

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

SC - 13-014

TO <i>Supra</i>	DATE <i>8-6-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000067</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc. Mr. Keck, Kost, Depa, CNS 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 31, 2013

SC-13-014

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

RECEIVED

AUG 06 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) approves the Operational Advance Planning Document-Update (OAPD-U) that South Carolina submitted on June 19, 2013. 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) Operations and Maintenance contract with Clemson University for the last contract year, and to document its projected budget and other activities for the fourth year of the contract.

The contract term for South Carolina's MMIS Operations and Maintenance contract with Clemson University started July 1, 2010 and ends June 30, 2015. The fourth year of the contract began July 1, 2013. Under the contract, Clemson University provides computer processing services including network and operations support, application support, systems security and disaster recovery measures, and other MMIS operations, maintenance, and enhancement services.

CMS's approval of South Carolina's OAPD-U is subject to the requirements in regulations at 42 CFR Part 433, Subpart C, 45 CFR Part 95, Subpart F, and Part 11 of the State Medicaid Manual. Funding identified in the OAPD-U was previously approved by CMS in a letter to the state dated July 14, 2010, approving an Implementation Advance Planning Document-Update (IAPD-U) for \$46,705,250 for the five-year contract with Clemson University. Funding approval for the contract will expire on June 30, 2015.

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 APD 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

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In addition, continued federal funding for this contract is contingent upon the state initiating monthly submission of the Transformed Medicaid Statistical Information System (T-MSIS) format beginning in early 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.

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 APD 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 APD 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.

I would like to thank you and your staff for your ongoing success in administering South Carolina's MMIS. 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.

Sincerely,



Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations