



Proviso 33.16

DHHS: Carry Forward

**The following is submitted as required by Proviso 33.16 of the
SFY 2017 Appropriations Act**

The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President Pro Tempore of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

**OTHER FUNDS
CARRY FORWARD**

Agency: Department of Health and Human Services

Fund Number: 31870000 **Fund Name:** Medicaid Reserve Account

	<u>SFY 2015-16</u>
Beginning Balance	219,427,128
Receipts	1,250
Disbursement	(15,200,000)
Transfers	11,674,703
Ending Balance	215,903,081

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.16- – Carry Forward: The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

With the support of the General Assembly, the agency has set a target minimum of 3% reserves of current year appropriations for increases in enrollment and/or unexpected increases in health care costs for Medicaid beneficiaries

3. Please describe the key expenditures of this fund.

Medicaid Program Expenditures

4. Please provide a description of the source(s) of funding for this account.

Source of funds are unobligated matching funds.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 31880000 **Fund Name:** SCDHHS Medicaid Recoupment and Disallowance

	SFY 2015-16
Beginning Balance	8,866,498
Receipts	1,014,754
Disbursement	-
Transfers	3,890,650
Ending Balance	13,771,902

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.1 – Recoupment/Restricted Fund: The Department of Health and Human Services shall recoup all refunds and identified program overpayments and all such overpayments shall be recouped in accordance with established collection policy. Further, the Department of Health and Human Services is authorized to maintain a restricted fund on deposit with the State Treasurer to be used to pay for liabilities and improvements related to enhancing accountability for future audits. The restricted fund will derive from prior year program refunds. The restricted fund shall not exceed one percent of the total appropriation authorization for the current year. Amounts in excess of one percent will be remitted to the General Fund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

This account is used to accumulate the state portion of prior year refunds for use in satisfying audit liabilities resulting from deferrals, disallowances, and uncollected accounts receivables due to the federal government within 365 days (such as nursing home receivables resulting from audits). Due to the potential size of our disallowances, this balance is necessary to prevent requests to the General Assembly to fund disallowances. Funding in this account is not generated at a consistent rate and the carry forward provision allows for the accumulation of balances sufficient to handle our sizable disallowances and receivables not collected within 60 days.

3. Please describe the key expenditures of this fund.

Expenditures for the current year would be for payment of liabilities due to disallowances, deferrals, or uncollected accounts receivables due to the federal government. This amount does not post as expenditures but as a reduction of revenue because they must be posted as revenue in the federal account.

4. Please provide a description of the source(s) of funding for this account.

The source of funding for this account is the state portion of prior year refunds less expenditures for the Third Party Liability, Drug Rebate, and Fraud and Abuse Programs and is transferred to this sub-fund from fund 35040000 where all state refunds are deposited.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 34400000 Fund Name: Med Care Prog - \$0.50 per Capita

	SFY 2015-16
Beginning Balance	625,364
Receipts	-
Disbursement	(2,938,046)
Transfers	2,312,682
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This subfund administers the provisions of Section 44-6-146(A): "Every fiscal year the State Treasurer shall withhold from the portion of the Local State Government Fund allotted to the counties, a sum equal to fifty cents per capita based on the population of the several counties as shown by the latest official census of the United States. The money withheld by the State Treasurer must be placed to the credit of the commission and used to provide Title XIX (Medicaid) Services."

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Generally, the agency does not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

These funds are for Medicaid Services. Expenditures are moved from the general fund (10010000) to this account.

4. Please provide a description of the source(s) of funding for this account.

Funds are allocated from the Local Government Fund through the State Treasurer's Office.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 34410000 **Fund Name:** State Agencies – Medicaid Allocation

	SFY 2015-16
Beginning Balance	47,983,019
Receipts	21,516,027
Disbursement	(120,643,057)
Transfers	98,943,273
Ending Balance	47,799,262

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This fund is used to account for the matching funds transferred from state and other eligible providers participating in Medicaid contracts and services.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These funds are given to the Department by other state entities or other eligible providers and are expended on a yearly basis for Medicaid contracts or services. Any carry forward is due to timing of receipt of match for a new fiscal year that is received in prior year. Without this carry forward, the Department would be unable to fund these contracts and services at the beginning of the State Fiscal Year.

3. Please describe the key expenditures of this fund.

Expenditures represent Medicaid contracts and services.

4. Please provide a description of the source(s) of funding for this account.

Funds are received from state and other eligible providers as match for Medicaid federal funding.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 34420000 Fund Name: Special Grants

	SFY 2015-16
Beginning Balance	28,119,062
Receipts	77,529,499
Disbursement	(74,152,738)
Transfers	3,098,436
Ending Balance	34,594,259

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.4 – Third Party Liability Collection: The Department of Health and Human Services is allowed to fund the net costs of any Third Party Liability and Drug Rebate collection efforts from the monies collected in that effort.

Proviso 33.8 – Fraud and Abuse Collections: The Department of Health and Human Services may offset the administrative costs associated with controlling fraud and abuse.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Actual collections are received in Fund 35040000 and transferred to this fund as needed to fund Third Party Liability, Drug Rebate and Fraud and Abuse activities. Because collections are not consistent through the year, one-twelfth of the expenditures may not be sufficient to cover monthly costs actually incurred. Use of this carry forward reduces the need for state appropriated dollars to fund these activities.

3. Please describe the key expenditures of this fund.

Administrative expenditures for the Third Party Liability, Drug Rebate and Fraud and Abuse programs are funded through this fund. These expenditures include salary, fringe, supplies, equipment, contractual services, etc.

4. Please provide a description of the source(s) of funding for this account. Sources of funding for these programs are from Third Party Liability, Fraud and Abuse and Drug Rebate collections.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 34750000 Fund Name: County Medicaid (MIAA)

	SFY 2015-16
Beginning Balance	8,662
Receipts	-
Disbursement	(5,521,841)
Transfers	5,513,179
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This subfund is used to account for funds received from counties to be used as Medicaid matching funds as required by Section 44-6-146(B) that states, in part: "County governments are assessed and additional thirteen million dollars annually for use as matching funds for Medicaid services. Of these funds, seven and a half million dollars must be deposited into the Medicaid Expansion Funding created by Section 44-6-155." With \$7.5 million required to be deposited in the Medicaid Expansion Fund (44790000), the remaining \$5.5 million is accounted for in this Fund. Usually, this Fund is used to reimburse expenditures made from the General Fund (10010000).

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Generally, the agency does not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

All expenditures are for Medicaid Services.

4. Please provide a description of the source(s) of funding for this account.

Funding is generated from assessments on county governments.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 34760000 **Fund Name:** Medicaid CPE

	SFY 2015-16
Beginning Balance	-
Receipts	170,495,907
Disbursement	(170,495,907)
Transfers	-
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This fund is used for budgetary purposes only. It is used to account for required Medicaid matching funds that are retained by state and local government providers and does not represent cash expenditures.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

The balance should be zero and the balance should not be greater than one-twelfth.

3. Please describe the key expenditures of this fund.

Revenues and expenditures are recorded in an equal amount in the accounting records monthly for these non-cash matching funds.

4. Please provide a description of the source(s) of funding for this account.

This fund is for budgetary purposes only and represents non-cash required matching funds retained by state and local governments for Medicaid services.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 35B40000 Fund Name: Medicaid Sponsored Workers

	SFY 2015-16
Beginning Balance	6,427,556
Receipts	105,097
Disbursement	(2,592,625)
Transfers	99,907
Ending Balance	4,039,934

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.9 establishes SCDHHS to continue as the agency responsible for determination of Medicaid Eligibility. This fund is used to account for monies received from sponsors of Medicaid Eligibility Workers. Individual providers contract with SCDHHS to provide the state match requirement of the salary of Medicaid Eligibility Workers to be located at the sponsor's facility.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Any balances carried forward represent timing differences between receipt of contractual payments and the salary incurred for the workers sponsored.

3. Please describe the key expenditures of this fund.

Salaries for Medicaid Eligibility Workers.

4. Please provide a description of the source(s) of funding for this account.

Funding is generated from contractual relationships with sponsor Medicaid Providers.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 35047000 **Fund Name:** Med Asst. Prog Refunds - State

	SFY 2015-16
Beginning Balance	-
Receipts	20,770,037
Disbursement	-
Transfers	(20,770,037)
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This is a clearing fund that is used to deposit the state portion of Medicaid assistance payment refunds until proper identification and distribution can be made. The net costs of contracting for the Third Party Liability collection efforts are paid from Fund 34420000. These revenues are transferred to Fund 31870000 and Fund 31880000 during the year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These monies are transferred to Fund 31870000, Fund 34420000 or Fund 31880000 throughout the year pursuant to Proviso 33.1

3. Please describe the key expenditures of this fund.

Expenditures are not paid from this fund, but Third Party Liability and Drug Rebate efforts are funded from these revenues in Fund 34420000. Excess revenues are transferred to Fund 318800000 and Fund 31870000 to maintain the target minimum of 3% reserves.

4. Please provide a description of the source(s) of funding for this account.

The funding source for this account is prior year refunds.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 36340000 **Fund Name:** Cap Reserve Fund Op

	SFY 2015-16
Beginning Balance	282,873
Receipts	-
Disbursement	(1,096,797)
Transfers	5,045,484
Ending Balance	4,231,559

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.16 – Carry Forward: The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or fund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Generally, the agency should not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

These funds are to be used for major IT system projects that were explicitly identified by the General Assembly when the funds were provided to us. This included the MMIS replacement project.

4. Please provide a description of the source(s) of funding for this account.

Capital reserve funds were appropriated to DHHS in the 2011-12 Appropriations Act H.3701 and the 2015-16 Appropriations Act H.3702.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 38450000 Fund Name: Money Follows Person Grant

	<u>SFY 2015-16</u>
Beginning Balance	81,096
Receipts	42,279
Disbursement	-
Transfers	-
Ending Balance	<u>123,375</u>

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.16 – Carry Forward: The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

The Center for Medicare and Medicaid Services (CMS) requires that state savings realized from the enhanced Federal Medical Assistance Percentage, be accumulated in this “rebalancing fund” and be available for reinvestment into the community long term care support system in order to increase the availability of Home and Community Based Services (HCBS).

3. Please describe the key expenditures of this fund.

Rebalancing funds are only available for expenditures that increase use of HCBS.

4. Please provide a description of the source(s) of funding for this account.

Funds are generated from enhanced match from CMS consistent with Section 5001 of the Recovery Act.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 38540000 **Fund Name:** SCDHHS Pay- For- Success

	SFY 2015-16
Beginning Balance	8,895,849
Receipts	-
Disbursement	-
Transfers	-
Ending Balance	8,895,849

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 33.16 – Carry Forward: The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

This is a five year project being proposed by SCDHHS to promote provider performance in the area of prenatal and early childhood home visit services.

3. Please describe the key expenditures of this fund.

Expenditures for this fund are in recognition of performance bases prenatal and early childhood home visit services. The funds transferred to The Children’s Trust will be held in escrow and will only be released to Nurse-Family Partnership if and when they meet certain pre-negotiated outcomes that will be measured by an independent evaluation. All funds not used as “success payments” will be returned by The Children’s Trust to DHHS.

4. Please provide a description of the source(s) of funding for this account.

25% of total costs of related services are being retained in this fund until the performance of the service provider has been evaluated.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 38610000 **Fund Name:** Services Fund for Emotionally Disturbed Children

	SFY 2015-16
Beginning Balance	-
Receipts	-
Disbursement	-
Transfers	-
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

SC Code of Laws Section 20-7-5710: There is established the Interagency System for Caring for Emotionally Disturbed Children, an integrated system of care to be developed by the Continuum of Care for Emotionally Disturbed Children of the Governor’s Office, the Department of Disabilities and Special Needs, the Department of Health and Human Services, the Department of Mental Health, and the Department of Social Services. The goal of the system is to implement South Carolina’s Families First Policy and to support children in a manner that enables them to function in a community setting. The system shall provide assessment and evaluation procedures to insure a proper service plan and placement for each accountable for monitoring on a regular basis each child’s care plan and procedures to evaluate and certify the programs offered by providers.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These funds are obligated for the EDC program through the MMIS payment system and are transferred to us from DSS for this purpose.

3. Please describe the key expenditures of this fund.

Expenditures for the Emotionally Disturbed Children program.

4. Please provide a description of the source(s) of funding for this account.

These funds are transferred to DHHS from DSS for the purpose of funding the state share of the Emotionally Disturbed Children program.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 38907000 **Fund Name:** Parking Fund

	<u>SFY 2015-16</u>
Beginning Balance	-
Receipts	-
Disbursement	-
Transfers	-
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Previously, employees paid individual monthly checks to the landlord for parking, which was administratively cumbersome for all concerned. Through a cooperative effort between the agency, the Division of General Services and the Comptroller General's Office, a process was established for collecting the parking fees through payroll deduction and making one monthly payment to the landlord. This fund was established as an account to deposit employee payroll deductions for monthly parking fees incurred by employees.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These funds are obligated for monthly employee parking.

3. Please describe the key expenditures of this fund.

Expenditures are for employee parking fees.

4. Please provide a description of the source(s) of funding for this account.

The source of funding is from Agency employees.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 39580000 **Fund Name:** Sale of Assets

	SFY 2015-16
Beginning Balance	2,713
Receipts	1,375
Disbursement	-
Transfers	-
Ending Balance	4,088

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

This fund is to be used to deposit the proceeds from the sale of assets to be used for the purchase of like kind assets.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These funds are held for the purchase of like kind assets needed by the agency. Due to timing of sales and ordering of new assets, carry forward balances may be necessary to cover the costs of the new equipment.

3. Please describe the key expenditures of this fund.

Expenditures in this fund are for the replacement of like kind assets.

4. Please provide a description of the source(s) of funding for this account.

Funds are deposited to this account from the sale of assets to state surplus.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 41760000 **Fund Name:** Nursing Home Sanctions

	SFY 2015-16
Beginning Balance	9,642,142
Receipts	1,679,508
Disbursement	(136,011)
Transfers	-
Ending Balance	11,185,639

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

SC Code of Laws Section 44-6-470

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Nursing facilities are surveyed by the Department of Health and Environmental Control (DHEC) to assure the facilities are meeting standards for conditions of participation. If a nursing home is out of compliance, DHEC may impose a Civil Money Penalty (CMP).

Federal law as stated in 42 CFR Part 488.442 mandates that CMPs collected by the State must be applied to the protection of the health or property of residents of facilities that the State or CMS finds non-compliant, such as (1) payment for the cost of relocating residents to other facilities; (2) state costs related to the operation of a facility pending correction of deficiencies or closure; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of action by the facility or by individuals used by the facility to provide services to residents.

These funds are obligated for this purpose and should be maintained to assure that funds are available should the need arise to relocate patients or to maintain

operation of a facility pending corrective action. If adequate funding were not available, the Department would have to request funding from the State General Fund to fund the cost of a nursing facility closure. This is not a consistent monthly need; therefore, one-twelfth carry forward may not be sufficient in the event of a home closure.

3. Please describe the key expenditures of this fund.

Expenditures are related to nursing home contracts for training and testing costs.

4. Please provide a description of the source(s) of funding for this account.

These funds come from the collection of fees and fines as a result of nursing home sanctions imposed by the Center of Medicare and Medicaid Services.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 42750000 Fund Name: Tobacco Settlements

	SFY 2015-16
Beginning Balance	13,814,867
Receipts	115,186
Disbursement	(83,020,854)
Transfers	69,090,801
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 117.36 – Tobacco Settlement Funds Carry Forward: State agencies are hereby authorized to retain and carry forward any unexpended Tobacco Settlement Agreement funds from the prior fiscal year into the current fiscal year to expend such funds for the same purpose.

Proviso 118.11- Tobacco Settlement

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Proviso 117.36 authorizes state agencies to retain and carry forward any unexpended Tobacco Settlement Agreement funds from the prior fiscal year into the current fiscal year to expend such funds for the same purpose.

3. Please describe the key expenditures of this fund.

Medicaid Program Expenditures.

4. Please provide a description of the source(s) of funding for this account.

The source of funding for this account comes from transfers made at the State Treasurer's Office.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 44790000 **Fund Name:** Medicaid Expansion (MIAA)

	SFY 2015-16
Beginning Balance	41,794,757
Receipts	267,108,325
Disbursement	(264,000,000)
Transfers	11,388,664
Ending Balance	56,291,746

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

SC Code of Laws Section 44-6-155: (A) There is created the Medicaid Expansion Fund into which must be deposited funds: (1) collected pursuant to Section 44-6-146 and (2) collected pursuant to Section 12-23-810. This fund must be separate and distinct from the general fund. These funds are supplementary and may not be used to replace general funds appropriated by the General Assembly or other funds used to support Medicaid.

SC Code of Laws Section 44-6-146: (B) County governments are assessed an additional thirteen million dollars annually for use as matching funds for Medicaid services. Of these funds, seven and a half million dollars must be deposited into the Medicaid Expansion Fund created by Section 44-6-155.

SC Code of Laws Section 12-23-810: (C) Every hospital licensed as a general hospital by the Department of Health and Environmental Control is subject to the payment on an excise, license or privilege tax. Each hospital's tax must be based on the total expenditures of each hospital as a percentage of total hospital expenditures statewide. Total annual revenues from the tax, exclusive of penalties and interest, in subsection (A) of this section must equal two hundred sixty four million dollars.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

These funds are earmarked for the Medicaid Expansion program and carry forward is due to the timing of the receipt of funds from the Department of Revenue. The agency is required to expend the total amount of two hundred and sixty four million

dollars. The increase in the tax amount was the result of a change in state law. The Department of Revenue does send the funds for July of the new state fiscal year to the agency in June of the prior year, which results in carry forward, but by law, these funds cannot be expended in the prior year.

3. Please describe the key expenditures of this fund.

Expenditures are paid through the MMIS payment system for Medicaid services.

4. Please provide a description of the source(s) of funding for this account.

Revenues are received from assessments on county governments and excise, license, or privilege taxes imposed on licensed hospitals.

**OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES**

Agency: Department of Health and Human Services

Fund Number: 46K50000 **Fund Name:** Tobacco Sur-Medicaid Res

	SFY 2015-16
Beginning Balance	23,787,051
Receipts	-
Disbursement	(134,766,077)
Transfers	110,979,026
Ending Balance	-

SFY2016 Year to Date as of 7/31/2016

1. Cite the authorization by which the agency has the authority to carry forward the funds.

Proviso 118.5- Health Care Maintenance of Effort Funding: The revenue collected from the fifty cent cigarette surcharge and deposited into the South Carolina Medicaid Reserve Fund and shall be utilized by the Department of Health and Human Services for the Medicaid Program. Unexpected funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Proviso 118.5 allows for unexpended funds to be carried forward to succeeding fiscal years.

3. Please describe the key expenditures of this fund.

Expenditures are paid through the MMIS payment system for Medicaid services.

4. Please provide a description of the source(s) of funding for this account.

Revenues are received from the Department of Revenue from the fifty cent surcharge tax on cigarettes.