

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

EA

TO <i>Supla</i>	DATE <i>7-7-14</i>
--------------------	-----------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000010</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Host, Deps, CMS file</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  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

---

July 2, 2014

SC-14-008

Mr. Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, SC 29201-8206

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Operational Advance Planning Document-Update (OAPD-U) that South Carolina submitted on May 21, 2014. In accordance with 45 CFR Part 95.610, the state submitted the OAPD-U to summarize the operational activities and expenditures of its Medicaid Management Information System (MMIS) Business Intelligence System contract for the most recent contract year, and to document its projected budget and other activities for the remainder of federal fiscal year 2014. South Carolina contracts with Truven to perform MMIS business intelligence. This partial year approval will allow the state to realign their OAPD submissions to align with federal fiscal year reporting. The state is requesting \$1,200,995 (\$900,746 total federal financial participation (FFP) at 75% FFP). This funding will expire on September 30, 2014.

Our approval of South Carolina's OAPD-U is subject to the requirements in regulations at 45 CFR Part 95, Subpart F, and 42 CFR Part 433, Subpart C. Funding identified in the OAPD-U was previously approved by CMS in letters to the state dated July 19, 2010, November 2, 2010, and June 4, 2013, approving a contract with Truven for \$12,753,384 for a base period of three years with two one year options.

South Carolina is reminded that onsite reviews may be conducted to determine whether or not the objectives for which FFP was approved are being accomplished, and whether or not the automatic data processing (ADP) equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95, Section 621 and the State Medicaid Manual (SMM). As provided by the SMM, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to the APD for this project will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR Part 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

Mr. Anthony E. Keck

Page 2

Any changes to previously approved contracts for this effort require CMS prior approval pursuant to 45 CFR 95.611. Allowable costs are determined by 42 CFR Part 433.116, 45 CFR Part 92, 45 CFR Part 95, Subpart F, and Part 11 of the SMM. Only actual costs incurred are reimbursable. The state must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

I would like to thank you and your staff for your ongoing success in administering South Carolina's Medicaid Management Information System (MMIS), of which the MMIS Business Intelligence contract is an important part. If there are any questions concerning this information, please contact L. David Hinson at (404) 562-7411 or via email at [Lawrence.Hinson@cms.hhs.gov](mailto:Lawrence.Hinson@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations

# Operational Advance Planning Document

Name:	Business Intelligence System	Submission Date:	May 17th 2014																												
<b>Description:</b> This project encompasses the following services: • Decision Support System (DSS); SURS; MARS; Operate Data Warehouse and Supporting and Consulting Services • Surveillance and Utilization Review Subsystem (SURS); • Management and Administrative Reporting Subsystem (MARS); • Operation of the Data Warehouse, and; • Provide consulting services																															
The contract was awarded July 20, 2010. The Contract was awarded to Thompson Reuters (Truven). The contract award amount was \$10,048,355. The Contract term is for three (3) years with two (2) one-year options. The contract expires July 19, 2015.																															
<b>APD History:</b> The original IAPD was approved on May 14, 2009. An IAPDU for contract award was approved by CMS July, 19, 2010, due to an incorrect amount approved a corrected approval letter was issued November 2, 2010. A IAPDU was submitted April 8, 2013 and approved June 4, 2013 to accommodate contractual changes for the Transformed Medicaid Statistical Information System (T-MSIS). The approval of the IAPD and Change Order increased the contract value to \$12,753,384.																															
<b>Historical Milestones and Activities:</b> The Design, Development and Implementation for the BIS functions occurred from August 2010 through December 2012, and was certified June 21, 2012. • In FY 2014, 477 or 66% of all Program Integrity cases were initiated through data mining (as opposed to a complaint or a referral), based on information from the BIS and using the Truven tools. • In FY 2014 SCDHHS opened a total of 901 cases. Every Program Integrity case and audit is based on and supported by data from the BIS, however, with the exception of the Recovery Audit Contractor (RAC) cases. The RAC gets a download from MMIS directly and uses its own system. • Of the 901 cases opened last year, 175 were RAC cases.																															
<b>Expenditures to Date:</b> <table border="1"> <thead> <tr> <th></th> <th>Federal Share</th> <th>State Share</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>SFY11</td> <td>\$ 1,158,218</td> <td>\$ 291,073</td> <td>\$ 1,449,290</td> </tr> <tr> <td>SFY12</td> <td>\$ 1,646,324</td> <td>\$ 548,775</td> <td>\$ 2,195,099</td> </tr> <tr> <td>SFY13</td> <td>\$ 1,738,724</td> <td>\$ 535,411</td> <td>\$ 2,274,135</td> </tr> <tr> <td>SFY14</td> <td>\$ 1,302,006</td> <td>\$ 402,023</td> <td>\$ 1,704,029</td> </tr> <tr> <td colspan="3"></td> <td>(July 1, 2013-April 30, 2014-expenditures to date)</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$ 5,845,272</b></td> <td><b>\$ 1,777,281</b></td> <td><b>\$ 7,622,553</b></td> </tr> </tbody> </table>					Federal Share	State Share	Total	SFY11	\$ 1,158,218	\$ 291,073	\$ 1,449,290	SFY12	\$ 1,646,324	\$ 548,775	\$ 2,195,099	SFY13	\$ 1,738,724	\$ 535,411	\$ 2,274,135	SFY14	\$ 1,302,006	\$ 402,023	\$ 1,704,029				(July 1, 2013-April 30, 2014-expenditures to date)	<b>TOTAL</b>	<b>\$ 5,845,272</b>	<b>\$ 1,777,281</b>	<b>\$ 7,622,553</b>
	Federal Share	State Share	Total																												
SFY11	\$ 1,158,218	\$ 291,073	\$ 1,449,290																												
SFY12	\$ 1,646,324	\$ 548,775	\$ 2,195,099																												
SFY13	\$ 1,738,724	\$ 535,411	\$ 2,274,135																												
SFY14	\$ 1,302,006	\$ 402,023	\$ 1,704,029																												
			(July 1, 2013-April 30, 2014-expenditures to date)																												
<b>TOTAL</b>	<b>\$ 5,845,272</b>	<b>\$ 1,777,281</b>	<b>\$ 7,622,553</b>																												

# Operational Advance Planning Document

Name: <b>Business Intelligence System</b>		Submission Date: <b>May 17th 2014</b>	
Planned Activities and Milestones for Next 12 Months:			
<p><b>Acquisition:</b></p> <p>Base contract expires July 19, 2013, the state request approval of the award of the second and final option year.</p>			
<p><b>System:</b></p> <p>None.</p>			
<p><b>Operations:</b></p> <p>Continue operations.</p>			
<p>State staff will continue to administer the contract monitoring and other administrative duties. TMSIS is on schedule and starting testing this month and expected to be ready for production release in June.</p>			
<b>FFY14 (May thorough September)</b>			
	<b>Federal Share (75/25)</b>	<b>State Share (75/25)</b>	<b>TOTAL</b>
Vendor	\$ 900,746	\$ 300,249	\$ 1,200,995
<b>TOTAL</b>	<b>\$ 900,746</b>	<b>\$ 300,249</b>	<b>\$ 1,200,995</b>