

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Supra</i>	DATE <i>12-6-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000169</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Keck, Singleton, 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.			<i>Bren- 11/30</i> <i>you should rec</i> <i>hard copy in mail-</i> <i>Jhr</i> <i>Jhr</i>
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Chicago Regional Office
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601



Consortium for Medicaid and Children's Health Operations

November 26, 2012

Anthony E. Kech
State Medicaid Director
South Carolina Department of Health and Human Services
1801 Main Street, PO Box 8206
Columbia, South Carolina 29202-8206

RECEIVED

DEC 05 2012

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Kech:

Thank you for your correspondence dated November 8, 2012 requesting that the Centers for Medicare & Medicaid Services (CMS) approve South Carolina's Health Information Technology (HIT) Implementation Advance Planning Document-Update (IAPD-U). CMS has completed its review of this IAPD-U (including supplemental information submitted on November 19th & 21st, 2012).

South Carolina HIT IAPD-U requests CMS funding as authorized under section 4201 of the American Recovery and Reinvestment Act of 2009 (the Recovery Act), Pub L. 111-5, and our regulations at 42 CFR § 495, Subpart D.

The Social Security Act, as amended under section 4201 of the Recovery Act, as well as our final regulation at 42 CFR § 495.322, allows 90 percent federal funding participation for administrative activities in support of implementing an incentive payment program for Medicaid eligible professionals and eligible hospitals for the adoption and meaningful use of certified electronic health record (EHR) technology. The state seeks approval of \$4,670,146 for administrative funding for an implementation cycle of Federal fiscal year 2013 (covering October 1, 2012 through September 30, 2013).

The State is also seeking approval of a contract between the South Carolina Department of Health and Human Services and Clemson University. The contract is to provide development and support to the State's Level Repository (SLR) system. The contract's total fixed price is \$2,820,300 (Federal share \$2,538,270) at the 90 percent Federal financial participation (FFP) rate. The term of the contract begins on July 1, 2012 and will end on June 30, 2013. CMS has reviewed the contract in accordance with 42 CFR § 495, subpart D. Please be advised that subsequent optional year(s) extensions must have CMS prior approval before exercising this clause in the contract.

CMS approves the State's HIT IAPD-U and Clemson University contract outlined in this letter, effective the date of this letter, in accordance with Federal regulations at 42 CFR § 495, subpart D. This approval letter supersedes any previous letters that may have been issued for the approval period noted above.

The total cost for the project that the IAPD-U will support is \$4,670,146. 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. All subsequent revisions and amendments to this IAPD and any contracts will require our prior written approval to qualify for FFP. CMS approves a total of \$4,203,131 in FFP for Federal fiscal year 2013, as described in the table in Appendix A. Please note that this letter approves funding by Federal fiscal year. The amounts allocated per Federal fiscal year in Appendix A cannot be reallocated between Federal fiscal years, even within the period of this letter's approval, without submission and approval of an IAPD-Update.

As described in our regulations at 42 CFR § 495, Subpart D, Requests for Proposals (RFPs) or contracts that the state procures with funding from the herein approved IAPD, must be approved by CMS prior to release of the RFP or prior to execution of the contract.

Please refer to Enclosure B for additional information about the State's responsibilities concerning activities described in the HIT IAPD. In accordance with 42 CFR § 495.342, please submit an IAPD-U no later than 12 months from the date of the approved IAPD. If the state is requesting additional funding, please provide ample time for CMS to conduct a review and issue approval.

CMS appreciates South Carolina's continued commitment and dedication to administering this important new program that will lead to improved healthcare for populations served by the Medicaid Program.

We look forward to working with you as you proceed through the implementation process of your Medicaid HIT project. If you have any questions or concerns regarding this information, please feel free to contact Jason McNamara at (312) 353-4240 or via email at Jason.McNamara@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Jackie Garner", written over a horizontal line.

Jackie Garner
Consortium Administrator

**Appendix A:
Budget Summary**

	Total	HIT CMS Share (90% FFP)	State Share (10%)
FFY 2013	\$4,670,146	\$4,203,131	\$467,014
Total	\$4,670,146	\$4,203,131	\$467,014

The total cost of this HIT IAPD is: \$4,670,146

The total amount of FFP Requested is: \$4,203,131 (Federal Share)

Enclosure B

General HIT IAPD Information

Upon receipt of this HIT IAPD approval, please coordinate with the state's budget office to include the incentive payments on Form CMS-37, Medicaid Program Budget Report in the appropriate Administrative Section. The state will need to work with the CMS Regional Office Financial Management Group (FMG) staff to submit a supplemental CMS-37 that reflects this IAPD award. The state should be sure to update the 37.12 budget narrative to reflect their expected budgetary needs by quarter.

All costs identified in this HIT IAPD are understood to be estimated costs only. Allowable costs relating to the Medicaid EHR Incentive Program are determined by CMS regulations and policy described above. 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.

As required in regulations at 42 CFR 495.340, the state must submit a HIT IAPD update no later than 60 days after the occurrence of project changes including but not limited to any of the following: (1) a projected cost increase of \$100,000 or more; (2) a schedule extension of more than 60 days for major milestones; (3) a significant change in planning approach or implementation approach, or scope of activities beyond that approved in the HIT IAPD; (4) a change in implementation concept or a change to the scope of the project; or, (5) a change to the approved cost allocation methodology. As required in regulations at 42 CFR 495.342, the state must submit an annual HIT IAPD 12 months from the date of the last CMS approved HIT IAPD.

Jan Polatty

From: Susan Hartnett
Sent: Thursday, November 29, 2012 7:25 AM
To: John Supra; Camilo Gutierrez; Milton German; Jametta Wilson
Cc: Michele Johnson; Kimberly Whisenant; Jan Polatty
Subject: FW: South Carolina's HIT IAPD Approval Letter
Attachments: SC HIT IAPD Approval Letter.pdf

Good morning,

CMS has approved the HIT IAPD-Update that was recently submitted and is sending the attached letter in the mail to Mr. Keck.

I'll follow up with Legal/Contracts re: moving forward with the execution of the Clemson contract that had been pended awaiting CMS' final approval.

Regards,
Susan

From: Blake, Nicholas (CMS/CMCHO) [<mailto:Nicholas.Blake@cms.hhs.gov>]
Sent: Wednesday, November 28, 2012 6:46 PM
To: Anthony Keck; Susan Hartnett
Cc: Lehman, Charles E. (CMS/CMCS); Gerhardt, Christine R. (CMS/CMCS); McNamara, Jason (CMS/CMCS); Hoang, Dzung A. (CMS/CMCHO); Koppel, David J. (CMS/CMCS); Jordan, Charlamia C. (CMS/COO); Chang, Stephen H. (CMS/CMCHO); Feher, Carrie L. (CMS/CMCS); McCarthy, Robert D. (CMS/CMCHO); Oduneye, Enitan (CMS/CMCHO); Schaffzin, Samuel J. (CMS/CMCS); Glaze, Jackie L. (CMS/CMCHO); Hinson, David D. (CMS/CMCHO)
Subject: South Carolina's HIT IAPD Approval Letter

Hi everyone,

Please see South Carolina's HIT IAPD Approval Letter attached. The original will be mailed tomorrow morning.

Nicholas Blake
Health Information Technology Coordinator
Centers for Medicare & Medicaid Services
Consortium for Medicaid and Children's Health Operations
W: 312-353-9355 | F: 443-380-6563

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