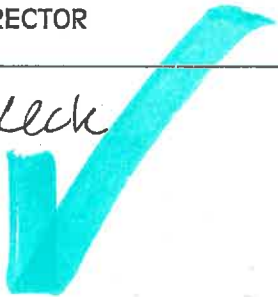


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Waldrep</i>	DATE <i>8-22-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101089</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>C: Director Keck</i> <i>Deps</i> 	<input checked="" 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.			

August 18, 2011

Mr. Anthony E. Keck, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Dear Mr. Keck:

This letter is in response to South Carolina Department of Health and Human Services request to have the Centers for Medicare & Medicaid Services (CMS) re-evaluate South Carolina Department of Disabilities and Special Needs (SCDDSN) administrative costs in regards to the waiver rate, in that, the Intermediate Care Facilities for the Mentally Retarded (ICF/MRs) are not a part of the Organized Health Care Delivery System (OHCDS) and that the administrative costs are not included in the waiver rate. We have reviewed the additional information submitted and based upon our review, it appears the ICF/MRs are not a part of the OHCDS and that the administrative costs are not included in the waiver rate.

In reference to the waiver, CMS is requesting that the State come into compliance with the reporting of SCDDSN administrative cost on the CMS-64 Expenditure report for quarter ending September 30, 2011 and retrospective adjustments of the rates through cost settlements to January 1, 2011

Should you have any questions concerning this letter or the letter dated June 2, 2011, please contact Davida Kimble, Branch Manager, at (404) 562-7496, Michelle White at (404) 562-7328 or Cheryl Wigfall at (803) 252-7172.

Sincerely,



Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

RECEIVED

AUG 22 2011

Department of Health & Human Services
OFFICE OF THE DIRECTOR

From: "Kimble, Davida R. (CMS/CMCHO)" <Davida.Kimble@cms.hhs.gov>
To: Jeff Saxon <Saxon@scdhhs.gov>, Roy Hess <HESSROY@scdhhs.gov>, Anthony Ke...
CC: "Wigfall, Cheryl (CMS/SC)" <Cheryl.Wigfall@cms.hhs.gov>, "Glaze, JackieL...
Date: 8/24/2011 5:04 PM
Subject: RE: Follow-up on SCDDSN Administrative Costs

Yes, the ICF/MR administrative costs are allowable as service costs since the ICF/MRs are not part of the waiver. As with any other cost settlements passed on audited cost reports you would need to make adjustments on the CMS-64.

The administrative costs for the ICF/MRs would not be part of the adjustment required for the administrative costs claimed in the waiver rate for the waiver program.

Hope this helps. Please call me if you need to discuss further.
Thank you

Davida Kimble
Branch Manager
Financial & Program Management Branch 1
Division of Medicaid & Children's Health Operations
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW - Suite 4T20
Atlanta, Georgia 30303-8909
404-562-7496
FAX 404-562-7482

Are you uninsured? Do you have a medical condition? If so, you may be eligible for the new Pre-existing Condition Insurance Plan. Call toll-free (866) 717-5826, TTY (866) 561-1604 or visit www.pcip.gov and click on "Find Your State" to learn more.

-----Original Message-----

From: Jeff Saxon [mailto:Saxon@scdhhs.gov]
Sent: Wednesday, August 24, 2011 8:38 AM
To: Kimble, Davida R. (CMS/CMCHO); Roy Hess; Anthony Keck
Cc: Wigfall, Cheryl (CMS/SC); Glaze, Jackie L. (CMS/CMCHO); White, Michelle M. (CMS/CMCHO); Sam waldrep
Subject: Re: Follow-up on SCDDSN Administrative Costs

Hello Davida:

Thank you for the response. However, in order to bring closure to this particular issue, please confirm whether or not the following interpretation of the letter is correct:

The SCDDSN administrative costs are allowable as service costs in SC Medicaid ICF/MR rate setting and the retrospective cost settlement process since ICF/MR services are not part of the waiver (in which SCDDSN administrative costs are held to the 50/50 rate).

Thanks for your assistance in this matter and please let me know if you have any questions.

Jeff

Jeff Saxon
Bureau Chief
Bureau of Reimbursement Methodology & Policy
SCDHHS
Phone: 803.898.1040
Fax: 803.255.8228

>>> "Kimble, Davida R. (CMS/CMCHO)" <Davida.Kimble@cms.hhs.gov>
8/18/2011 5:29 PM >>>

Mr. Keck,

Please see the attached letter regarding SCDDSN administrative costs for ICF/MRs. A hardcopy has also been mailed to you. If you or your staff have any questions, please do not hesitate to contact me.

Thank you.

Davida Kimble
Branch Manager
Financial & Program Management Branch 1
Division of Medicaid & Children's Health Operations
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW - Suite 4T20
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