

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

ACTION REFERRAL

TO <i>Roberts</i>	DATE <i>11-25-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000189</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Ligggett, Hutto</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.			

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

November 22, 2013

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NOV 25 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

(803) 253-4160
FAX (803) 343-0723

Mr. Anthony E. Keck, Director
South Carolina Department of Health
and Human Services
1801 Main Street
Columbia, South Carolina 29201

Dear Mr. Keck:

Article III, paragraph D. of the contract between the Office of the State Auditor and the South Carolina Department of Health and Human Services requires the Office of the State Auditor to examine nursing facilities once every four years. In addition, the Office of the State Auditor also uses the following criteria to select the engagements.

- Results of prior work
- Results of cost report analyses
- A provider's entry into or departure from the Medicaid program
- Results of ongoing work of related providers
- Appropriate referrals or requests
- Experience factors

The following identifies the engagements that we plan to conduct during federal fiscal year 2013.

I. Nursing Homes – In most instances the latest filed cost report will be selected and the prior cost report will also be selected if the ongoing work indicates the probable existence of material findings. We will first complete all engagements that were scheduled and/or in-progress during the prior year. Once those engagements have been completed we will conduct agreed-upon procedures engagements of the following Nursing Homes.

1. Calhoun Convalescent Center
2. Chesterfield Convalescent Center
3. Commander Nursing Center
4. Dr. Ronald E. McNair Memorial Nursing Center
5. Ellenburg Nursing Center, Inc.
6. HCRC of America d/b/a Oakmont-Union
7. Heartland Health Care Center-Charleston
8. Heartland of Columbia Rehabilitation Center
9. Heartland of Lexington Rehabilitation & Nursing Center
10. Heartland of West Ashley Rehabilitation & Nursing Center
11. Honorage Nursing Center, Inc.
12. Lancaster Convalescent Center, Inc.
13. Lexington Medical Center Extended Care
14. Life Care Center of Charleston

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15. Life Care Center of Columbia
16. Life Care of Hilton Head
17. Marion Nursing Center, Inc.
18. Mountainview Nursing Home
19. Oakmont East
20. Oakmont West
21. Saluda Nursing Center
22. Southland Health Care Center
23. Valley Falls Terrace Nursing Center

- II. Personal Needs Fund (PNF) – No work is scheduled.
- III. Home Health – No work is scheduled.
- IV. Hospitals – No work is scheduled.
- V. Disproportionate Share Hospital – No work is scheduled.
- VI. Hospital Based Nursing Homes (HBNH) – Kingston Nursing Center is planned.
- VII. Residential Treatment Facilities – No work is scheduled.
- VIII. Federally Qualified Health Care Centers (FQHC) – No work is scheduled.

The overall planning materiality amount for each engagement will be determined based on statewide nursing home payments.

If your staff has any questions about the information presented, please do not hesitate to contact Jay Von Kannel at 253-4160.

Sincerely,



Richard H. Gilbert, Jr., CPA
Deputy State Auditor

cc: Jeff Saxon
Kathleen C. Snyder

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