


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

**ACTION REFERRAL**

TO <i>Wills</i>	DATE <i>8/6/09</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100072</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Emma Johnson</i> <i>CMS</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

**RECEIVED**  
AUG 06 2009

Center for Medicaid and State Operations  
Financial Management Group  
1600 Security Boulevard  
Baltimore, MD 21244

Ms. Emma Forkner  
Executive Director  
Department of Health and Human Services  
P.O. Box 8206  
Columbia, SC 29202-8206

SEE FUNDING RESTRICTION ATTACHMENT

Dear Sir or Madam:

The grant award listed below has been approved for the period 10/01/2008 - 09/30/2009 under Appropriation **75X0518** Centers for Medicare & Medicaid Services. Any unused grant award authority may be carried forward and used in a subsequent period.

**Disproportionate Share Hospital Payments**

**\$8,051,297**

The above listed grant awards provide Federal funds for expenditures made in accordance with your State plan approved under Title XIX of the Social Security Act (the Act) for adjustment in payments for inpatient hospital services furnished by a disproportionate share hospital (DSH). The amount of this grant award is authorized under the provisions of section 1923(f)(3)(E) of the Act, as amended by section 5002 of the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5, enacted on February 17, 2009), providing for a "Temporary Increase in DSH Allotments During Recession". This grant award represents only the amount of the increase in your State's DSH allotment for FY 2009, as provided under section 1923(f)(3)(E) of the Act. The amount of this grant award does not include the amount of funds associated with your State's DSH allotment for FY 2009 as otherwise determined under section 1923(f) of the Act. Federal funds for expenditures for DSH payments related to the increase in your DSH allotment as provided under the ARRA provisions are only available after the DSH allotment prior to such increase has been exhausted. Federal funds are not available for expenditures for DSH payments in excess of the DSH allotment for the fiscal year.

Computation of this award is shown on the enclosed statement.

With the acceptance of this award, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised), and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with the grant award should be referred to the appropriate Centers for Medicare & Medicaid Services regional office financial contact for your State.

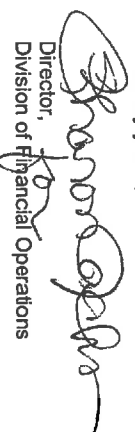
Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center. Inquiries regarding payment should be directed to:

Director, Division of Payment Management  
Post Office Box 6021  
Rockville, Maryland 20852-0605

Telephone Number 1-877-614-5533

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

  
Director,  
Division of Financial Operations

STATE: SOUTH CAROLINA

FISCAL YEAR 2 0 0 9

QUARTER ☐ 1ST ☐ 2ND ☐ 3RD ☒ 4TH

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE  
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

INCREASED  
MEDICAL  
ASSISTANCE  
PAYMENTS

DSH - ARRA Sec. 5002  
\$ A 8,051,297

1. ADJUSTMENTS FOR  
QUARTER ENDED

A. ACTUAL FEDERAL SHARE OF  
EXPENDITURES.....

8,051,297

B. ESTIMATED FEDERAL SHARE OF  
EXPENDITURES PREVIOUSLY FUNDED.....

C. DIFFERENCE.....

0

D. NET ADJUSTMENTS APPLICABLE TO  
PRIOR PERIODS.....

E. COLLECTIONS.....

F. OTHER.....

G. TOTAL ADJUSTMENTS.....

0

2. ESTIMATED FEDERAL SHARE OF  
EXPENDITURES FOR QUARTER  
BEGINNING 10/01/08 - 09/30/09

B 8,051,297

3. NET AMOUNT TO BE CERTIFIED.....

\$ 8,051,297

TOTAL AMOUNT TO BE CERTIFIED.....

\$C. 8,051,297

DATE APPROVED 09/21/09 COMPUTATION CHECKED BY

INTERNAL TRANSMITTAL NO. D-1

Tennessee North  
Ann W

# ACCOUNTING DATA FOR THE INCREASED DSH UNDER ARRA SEC. 5002

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FOURTH/2009

THIS AWARD IS FUNDED UNDER HHS SINGLE LETTER OF CREDIT NO. 75-08

# CENTRAL REGISTRY SYSTEM

ENTITY IDENTIFICATION NUMBER (CRS/EIN)

**157-600-0286-Z3**

[illegible]

**TOTAL AMOUNT TO BE CERTIFIED**

8,051,297

FOOTNOTES

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR:

FOURTH/2009

**SECTION 5002 - TEMPORARY INCREASE IN DSH ALLOTMENTS**

10.81.03

A. \$8,051,297 represents the total DSH allotment increase due to the American Recovery and Reinvestment Act of 2009 (ARRA). This is provided in accordance with Section 1923(f) of the Social Security Act as amended by Section 5002. See Attachment 1.

B. In accordance with section 5002 of ARRA, this grant represents the increased adjustment to the FY2009 DSH allotment. The additional grant award amount represents the Federal share difference between the pre-ARRA FY2009 DSH allotment and the increased DSH allotment under ARRA. These funds for expenditures for DSH payments related to the increase in your DSH allotment are available after the regular FY2009 DSH allotment has been exhausted.

A separate PMS subaccount has been established for you to draw these funds that is DSH09.

Refer any questions you have on the above to your Regional Office contact.

C. The funding authorized by this grant award is paid subject to any future financial management review or audit.

**Memorandum**

**DSH Adjustment**

The law required that the yearly limitation on DSH expenditures be calculated against the total computable for Fiscal Years 1993 through 1997. However, Section 4721(A) of the Balance Budget Act (BBA) of 1998 replaced the current DSH allotment methodology with statutorily defined Federal DSH allotments. For Fiscal Years 1998 through 2006, the Federal DSH allotments are listed in the Statute under 1923 (F) of the Act.

CALCULATION OF INITIAL AWARD  
Increased DSH Funding Under Title XIX Section 5002 ARRA

STATE: SOUTH CAROLINA

QUARTER/FISCAL YEAR: FOURTH/2009

INCREASED  
MEDICAL ASSISTANCE  
PAYMENTS

Secretary's Estimate of Funding  
Need for the Quarter

\$ 8,051,297

801,867,000

Less:

SPR Penalty,  
Attachment

XXXXXXXXXXXXXXXXXXXXX

MEQC Penalty,  
Attachment

Third Party Liability/Assignment  
of Rights-Billing Offset  
Attachment

XXXXXXXXXXXXXXXXXXXXX

Part A (Buy-In) Premiums  
Attachment

Part B (Buy-In) Premiums  
Attachment

Part A Interest  
Attachment

Part B Interest  
Attachment

DSH ADJUSTMENT

Adjusted funding for the quarter

\$ 8,051,297

Estimate previously funded for  
the quarter

Net Amount of Funding

\$ 8,051,297