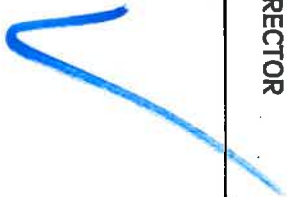


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>8-28-06</i>
--------------------	------------------------

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>600183</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR 	<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

7500 Security Boulevard
Baltimore, MD 21244

Mr. Robert M. Kerr
Executive Director
Department of Health and Human Services
P.O. Box 8206
Columbia, S.C. 29202-8206

h00 17 2400

Dear Sir or Madam:
SUPPLEMENTAL

The grant awards listed below have been approved for the period 07/01/2006 - 09/30/2006 under Appropriation 75X0512 Centers for Medicare & Medicaid Services. Any unused grant award authority may be carried forward and used in a subsequent period.

Medical Assistance Payments	\$(99,123,988)
Medicaid State Children's Health Insurance	
Program Payments	\$0
Administration Payments	\$(5,513,624)
Total Grant Awards	\$(104,637,612)

The above listed grant awards provide Federal funds for expenditures made in accordance with your State plan approved under Title XIX of the Social Security Act. Computation of the awards is shown on the enclosed statement.

With the acceptance of these awards, you agree to be responsible for limiting the drawing of Federal funds so as to minimize Federal cash on hand in accordance with policies established in Treasury Circular 1075 (Revised), and procedures established by the Department of Health and Human Services. You also agree to submit timely reports as required. Withdrawals of Federal funds are not to exceed the individual programmatic grant awards shown above. You also are required to provide for effective control over the accountability for all Federal funds as stated in Office of Management and Budget Circular No. 1075 (Revised). Failure to adhere to the above requirements may cause the unobligated portion of your letter-of-credit to be revoked. Part 92, Title 45, Code of Federal Regulations implements these circulars for this Department.

Any questions you may have in connection with the grant award should be referred to the appropriate Centers for Medicare & Medicaid Services regional office financial contact for your State.

Payment under this award will be made by the Department of Health and Human Services, Payment Management System administered by the Division of Payment Management (DPM), Program Support Center. Inquiries regarding payment should be directed to:

Director, Division of Payment Management
Post Office Box 6021
Rockville, Maryland 20852-0605
Telephone Number (301) 443-1660

Please transmit a copy of this grant award document to the State official authorized to request funds from the Division of Payment Management.

Sincerely yours,

D. Stephen Rose
Director,
Division of Financial Management

RECEIVED

Enclosures 24
FORM CMS-1151(7-90)

AUG 28 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

COMPUTATION OF AMOUNTS FOR MEDICAL ASSISTANCE
GRANTS UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE	South Carolina			
FISCAL YEAR	2 0 0 6			
QUARTER	1ST <input type="checkbox"/>	2ND <input type="checkbox"/>	3RD <input type="checkbox"/>	4TH <input checked="" type="checkbox"/>

1. ADJUSTMENTS FOR
QUARTER ENDED March 31, 2006

A. ACTUAL FEDERAL SHARE OF
EXPENDITURES.....

B. ESTIMATED FEDERAL SHARE OF
EXPENDITURES PREVIOUSLY FUNDED....

C. DIFFERENCE.....
D. NET ADJUSTMENTS APPLICABLE TO
PRIOR PERIODS.....

E. COLLECTIONS.....
F. OTHER.....
G. TOTAL ADJUSTMENTS.....

2. ESTIMATED FEDERAL SHARE OF
EXPENDITURES FOR QUARTER
BEGINNING July 1, 2006

3. NET AMOUNT TO BE CERTIFIED.....

	MEDICAL ASSISTANCE PAYMENTS	M-SCHIP PAYMENTS	ADMINISTRATION PAYMENTS
\$	677,625,972		\$ 16,032,580
A.	(11,671)		
B.	(4,745)		
	677,609,556		16,032,580
	740,478,255		21,571,000
	(62,868,699)		(5,538,420)
C.	(1,076,688)		C. 24,796
D.	107,160		
	(23,143,725)		
E.	(12,140,258)		
F.	(1,778)		
G.	(99,123,988)		G. (5,513,624)
H.			H.
\$	(99,123,988)	0	\$ (5,513,624)

TOTAL AMOUNT TO BE CERTIFIED.....\$ (104,637,612)

DATE APPROVED _____ COMPUTATION CHECKED BY *km*

INTERNAL TRANSMITTAL NO. 21 *WV*

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR Fourth/2006

A. \$(11,671) refers to interest collected and reported on Line 5. of the CMS-64 Summary Sheet by the State on Drug Rebates.

B. \$(4,745) represents an adjustment to your medical assistance payments funding for the Medicare PART B (Supplementary Medical Insurance) premium of \$4,725 and interest of \$20 charged to your state and collected through offset of your grant award authority. These adjustments were made to the estimate for the second quarter Fiscal Year 2006 on a grant award dated March 7, 2006. This action recognizes the adjustment on the federal reimbursement of the expenditures.

C.

MAP	ADM	
\$ 74,893,492	\$ 0	Increasing Claims Prior to 04/01/04
<u>617,922</u>	2,862,892	Increasing Claims After 03/31/04
75,511,414	2,862,892	Total Increasing Claims
<u>- 76,588,102</u>	<u>- 2,838,096</u>	Decreasing Claims
<u>- 1,076,688</u>	<u>24,796</u>	Net Adjustment

D. \$107,160 represents a Line 9C adjustment. \$107,160 represents Civil Monetary Penalty Overpayment Collections. This amount is not being used in the grant award computation to preclude a duplicate adjustment.

E. \$12,140,258 represents M-SCHIP expenditures. See Attachment 9.

F. (1,778) represents the adjustment that was needed to remove the UCCP KATRINA **WALVER** Expenditures that was claimed during the second quarter FY 2006.

G. See attachments 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,15, 16, 17, 18, 19, and 20.

FOOTNOTES

STATE South Carolina

QUARTER/FISCAL YEAR Fourth/2006

4/18 17 2006

- H. A grant award based on the estimate for the fourth quarter fiscal year 2006 was issued July 1, 2006.

- I. The funding authorized by this grant award is paid subject to any future financial management review or audit.

This grant may include funding that relates to a state plan amendment submitted by the state, but not yet approved by the Centers For Medicare & Medicaid Service (CMS). If the pending plan amendment is not subsequently approved with an effective date covering the funding included in this grant award, that funding is subject to recovery by CMS.

MEMORANDUM

1. Interest Collected on Drug Rebates - Line 5.

\$11,671 refers to interest collected and reported on Line 5. of the CMS-64 Summary Sheet by the State on Drug Rebates, Document #05-0605SC5028, and CAN # 65993312.

2. DSH Adjustment

The law required that the yearly limitation on DSH expenditures be calculated against the total computable for fiscal years 1993 through 1997. However, Section 4721 (a) of the BBA replaces the current DSH allotment methodology with statutorily defined Federal DSH allotments. For Federal fiscal years 1998 through 2002, the Federal DSH allotments are listed in the Statute (1923 (f) of the Act.) See attached DSH schedules for the status of your allotment.

3. Part B Premium 100% Funding. See attachments 10, 11, 12, 13, 14, 15, 16, 17, and 18.

4. Chip Expenditures Reported: See attachment CMS-21C.

5. TANF expenditures Reported: See attachments 19 and 20.

VERIFICATION OF GRANT AWARD FUNDING AUG 17 2003
Medical Assistance Payments (MAP)

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY And Prior	FY 2004	FY 2005	FY 2006	Total
CMS-64 Summary					
Line 6	\$	\$	\$	\$ 677,625,972	\$ 677,625,972
Line 7			63,025	554,897	617,922
Line 8	74,893,492				74,893,492
Line 9			(61,179)	(23,143,725)	(23,143,725)
Line 10 A. & B.	(75,874,743)			(544,652)	(76,480,574)
Line 10 C.				(107,528)	(107,528)
Net Expenditures	\$ (981,251)	\$ 0	\$ 1,846	\$ 654,384,964	\$ 653,405,559
Less:					0
Waivers					
M-SCHIP			(48)	(12,140,258)	(12,140,258)
Katrina UCCP Waivers				(1,730)	(1,778)
Net MAP Expenditures	\$ (981,251)	\$ 0	\$ 1,798	\$ 642,242,976	\$ 641,263,523
Adjustments					
Transfers					0
Line 9C Adj Global Settle				107,160	107,160
CMP's					0
Deferrals					0
Disallowances					0
Subtotal	\$ (981,251)	\$ 0	\$ 1,798	\$ 642,350,136	\$ 641,370,683
Interest on					0
Disallowances				(11,671)	(11,671)
Other Drug Rebate				0	0
Part B Offset				(4,725)	(4,725)
Part B Interest				(20)	(20)
Adjusted Funding	\$ (981,251)	\$ 0	\$ 1,798	\$ 642,333,720	\$ 641,354,267
Less: Federal Advances				740,478,255	740,478,255
Total Funding	\$ (981,251)	\$ 0	\$ 1,798	\$ (98,144,535)	\$ (99,123,988)

VERIFICATION OF GRANT AWARD FUNDING
Disproportionate Share Hospitals (DSH)
FEDERAL SHARE

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 313,460,000	\$ 312,580,697	\$ 310,952,672	\$ 311,217,444	\$ 309,722,264
BALANCE	\$ 313,460,000	\$ 312,580,697	\$ 310,952,672	\$ 311,217,444	\$ 309,722,264
CAP	\$ 313,460,215	\$ 312,580,697	\$ 310,953,589	\$ 311,217,444	\$ 309,722,264
REMAINING BALANCE	\$ 215	\$ 0	\$ 917	\$ 0	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
Disproportionate Share Hospitals (DSH)
FEDERAL SHARE

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 313,000,000	\$ 303,000,001	\$ 262,000,000	\$ 271,170,000	\$ 271,170,000
BALANCE	\$ 313,000,000	\$ 303,000,001	\$ 262,000,000	\$ 271,170,000	\$ 271,170,000
CAP	\$ 313,000,000	\$ 303,000,000	\$ 262,000,000	\$ 271,170,000	\$ 278,220,420
REMAINING BALANCE	\$ 0	(1)	\$ 0	\$ 0	\$ 7,050,420

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 FEDERAL SHARE

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$ 76,734,966	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 76,734,966	\$ 0
PREVIOUSLY REPORTED	\$ 265,908,883	\$ 308,478,800	\$ 308,478,800	\$ 76,734,966	\$
BALANCE	\$ 265,908,883	\$ 308,478,800	\$ 308,478,800	\$ 153,469,932	\$ 0
CAP	\$ 265,930,000	\$ 308,478,800	\$ 308,478,800	\$ 308,478,800	\$
REMAINING BALANCE	\$ 21,117	\$ 0	\$ 0	\$ 155,008,868	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
 Disproportionate Share Hospitals (DSH)
 TOTAL COMPUTABLE

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 439,758,699	\$ 439,758,999	\$ 438,757,705	\$ 439,759,000	\$ 439,759,000
BALANCE	\$ 439,758,699	\$ 439,758,999	\$ 438,757,705	\$ 439,759,000	\$ 439,759,000
CAP	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000	\$ 439,759,000
REMAINING BALANCE	\$ 301	1	\$ 1,001,295	\$ 0	\$ 0

VERIFICATION OF GRANT AWARD FUNDING
Disproportionate Share Hospitals (DSH)
TOTAL COMPUTABLE

400 1 1 1 1 1

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
REPORTED THIS QUARTER					
Line 6	\$	\$	\$	\$	\$
Line 7					
Line 8					
Line 9					
Line 10 A. & B.					
Line 10 C.					
Adjustments					
SUBTOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PREVIOUSLY REPORTED	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 391,072,974
BALANCE	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 391,072,974
CAP	\$ 445,678,485	\$ 433,786,686	\$ 374,553,252	\$ 384,965,928	\$ 401,240,871
REMAINING BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,167,897

VERIFICATION OF GRANT AWARD FUNDING
Disproportionate Share Hospitals (DSH)
TOTAL COMPUTABLE

STATE:	South Carolina	QUARTER/FISCAL YEAR:						Fourth/2006			
		FY	2003	FY	2004	FY	2005	FY	2006	FY	2007
REPORTED THIS QUARTER											
Line 6	\$			\$		\$		\$	110,696,719	\$	
Line 7											
Line 8											
Line 9											
Line 10 A. & B.											
Line 10 C.											
Adjustments											
SUBTOTAL	\$		0	\$	0	\$	0	\$	110,696,719	\$	0
PREVIOUSLY REPORTED	\$	380,899,723		\$	441,567,134	\$	441,377,593	\$	110,696,719	\$	
BALANCE	\$	380,899,723		\$	441,567,134	\$	441,377,593	\$	221,393,438	\$	0
CAP	\$	380,933,964		\$	441,567,134	\$	441,377,593	\$	445,006,924	\$	
REMAINING BALANCE	\$	34,241			0	\$	0	\$	223,613,486	\$	0

VERIFICATION OF GRANT AWARD FUNDING
 Administration (ADM)

STATE: _____	South Carolina	QUARTER/FISCAL YEAR: _____				Fourth/2006
	FY _____ 2003	FY _____ 2004	FY _____ 2005	FY _____ 2006	Total	
CMS-64 Summary	And Prior					
Line 6	\$ _____	\$ _____	\$ _____	\$ 16,032,580	\$ 16,032,580	
Line 7	_____	_____	2,835,833	27,059	2,862,892	
Line 8	_____	_____	_____	_____	0	
Line 9	_____	_____	_____	_____	0	
Line 10 A. & B.	_____	_____	(2,811,038)	(27,058)	(2,838,096)	
Net Expenditures	\$ 0	\$ 0	\$ 24,795	\$ 16,032,581	\$ 16,057,376	
Less:	_____	_____	_____	_____	_____	
Waivers	_____	_____	_____	_____	0	
Net ADM Expenditures	\$ -	\$ -	\$ 24,795	\$ 16,032,581	\$ 16,057,376	
Adjustments	_____	_____	_____	_____	_____	
Transfers	_____	_____	_____	_____	0	
Line 10 Adjustments	_____	_____	_____	_____	0	
Deferrals	_____	_____	_____	_____	0	
_____	_____	_____	_____	_____	0	
Disallowances	_____	_____	_____	_____	0	
_____	_____	_____	_____	_____	0	
Subtotal	\$ 0	\$ 0	\$ 24,795	\$ 16,032,581	\$ 16,057,376	
Interest on	_____	_____	_____	_____	_____	
Disallowances	_____	_____	_____	_____	0	
Other	_____	_____	_____	_____	0	
TPPL	_____	_____	_____	_____	0	
_____	_____	_____	_____	_____	0	
Adjusted Funding	\$ 0	\$ 0	\$ 24,795	\$ 16,032,581	\$ 16,057,376	
Less: Federal Advances	_____	_____	_____	21,571,000	21,571,000	
Total Funding	\$ -	\$ -	\$ 24,795	\$ (5,538,419)	\$ (5,513,624)	

VERIFICATION OF GRANT AWARD FUNDING
 Medicaid State Children's Health Insurance Plan (M-SCHIP)

STATE: South Carolina

QUARTER/FISCAL YEAR:

Fourth/2006

	FY 2002 And Prior	FY 2003	FY 2004	FY 2005	Total
CMS-64 Summary					
Line 6	\$	\$	\$	\$ 12,140,258	\$ 12,140,258
Line 7					0
Line 8					0
Line 9					0
Line 10 A. & B.					0
Line 10 C.					0
Net Expenditures	\$ 0	\$ 0	\$ 0	\$ 12,140,258	\$ 12,140,258
Less: Waivers M-SCHIP					0
Net MAP Expenditures	\$ 0	\$ 0	\$ 0	\$ 12,140,258	\$ 12,140,258
Adjustments					
Transfers Line 10 Adj					0
CMP's					0
Deferrals					0
Disallowances					0
Subtotal	\$ 0	\$ 0	\$ 0	\$ 12,140,258	\$ 12,140,258
Interest on Disallowances					0
Other					0
					0
					0
Adjusted Funding	\$ 0	\$ 0	\$ 0	\$ 12,140,258	\$ 12,140,258
Less: Federal Advances					0
Total Funding	\$ 0	\$ 0	\$ 0	\$ 12,140,258	\$ 12,140,258

FY 1998

South Carolina

Fourth/2006

[illegible]

FY 1999

Fourth/2006

[illegible]

FY 2001

South Carolina

Fourth/2006

[illegible]

FY 2002

South Carolina

Fourth/2006 17 2006

[illegible]

AUG 17 2005
4h/2006

Fourth/2006

[illegible]

AUG 17 2006
Fourth/2006

VERIFICATION OF GRANT AWARD FUNDING
MEDICARE PARTB PREMIUMS FOR QUALIFYING INDIVIDUALS
MEDICAL ASSISTANCE

[illegible]

AUG 17 2006

Fourth/2006

[illegible]

AUG 17 1966

QUARTER/FISCAL YEAR: Fourth/2006

[illegible]