

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Milano</i>	DATE <i>2-11-09</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100443</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Ms. Foraker</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			



South Carolina
Department of
Mental Health

2414 Bull Street/P.O. Box 485
Columbia, S.C. 29202
Information: (803) 898-8581

John H. Magill
State Director of Mental Health

MISSION STATEMENT
To support the recovery of people with mental illnesses.

February 4, 2009

Ms. Emma Forkner, Director
SC Department of Health and Human Services
Post Office Box 8206
1801 Main Street
Columbia, SC 29202-8206

Log FM
N/A
cc EF, [unclear]

RECEIVED

FEB 11 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Forkner:

The South Carolina Department of Health and Human Services (SCDHHS) and the South Carolina Department of Mental Health (SCDMH) has continued our collaborative efforts to address priority areas of impact regarding the proposed Medicaid Rehabilitative State Plan Amendment (SPA). As previously indicated by SCDHHS, the Medicaid Rehabilitative SPA was granted an extension to July 1, 2009 by the Centers for Medicare and Medicaid Services (CMS).

To date, SCDMH has engaged in transition planning activities through the commitment of significant internal resources based on pending information shared by SCDHHS. Our original transition plan was based on final policy and reimbursement information being made available by the end of October 2008. The ongoing commitment of internal resources has been challenging due to the delay and competing resources for budgetary planning. However, SCDMH has determined that it is not possible to proceed with planning for transition to the Rehabilitative SPA effective July 1 due to the lack of certain critical policy information. The major areas are: 1) fiscal impact of pending rehabilitative service rates and, 2) array of rehabilitative vs. clinic service options, 3) necessary changes to information technology systems.

As a result of the pending areas mentioned, SCDMH is requesting a one (1) year delay to the effective date of the Medicaid Rehabilitative SPA. This request is contingent upon DHHS finalization of service options and reimbursement rates along with timely notice to providers. It is our belief that this extension will not only enable SCDMH to make the necessary systemwide changes but also benefit the other public and private providers which are impacted by the proposed Medicaid Rehabilitative SPA.

We appreciate the efforts of your staff to keep us abreast of state and federal policy developments during our ongoing DHHS/DMH Medicaid Workgroup. We are particularly pleased with the willingness of your staff to solicit our input for their discussions with CMS to ensure that our state level needs can be taken into consideration.

If you have any questions, please feel free to contact me at 898.8319.

Sincerely,


John H. Magill, State Director

JHM/SJM/vwg

MENTAL HEALTH COMMISSION:

Allison Y. Evans, PsyD, Chair, Hartsville
Joan Moore, Vice Chair, Goose Creek

Jane B. Jones, Easley
Harold E. Cheatham, Ph.D., Clemson

J. Buxton Terry, Columbia
H. Lloyd Howard, Landrum

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Shirley,

John H. Magill, State Director
JHM/SLM/vwg

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