myers
Waldrop

May 22, 2009

RECEIVED

MAY 27 2009

Emma Forkner
State Director
SC Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29201

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

Emma

This letter is to follow-up on my letter of May 8, 2009 regarding reinstatement of the South Carolina Department of Social Services (SCDSS) as a Medicaid provider of Targeted Case Management (TCM) Services for DSS foster children who have severe emotional or behavioral disturbances (SED). As this proposal was being reviewed, a technical error was discovered that needs to be corrected before we proceed with reinstating the contract for these services.

As you may know, the State Plan Amendment for targeted case management for SED children was approved in 1989 when services for all severely emotionally disturbed children were handled out of the Continuum of Care for Emotionally Disturbed Children in the Governor's Office (CCEDC). In 1996, 150 employees providing TCM services to SED foster children were transferred from CCEDC to SCDSS to create the Managed Treatment Services (MTS) Division for emotionally disturbed foster children. Your agency contracted with SCDSS/MTS for the provision of TCM services to the SED foster care population from 1996 until 2006 under the authority of the TCM SPA for Severely Emotionally Disturbed Children, as had been done before the organizational restructuring. However, in reading the specifics of the SPA, paragraph 19 (E) states that "Provider enrollment is limited to the Continuum of Care for Emotionally Disturbed Children..." Clearly, the intent of the SPA is to serve all SED children statewide regardless of their status as a foster child or not.

In order to make this technical correction, we suggest the SPA be amended to read, "Provider enrollment is limited to state agencies providing services to severely emotionally disturbed children." The Department of Social Services continues to provide intensive case management services to foster children in the targeted SED population through its Intensive Foster Care and Clinical Services Division, using philosophies, policies and practices similar to those of CCEDC.

Emma Forkner
May 22, 2009
Page Two

As noted in my earlier letter, the proposed TCM activities for foster children with SED will be separate and distinct from basic child welfare and foster care services, and will be provided in accordance with federal CMS and South Carolina Medicaid requirements. In addition, DSS costs for child welfare and Medicaid TCM services will be appropriately separated and allocated in accordance with the cost allocation requirements of OMB Circular A-87.

Thank you for your continued support of SCDDSS in providing needed services to this group of particularly disadvantaged foster children. I look forward to hearing from your agency soon regarding when we might reinstate TCM services.

With warm regards,

A handwritten signature in blue ink, appearing to read "Kathleen M. Hayes".

Kathleen M. Hayes, Ph.D.
State Director

KMH/m



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

July 2, 2009

Kathleen M. Hayes, Ph.D., Director
South Carolina Department of Social Services
Post Office Box 1520
Columbia, South Carolina 29202-1520

Dear Dr. Hayes:

This letter is in response to your correspondence, dated May 8, 2009, regarding reinstatement of the South Carolina Department of Social Services (SCDSS) as a Medicaid provider of Targeted Case Management (TCM) services for DSS foster children with severe emotional or behavioral disturbances (SED). The Department of Health and Human Services met with your staff on several occasions and with state agency representatives on June 19, 2009, to discuss possible reinstatement. Part of the meeting was devoted to discussion regarding TCM.

Based on conversations with your staff, we believe they have an understanding of our position regarding potential steps that need to be taken by all involved agencies. First and foremost, reinstatement would require a revision to the TCM sections of the State Medicaid Plan through submission of a State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) for approval. As is customary with submitting an amendment, it opens up not only the covered services section of the State Plan but also the reimbursement sections of the plan for review by CMS. This could potentially impact the reimbursement rates currently paid to the other state agencies receiving Medicaid reimbursement for TCM services. Because of other pressing priorities, another amendment would be a major undertaking for our agency, particularly for DHHS's Division of Ancillary Reimbursement, which is responsible for the rate development piece. We do, however, recognize the need to begin work on this initiative as soon as feasible.

Medical Services
P. O. Box 8206 Columbia South Carolina 29202-8206
(803) 898-2501 Fax (803) 898-4515

Log #639



Kathleen M. Hayes, Ph.D., Director
July 2, 2009
Page 2

Other factors that could impact any potential reinstatement include the TCM regulation proposed by CMS and the subsequent proposal to rescind certain portions of the December 4, 2007, interim final rule. As of June 30, 2009, CMS has partially rescinded the regulation and further review is necessary prior to proceeding with an amendment. Therefore, we have referred to our General Counsel for further interpretation.

We look forward to working with DSS to explore the options available to the state regarding reinstatement of DSS as a provider of Medicaid TCM. In the meantime, if you should have any questions, please contact Sam Waldrep, Bureau Chief, at 803-898-2590. Thank you for your continued support of the Medicaid program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Felicity Myers', is written over a horizontal line.

Felicity Myers, Ph.D.
Deputy Director, Medical Services