

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

cc'd to
Chd for
Mort 1:00 pm

TO	DATE
Myers	5-2-08

DIRECTOR'S USE ONLY	ACTION REQUESTED	
1. LOG NUMBER 000570	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	
2. DATE SIGNED BY DIRECTOR cc: Ms. Fortner, Depo, Jacobs	<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.			

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3.			
4.			

April 29, 2008

Emma Forkner
Director
South Carolina Department of
Health and Human Services
1801 Main Street
Columbia, South Carolina 29202

RECEIVED
MAY 02 2008
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Re: Financial Management Review of Mental Health Outpatient Rehabilitation Services

Dear Ms. Forkner:

The U.S. Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), Atlanta Regional Office plans to conduct a Financial Management Review (FMR) of Mental Health Outpatient Rehabilitation Services claimed during State fiscal year ended in 2007. The review will include all mental health outpatient rehabilitation services furnished through other State Agencies or through other providers and reimbursed by the South Carolina Department of Health and Human Services (SCDHHS). Cheryl Wigfall of my staff would like the opportunity to meet with you and other members of your staff that you designate to discuss the FMR on May 7, 2008 at 3 p.m.

The FMR will address whether Federal comparability, freedom of choice, reimbursement and documentation requirements are being met and assure compliance with the Institution for Mental Disease (IMD) and inmate exclusions. Cheryl Wigfall will have primary responsibility for financial issues of the FMR, and Elaine Elmore will have responsibility for policy and coverage issues of the FMR. To facilitate this review, we request that the following items for State Fiscal Year 2007 be submitted to us electronically to Cheryl.Wigfall@CMS.HHS.GOV if possible, prior to the entrance conference:

1. Listing of all Agencies/providers that provide mental health outpatient rehabilitation services for which the SCDHHS makes a payment. Please include the provider number for each agency, a contact name and telephone number, and whether the payment is fee for service, or some other payment methodology (such as daily rate, per diem, etc.).
2. Listing of Agencies that claim mental health outpatient rehabilitation services on behalf of the Agencies listed at #1 above and/or directly enrolled subcontractors. Please include the provider number, the location (address) of the home including county, contact information, telephone number, the number of beds in each home, and provider number. Please indicate which providers are directly enrolled subcontractors.
3. Listing of all residential facilities that are enrolled Medicaid rehabilitation services providers or are subcontractors of enrolled Medicaid rehabilitation services providers

including location address of the facility, contact information with telephone number, the number of beds in each home, and provider number.

4. Listing of other facilities under the authority of other state agencies in which incarcerated Medicaid eligibles reside. Please include the provider number, the location (address) of the home including county, contact information, telephone number, the number of beds in each home, and provider number.
5. Subcontractor Financial reports submitted to SCDHHS;
6. Copy of the South Carolina Medicaid Rehabilitation Services Manual;
7. Copy of manuals written or provided by other State agencies for mental health outpatient rehabilitation services reimbursed through the South Carolina Medicaid Agency;
8. Audit reports/or other reviews on South Carolina Medicaid Mental Health Outpatient Rehabilitation Services (Attorney General, Utilization Review, Program Integrity, etc...);
9. Electronic copies of Interagency Agreements or Memorandums of Understanding with other State Agencies that provide mental health outpatient rehabilitation services;
10. Mental Health outpatient rehabilitation Procedure Codes, units and rates paid per unit if statewide rates are used.
11. A written narrative of how the rates are set, and an explanation of whether the rates are different for the different providers or state agencies.
12. Written narrative/or flow chart of the billing and payment processes for mental health rehabilitation services for each agencies/or subcontractors listed at #1 and #2 above.

We appreciate your cooperation and assistance and look forward to working with your staff on this review. If you have any questions related to this review, please contact Cheryl Wigfall at 803-252-7172 or Hugh Webster, Branch Manager at 404-562-7432.

Sincerely,



Jay Gavens,
Acting Associate Regional Administrator
Division of Medicaid and Children's Health

CC: William Wells, SCDHHS
Cheryl Wigfall, CMS