

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Chavis/Singleton</i>	DATE <i>12-31-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000223</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, 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

RECEIVED

DEC 23 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

December 19, 2013

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

Attention: Sheila Chavis

RE: South Carolina (SC) Title XIX State Plan Amendment (SPA), Transmittal # SC 13-011

Dear Mr. Keck:

We have reviewed the proposed South Carolina State Plan Amendment (SPA) 13-011, which was submitted to the Atlanta Regional Office on September 26, 2013. This amendment will allow an exception to 455.508(f) which prohibits the Recovery Audit Contractor (RAC) review of claims that are older than three years from the date of the claim.

Based on the information provided, the Medicaid State Plan Amendment SC 13-011 was approved on December 18, 2013. The effective date of this amendment is October 1, 2013. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Maria Drake at (404) 562-3697 or Maria.Drake@cms.hhs.gov.

Sincerely,

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

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
SC 13-011

2. STATE
South Carolina

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
10/1/2013

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 455.508(f)

7. FEDERAL BUDGET IMPACT:
a. FFY 2013 \$0
b. FFY 2014 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Basic Index, pages 36a & 36b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Basic Index, pages 36a & 36b

10. SUBJECT OF AMENDMENT:

Recovery Audit Contractor Request for Exemption

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Mr. Keck was designated by the
Governor to review and approve all
state plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Anthony E. Keck

14. TITLE:

Director

15. DATE SUBMITTED:

September 25, 2013

16. RETURN TO:

South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
09/26/13

18. DATE APPROVED: 12/18/13

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10/01/13

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

Citation Section 1902(a)(42)(B)(i) of the Social Security Act	<u>X</u> The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
Section 1902(a)(42)(B)(ii)(I) of the Act	<u>X</u> The State is seeking an exception to establishing such program for the following reasons: <i>The State is seeking an exception to 455.508(f), which prohibits the RAC from reviewing claims that are older than three years from the date of the claim, unless it receives approval from the State. SCDHHS finds that in order to be compliant with other federal requirements for the identification and collection of overpayments, we need to be able to allow the RAC to review claims that are older than three years. The RAC will only be allowed to review claims older than three years upon written permission of the agency.</i>
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<u>X</u> The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute. Place a check mark to provide assurance of the following: <u>X</u> The State will make payments to the RAC(s) only from amounts recovered. <u>X</u> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments. The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee): <u>X</u> The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register. _____ The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.

TN No. SC 13-011

Supersedes

TN No: SC 10-016Approval Date: 12-18-13Effective Date: 10/1/2013

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<p>_____ The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p>
<p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p><u>X</u> The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): Contingency fee of 9.5% of underpayments identified.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<p><u>X</u> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p>	<p><u>X</u> The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p><u>X</u> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> <p><u>X</u> Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p>

TN No: SC 13-011
Supersedes
TN No.: SC 10-016

Approval Date: 12-18-13Effective Date: 10/01/13