

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Supra</i>	DATE <i>7-18-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000026</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Kost, 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**

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July 12, 2013

SC-13-011

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

**RECEIVED**

JUL 18 2013

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Implementation Advance Planning Document-Update (IAPD-U) and five-year contract with First Data Government Solutions submitted by South Carolina to the Centers for Medicare & Medicaid Services (CMS) on May 20, 2013 are approved effective on the date of this letter. South Carolina submitted the IAPD-U and contract to procure an expanded Care Call system for electronic monitoring, service documentation, reporting, and billing in support of eight Home and Community Based Waivers (HCBWs) and two children's programs. The Care Call system, which now includes First Data's AuthentiCare platform, facilitates the tracking of HCBW services provided to Medicaid beneficiaries, as well as electronic billing of associated claims to the Medicaid Management Information System (MMIS).

The IAPD-U and contract with First Data Government Solutions are approved in accordance with 42 CFR Part 433, Subpart C, 45 CFR Part 95, Subpart F, and the State Medicaid Manual, Part 11. Previously, CMS sent to South Carolina an IAPD approval letter for this project dated November 7, 2011, approving total funding in the amount of \$12,883,051. Per that letter, federal financial participation (FFP) amounted to \$8,346,078, with \$1,157,940 at 90 percent FFP, \$4,169,738 at 75 percent FFP, and \$3,018,400 at 50 percent FFP.

As requested in the IAPD-U, CMS is approving an additional \$303,465 in funding, so that total funding for this contract now amounts to \$13,186,516, with FFP of \$8,431,177. The FFP breaks out as follows: \$655,740 at 90 percent FFP, \$4,639,437 at 75 percent FFP, and \$3,136,000 at 50 percent FFP. Funding approval will expire on December 18, 2017, the last day of the five-year contract. For the Care Call project, this letter supersedes CMS's previous letter dated November 7, 2011.

FFP Rate	Care Call - Total Funding	Care Call - Federal Share
90%	\$728,600	\$655,740
75%	\$6,185,916	\$4,639,437
50%	\$6,272,000	\$3,136,000
<b>Total</b>	<b>\$13,186,516</b>	<b>\$8,431,177</b>

In accordance with the South Carolina Procurement Code, the contract between the state and First Data Government Solutions consists of the RFP, the RFP amendment, First Data's technical proposal, the Record of Negotiations (which contains the price proposal, and was signed by representatives for the state and vendor), and Change Order #2 (which reduced the total price of the contract). South Carolina effectuated the contract before submitting it to CMS for review and approval.

Per regulations at 45 CFR 95.611, the state must obtain prior approval from CMS before executing this contract. Failure to do so can result in disapproval or suspension of project funding. The state has no authority to obligate federal funds without CMS approval. In response to this letter, CMS requests that South Carolina submit a corrective protocol detailing the state's plan to ensure additional such contracts are submitted for our review and approval before state execution. The protocol should be submitted to CMS by August 1, 2013.

South Carolina is reminded that onsite reviews will 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. As provided by the State Medicaid Manual, Section 11200 and by 45 CFR 95.611, all subsequent revisions and amendments to this IAPD-U 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.

In addition, continued federal funding for South Carolina's MMIS is contingent upon the state initiating monthly submission of the Transformed Medicaid Statistical Information System (T-MSIS) format beginning January 2014. Data submissions are expected to meet quality validation routines for acceptance within 30 days of the reporting month. MSIS formats will no longer be accepted as part of this transition. CMS understands that not all the requested T-MSIS data elements may be collected by the state. CMS requires a list of those elements which are not currently collected, an estimate of when they may be collected, and a mapping of those elements which are captured by the state to the relevant files.


Should the MMIS fail to maintain and produce all federally required program management data and information, including the required T-MSIS, eligibility, provider, and managed care encounter data, in accordance with requirements in Part 11 of the State Medicaid Manual and the approved IAPD-U for this effort, FFP may be suspended or disallowed as provided for in federal regulations at 45 CFR 95.612.

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 State Medicaid Manual. All costs identified in the IAPD-U are understood to be estimates only. 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.

Mr. Anthony E. Keck  
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I would like to thank you and your staff for your work on this project. If there are any questions concerning this information, please contact John Allison at (828) 575-2876 or via email at [John.Allison@cms.hhs.gov](mailto:John.Allison@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive, flowing style.

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