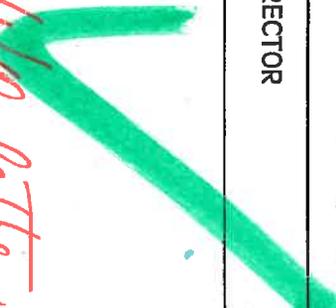


DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>M. Yess</i>	DATE <i>6-18-10</i>
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<b>DIRECTOR'S USE ONLY</b>		<b>ACTION REQUESTED</b>	
1. LOG NUMBER <i>1000491</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Melle Jankus</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>6-28-10</i> <input type="checkbox"/> FOIA DATE DUE _____		
<i>Approved 7/1/10, letter</i>		<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.			



*State of South Carolina  
Department of Mental Health*

**RECEIVED**

JUN 18 2010

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

2414 Bull Street • P. O. Box 485  
Columbia, SC 29202  
Information: (803) 898-8581

John H. Magill  
State Director of Mental Health

**MENTAL HEALTH COMMISSION:**

Alison Y. Evans, PsyD, Chair  
Joan Moore, Vice Chair  
Jane B. Jones  
Everard Rutledge, PhD  
J. Buxton Terry

June 16, 2010

Ms. Emma Forkner, State Director  
SC Department of Health and Human Services  
1801 Main Street  
Columbia, SC

Dear Ms. Forkner:

Department of Mental Health (DMH) staff are preparing for the implementation of the State Plan Amendment and staff would like to get clarification about two issues that were raised before and for which we do not have clear direction.

One of the issues has to do with steps taken by your agency to monitor the accuracy of claims for services by private providers of paraprofessional services authorized by DMH or other state agencies. As you know, DMH has set aside some limited funding in the upcoming fiscal year to pay the State match for authorized paraprofessional services by qualified private providers for some of our clients with serious and persistent mental illness who require additional supports. It is in both our agencies interest that measures be in place to ensure no payments are made for services that exceed those authorized by DMH or other State agencies.

We understand that DHHS is planning to implement an automated monitoring system in the future, but I would like to know what interim measures DHHS has or will put in place in the short term to help DMH corroborate the accuracy of claims for authorized services.

A second issue is about the development of a procedure by which DMH will recover the state match it paid for paraprofessional services in cases when a provider to whom the Department has referred a client for services is subsequently required to pay-back money as result of an audit. We understand that at this point your agency does not have a particular way of ensuring the re-allocation of the state match to the DMH budget, but would like assurance that a procedure will be put in place in the near future.

Thank you for your assistance in resolving these issues.

Very truly yours,

  
John H. Magill  
State Director

**MISSION STATEMENT**

To support the recovery of people with mental illnesses.





491 ✓

**State of South Carolina**  
**Department of Health and Human Services**

Mark Sanford  
Governor

Emma Forkner  
Director

July 1, 2010

Mr. John Magill, State Director  
South Carolina Department of Mental Health  
2414 Bull Street  
PO Box 485  
Columbia, South Carolina 29202

Dear Mr. Magill: *John*

This is in response to your letter dated June 16, 2010, regarding issues raised by the Department of Mental Health (DMH) related to the implementation of the State Medicaid Plan Amendment for Rehabilitative Behavioral Health Services.

We certainly understand your concern about monitoring the accuracy of claims submitted by private providers. The Department of Health and Human Services (DHHS) has initiated the development of a Prior Authorization System which we anticipate will be ready for implementation later this year.

As discussed with your staff at our June 28<sup>th</sup> monthly meeting, DHHS will provide monthly expenditure reports to each referring state agency. Each agency will be responsible for reviewing the detailed claims information against what was authorized by the agency and to identify any discrepancies for necessary action. DHHS will also be monitoring for outliers and discrepancies and will adjust for the discrepancies when identified. This process will not apply in the event of a post payment review conducted by the Division of Program Integrity.

We are aware that DMH has set aside a specific amount of state match for the upcoming fiscal year for authorized paraprofessional services, referred to qualified providers for DMH adult beneficiaries with serious and persistent mental illness who require additional support. In order to track these funds and ensure that if unauthorized services are paid, they are credited back into the DMH state match fund, DHHS has created a unique fund code to capture the clubhouse program expenditures. A monthly management report will allow DMH to see a breakdown of the services rendered by the five providers. If an error is identified, the provider can be notified and void the claim or DHHS program area staff can void the claim. DHHS will allow DMH thirty days time from receipt of the report to make necessary adjustments.

Mr. John Magill, State Director  
July 1, 2010  
Page 2

An adjustment made at the claim level will ensure that the state match is credited back to the DMH budget code. We anticipate production of this process to be effective with the July 16<sup>th</sup> payment. DMH should notify the five clubhouse programs and request that they hold all billing until July 12<sup>th</sup> to ensure the integrity of this process.

We believe these measures will address the concerns raised by DMH regarding the accuracy of services authorized and the paid claims.

If you should have further questions, please contact Ms. Pheobia Cooper in the Division of Family Services, at 803-898-2565. As always, we appreciate your participation in the Medicaid Program.

Sincerely,



Emma Forkner  
Director

EF/mwcj