SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

Healthy Connections MEDICAID

Budget Presentation to Ways & Means

Healthcare Subcommittee

January 31, 2017

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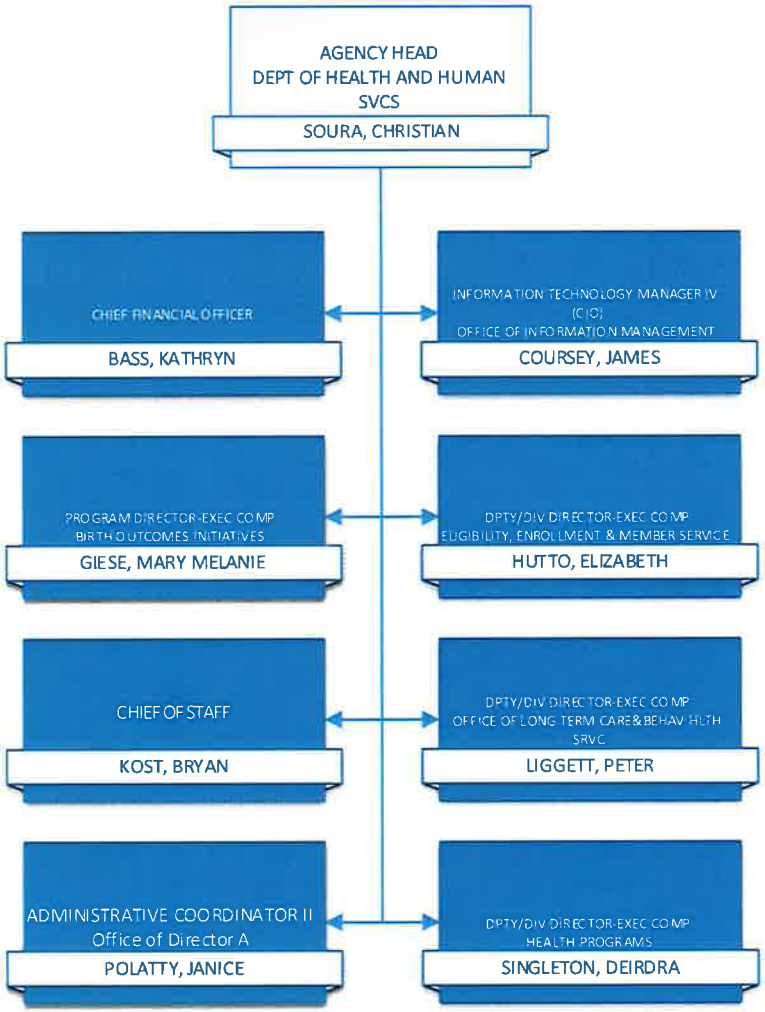
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033

Fiscal Year 2015-16
Accountability Report

SUBMISSION FORM

AGENCY MISSION	To purchase the most health for our citizens in need at the least possible cost for taxpayers.
AGENCY VISION	The vision of the South Carolina Department of Health and Human Services is to be a responsive and innovative organization that continuously improves the health of South Carolina.

Please state yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

RESTRUCTURING RECOMMENDATIONS:	Yes

Please identify your agency's preferred contacts for this year's accountability report.

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Jenny Stirling	803-898-3965	lynchjen@scdhhs.gov
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033

I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR *(SIGN AND DATE)*:	August 22, 2016
(TYPE/PRINT NAME):	Christian L. Soura
BOARD/CMSN CHAIR *(SIGN AND DATE)*:	N/A
(TYPE/PRINT NAME):	

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033

AGENCY'S DISCUSSION AND ANALYSIS

Leadership

The vision of the South Carolina Department of Health and Human Services is to be a responsive and innovative organization that continuously improves the health of South Carolina. Values and performance expectations are defined and communicated through several mechanisms, the centerpiece of which is the agency's Balanced Scorecard.

This tool highlights a dozen key goals for the upcoming year, with three items assigned to each of the four following categories: Better Health, Outstanding Member Services, Sound Fiscal Stewardship, and Responsive and Responsible Management.

Although these headings were overhauled in 2015, many of the themes and the individual performance measures were preserved in concept, if not in specific form. For instance, several measures were changed for 2015-16 to conform to the "SMART" criteria required by the Accountability Report. Not only are these performance measures incorporated into the agency's annual Accountability Report; they are also discussed at three meetings of agency managers and supervisors each year (Leadership Development Reviews) and updated on intranet sites available to agency employees.

Values and performance expectations are further disseminated through personal interaction with agency employees (in group and/or individual settings) and through the performance management process. Upon his appointment in November 2014, the Director began to visit each of the agency's nearly 60 offices in order to establish this relationship.

- Objective 1A: Complete the revision of the Balanced Scorecard and communicate it to the agency.
  - Success Factor 1A1: Complete the annual revision of the Balanced Scorecard by September 15th. (Annual since September 2015)
  - Success Factor 1A2: Explain the changes during the November 2016 Leadership Development Retreat and ensure that regular updates are provided through subsequent LDRs and other agency-wide communications.
- Objective 1B: Establish personal contact with all of the Department's offices to further communicate the agency's vision, values, and performance expectations.
  - Success Factor 1B1: Maintain a schedule by which all departmental offices will be visited no later than December 31, 2016.

Strategic Planning

The Department's strategic objectives are derived from its legal obligations as enshrined in state and federal law, regulation, and other administrative issuances. These obligations are operationalized into more specific workplans based upon shorter-term priorities established through proviso or other budgetary instrument or in order to ensure compliance with the ever-evolving body of federal regulations and other policy guidance from the Centers for Medicare and Medicaid Services, among other legal authorities.

Against this legal backdrop, the Department strives to develop and implement plans in a manner that is consistent with the Institute for Healthcare Improvement's "Triple Aim," which seeks to improve the health of the population, enhance the patient experience of care, and reduce the per-capita cost of care.

Plans are developed and implemented through the normal operations of the agency; information is shared among agency leadership, managers, and rank-and-file employees through standing and ad hoc meetings, informal discussions, and through intranet sites (such as SharePoint) and other media. Meetings are established with a goal being to ensure that the appropriate staff and program areas are consulted and have an opportunity to participate in the decision-making process, while being spaced so that each meeting has a specific purpose and to prevent "meeting creep" from consuming so much time that employees are left without hours in which to actually execute on these plans.

The agency's plans can be revised through several of these settings, and will be escalated to a level within the agency that is commensurate with the sensitivity and importance of the matter at hand. Sufficiently disruptive changes may require additional consultation with the Governor's Office, the General Assembly, or various federal authorities. Matters such as these are likely to rise to the level that they would need to be addressed in future iterations of the Balanced Scorecard, the Accountability Report, or subsequent budgets.

Accomplishments are measured and sustained through each of these mechanisms and venues described above and also, for more "micro-level" accomplishments, through the employee performance management process.

- Objective 2A: Complete the revision of the Balanced Scorecard and communicate it to the agency.
    - Success Factor 2A1: Complete the annual revision of the Balanced Scorecard by September 15th. (Annual since September 2015)
    - Success Factor 2A2: Explain the changes during the November 2016 Leadership Development Retreat and ensure that regular updates are provided through subsequent LDRs and other agency-wide communications.

[Note: Objective 2A is identical to Objective 1A, since these same activities and success factors are associated with both Leadership and Strategic Planning.]

Customer Focus

In the purest sense, the Department's customers are South Carolina's one million Medicaid beneficiaries. Applicants and the authorized representatives of our applicants and beneficiaries are in a similar position. Certainly the Department has other stakeholders, such as the state's hospital and healthcare systems, the provider community, the managed care plans, and the friends, families, and caregivers of those we serve. Other parties, such as the Department's vendors and other health-related state agencies are also part of the same ecosystem.

The needs and requirements of these entities are in some cases defined in the Medicaid state plan and/or in one or more federally-approved waivers. They are also communicated through in-person meetings or through the platforms or requests presented by various trade associations or advocacy groups. The expectations of this individuals and associations are also presented in these same ways.

The Department's performance against these expectations is measured through several items that are presented on the Balanced Scorecard. We also use performance-based contract reports and various dashboards to monitor these trends.

- Objective 3A: Provide outstanding service to our members and applicants.
  - Success Factor 3A1: Increase the rates of single-touch case resolutions for applications and reviews by 10%.
  - Success Factor 3A2: Increase the number of online applications by 10%.
  - Success Factor 3A3: Increase the one-hour resolution rate for walk-in services by 10%.
- Objective 3B: Demonstrate responsiveness to Medicaid providers and vendors through prompt processing.
  - Success Factor 3B1: Process 99% of electronic claims submissions within 14 days.
  - Success Factor 3B2: Process 99% of provider applications within 30 days.

Workforce Focus/Human Resources

On an individual level, employee performance is assessed and directed through an annual review process that is similar to that which is carried out all across state government. At a higher level, the Department has created some unique training and development opportunities that were custom-tailored in order to provide the Medicaid workforce with multiple paths to grow and to actively participate in the agency's planning and execution.

Every fall, all HHS employees are invited to participate in the Annual Engagement Survey, which allows employees to anonymously comment on their connection to the agency, their immediate supervisors, and the agency's leadership. They may also provide additional comments on what is and what is not perceived to be working within HHS. This survey is enormously helpful to setting the Department's direction for the upcoming year, for enabling employees to feel valued and appreciated, and for developing ideas for future workforce development initiatives.

The Department also recently launched the Leadership Academy program, which offers a series of modules that help the agency's supervisors make the transition from being managers to becoming leaders.

Finally, as noted in the discussion of other objectives, the Leadership Development Reviews have a workforce development focus and are also used as opportunities to remind managers of the agency's priorities and of recent progress against the Balanced Scorecard.

- Objective 4A: Keep employees actively involved in and attached to the agency's work by conducting an Annual Engagement Survey and ensuring that leadership's decisions are informed by the survey results.
  - Success Factor 4A1: Improve employee engagement scores by 5%.

Process Management/Continuous Improvement

Although agency head evaluation materials treat "process management and continuous improvement" as a distinct objective, if these priorities are being afforded the attention they deserve, then they should be treated more as a cross-cutting theme that should be present in the discussion of all other objectives. We should be asking how do we continuously improve our financial management, workforce planning, customer focus, etc.? These questions are thoroughly and repeatedly explored by the agency's senior management at each discussion of the Balanced Scorecard, where we ask whether we are measuring the things that truly matter, whether we have operationalized them correctly, and whether we are potentially misinterpreting the results we have seen so far.

To ensure that this spirit is communicated throughout the organization, HHS has the Leadership Development Retreats, the Annual Engagement Survey, and the "Bright Ideas" program through which employees can offer suggestions for quality improvement that are promptly vetted by the relevant staff. We also announced a Spot Bonus program to help attract and reward additional suggestions.

- Objective 5A: Provide outstanding service to our members and applicants.
  - Success Factor 5A1: Increase the rates of single-touch case resolutions for applications and reviews by 10%.
  - Success Factor 5A2: Increase the number of online applications by 10%.
  - Success Factor 5A3: Increase the one-hour resolution rate for walk-in services by 10%.
- Objective 5B: Demonstrate responsiveness to Medicaid providers and vendors through prompt processing.
  - Success Factor 5B1: Process 99% of electronic claims submissions within 14 days.
  - Success Factor 5B2: Process 99% of provider applications within 30 days.

[Note: Objectives 5A and 5B are identical to Objectives 3A and 3B, since our current process management and continuous improvement efforts are so strongly connected to the ongoing transition to a new eligibility system.]

Financial Management

The South Carolina Department of Health and Human Services is ultimately a healthcare policy and financing agency; without sound financial management, the Department will be unable to meet its commitments to its one million beneficiaries.

The Department must ensure that it retains adequate working capital in order to pay its bills in a timely manner. Similarly, cost growth must be contained so that Medicaid expenditures don't force the Governor and the General Assembly to sacrifice whatever additional investments may be required in the education, infrastructure, or other policy arenas.

Finally, the Department must also develop a series of policies, controls, and investigative/recovery mechanisms that deter or otherwise combat waste, fraud, and abuse.

- Objective 6A: Demonstrate sound fiscal stewardship of the Medicaid program.
  - Success Factor 6A1: Maintain General Fund expenditures within 3% of forecast.
  - Success Factor 6A2: Keep per-member cost increases below national benchmarks.
  - Success Factor 6A3: Increase the percentage of expenditures analyzed for third-party liability by 5%.

Risk Assessment and Mitigation Strategies

In this section, the Department is required to "identify the potential most negative impact on the public as a result of the agency's failure in accomplishing its goals and objectives", then "explain the nature and level of outside help it may need to mitigate such negative impact on the public", and finally "list three options for what the General Assembly could do to help resolve the issue before it became a crisis." Ultimately, the greatest negative impact that could result from the Department's failure to accomplish its goals and objectives would be a loss of access to healthcare services for our one million beneficiaries. A systematic failure like this is exceedingly unlikely. The most likely major threat would be the fiscal impact of the next recession, when revenues will fall and the agency's budget will likely be cut. This is particularly challenging for Medicaid, which is

a countercyclical program, meaning that more people become financially eligible and therefore the demand for Medicaid spending increases just as funding will start to be pulled away.

In terms of outside help, maintaining healthy reserve accounts for the Medicaid program itself and for the government as a whole is essential. Other threats to the program are technological (IT systems failure, cyberattack) or related to waste, fraud, and abuse. The Department has a multifaceted defense against many of these threats, but has taken a number of additional steps in the past year, including hiring specialists in key areas, gaining access to certain consultants, and increasing collaboration with the Department of Administration's technology and information security staff.

The General Assembly has already taken some of the actions needed to help avoid a crisis. Key provisos have been amended in recent years to allow the Department to maintain a responsible reserve balance, despite the repeated efforts of other parties to raid those funds. The deficit monitoring mechanism has been tightened to raise the likelihood that the legislature would be recalled in the event of a major shortfall between sessions. It is also important to continue to resist the temptation to use budget provisos to alter rates for certain classes of providers and/or to limit the Department's ability to manage the program in a responsive and responsible way.

Restructuring Recommendations

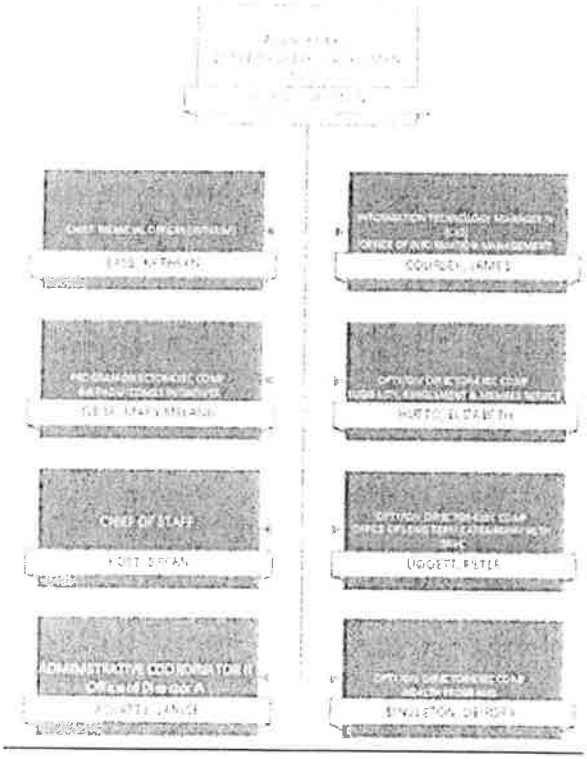
The Department is in the process of reviewing all of its regulations, as required under §1-23-270(F)(1), and will have recommendations relating to those in a few months. There may also be statutory recommendations that arise from that review.

As noted in this year's House Oversight Report, we believe that the General Assembly should explore a merger of SCDHHS and DAODAS. Bob Toomey, who held leadership positions in both agencies during his career, was a vocal advocate for this position. During the past several years, SCDHHS has financed many of DAODAS' service enhancements. We have also worked together to begin transitioning some substance use treatment services into the managed care model. The two agencies have a great deal in common, in the sense that they are both healthcare policy and financing organizations. A formal merger would help us to ensure that Medicaid participants may benefit from a carefully designed integrated care model that addresses both their physical and behavioral health needs. It would also streamline the process of evaluating and launching appropriate substance use treatment services.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033

#	Accountability Report – Objective	Discussion
1.1.1	Provide at least 12% of managed care payment using a value-based approach	Achieved.
1.1.2	Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by 2% annually	Achieved.
1.2.1	Reduce the rate of low birth weight babies by 3%	Achieved.
2.1.1	Increase the number of online applications by 10%	Applicants were asked not to use the online application for a period because it was creating duplicate applications.
2.2.1	Increase the rate of one-hour resolution for walk-in services by 10%	Achieved.
2.2.2	Increase the rates of single-touch case resolutions for applications and reviews by 10%	Achieved.
3.1.1	Maintain General Fund expenditures within 3% of forecast	Ended the year at 96.5% of forecast expenditures, due largely to more aggressive MCO rates than initially forecast.
3.2.1	Keep per-member cost increases below national benchmarks	Achieved.
3.3.1	Increase the percentage of expenditures analyzed for third-party liability by 5%	Increased the amount of spending analyzed, but the percentage fell slightly because of growth in CLTC services.
4.1.1	Process 99% of provider applications within 30 days	Achieved.
4.1.2	Process 99% of electronic claims submissions within 14 days	Achieved.
4.2.1	Improve employee engagement scores by 5%	Short this year, but was up 8% last year. Still above baseline.

Agency's Organization Chart – Three Levels



AGENCY NAME:	Department of Health and Human Services		
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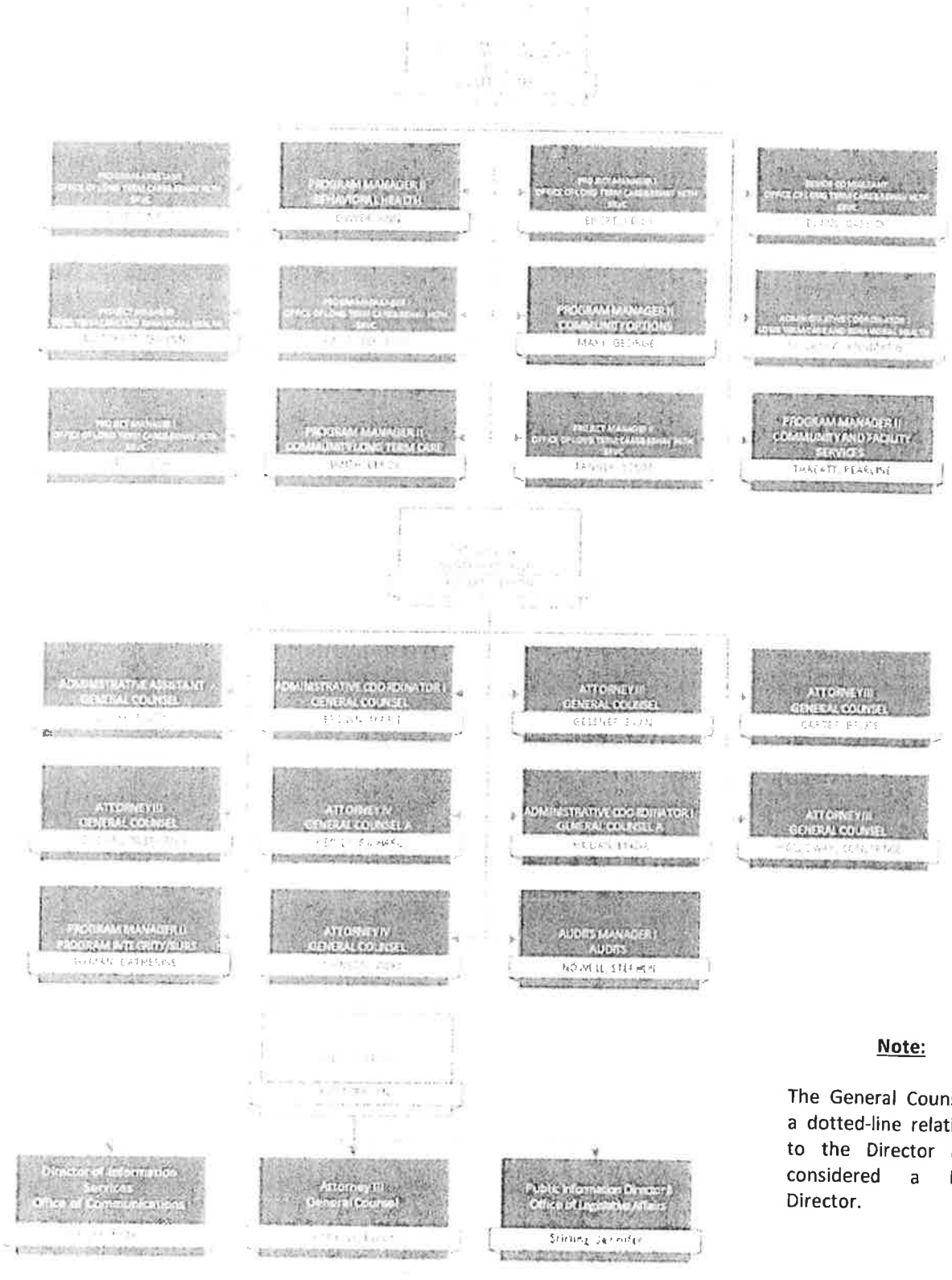
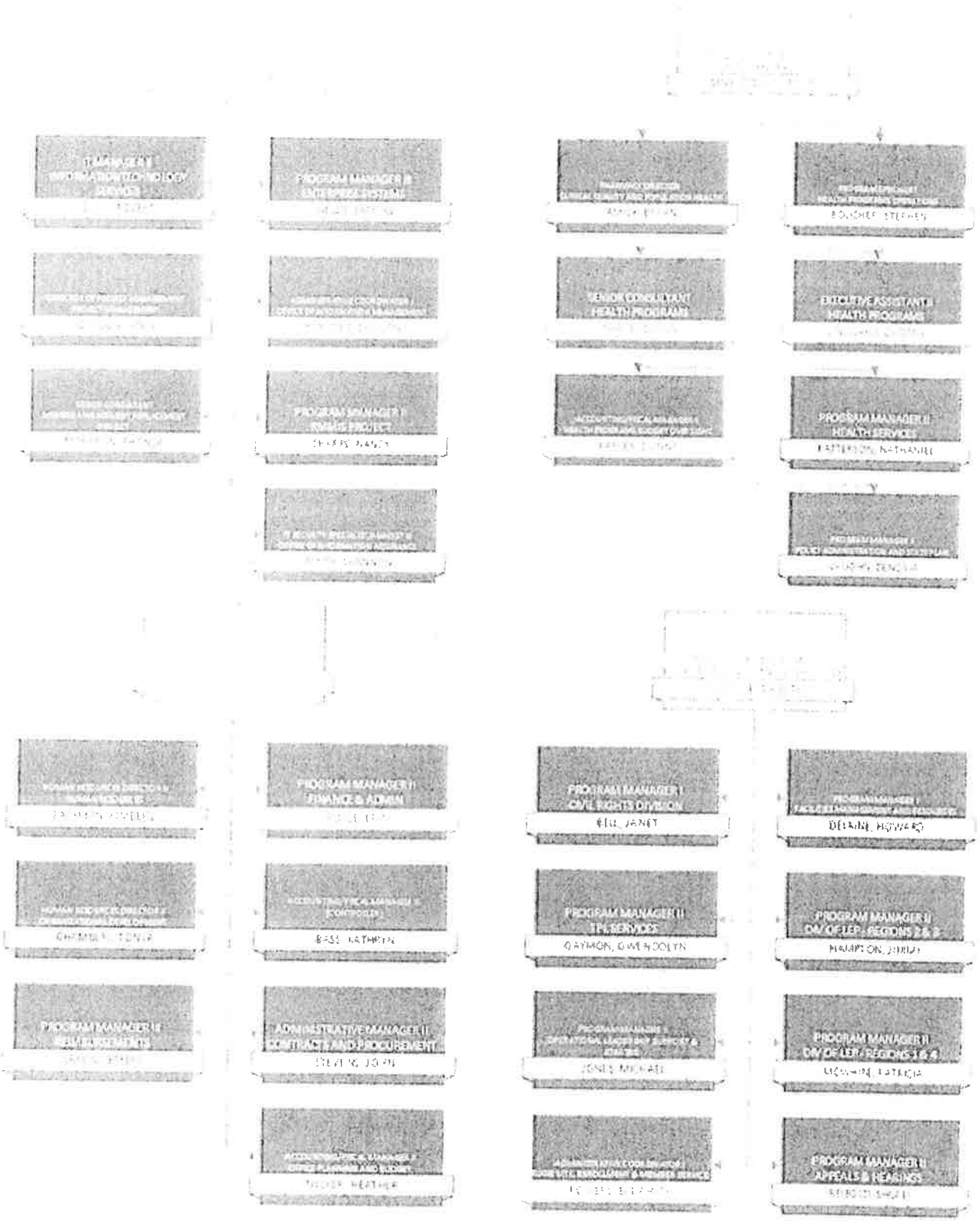


Note:

The General Counsel has a dotted-line relationship to the Director and is considered a Deputy Director.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	033



Agency Name:	Department of Health and Human Services
Agency Code:	J02
Section:	33

Fiscal Year 2016-17
Accountability Report

Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
G	1			Healthy and Safe Families	**Provide better health outcomes for Medicaid beneficiaries**
S		1.1		Healthy and Safe Families	**Expand the use of value-based payment methodologies**
O			1.1.1	Healthy and Safe Families	*Provide at least 20% of managed care payment using a value-based approach*
O			1.1.2	Healthy and Safe Families	*Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by 2% annually*
S		1.2		Healthy and Safe Families	**Build upon the success of the Birth Outcomes Initiative**
O			1.2.1	Healthy and Safe Families	*Reduce the rate of low birth weight babies by 3%*
G	2			Government and Citizens	**Provide outstanding member services**
S		2.1		Government and Citizens	**Use new technologies to improve the member service experience**
O			2.1.1	Government and Citizens	*Increase the number of online applications by 10%*
S		2.2		Government and Citizens	**Improve processing time and resolution rates for applications and reviews**
O			2.2.1	Government and Citizens	*Increase the rate of one-hour resolution for walk-in services by 10%*
O			2.2.2	Government and Citizens	*Increase the rates of single-touch case resolutions for applications and reviews by 10%*
G	3			Government and Citizens	**Promote sound fiscal stewardship**
S		3.1		Government and Citizens	**Develop reliable budget forecasts and mid-year correction mechanisms**
O			3.1.1	Government and Citizens	*Maintain General Fund expenditures within 3% of forecast*
S		3.2		Government and Citizens	**Control increases in healthcare spending**
O			3.2.1	Government and Citizens	*Keep per-member cost increases below national benchmarks*
S		3.3		Government and Citizens	**Prevent waste, fraud and abuse**
O			3.3.1	Government and Citizens	*Increase the percentage of expenditures analyzed for third-party liability by 5%*
G	4			Government and Citizens	**Provide responsive and responsible management of health and human service programs**
S		4.1		Government and Citizens	**Ensure timely handling of provider relations**
O			4.1.1	Government and Citizens	*Process 99% of provider applications within 30 days*
O			4.1.2	Government and Citizens	*Process 99% of electronic claims submissions within 14 days*
S		4.2		Government and Citizens	**Develop and maintain a committed and engaged workforce**
O			4.2.1	Government and Citizens	*Improve employee engagement scores by 5%*

Agency Name: Department of Health and Human Services

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Fiscal Year 2015-16
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Performance Measurement Template

Item	Performance Measure	FY 2015-16 Target Value	FY 2015-16 YTD Actual Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)
1	Maintain General Fund Expenditures within 3% of forecast	<3%	3.50%	<3%	7/1/2015-6/30/2016	Business Objects - Monthly	((Appropriation - Actuals)/forecast)*100	3.1.1
2	Keep per-member cost increases below national benchmarks	Less than health care cost growth	PMPM Growth: 2.20% HC Cost Growth:	Less than health care cost growth	7/1/2015-6/30/2016	Expenses from Business Objects, Eligibility from Document Direct - Monthly	PMPM - #enrolled/expenses PMPM growth = (PMPM FY16-PMPM FY1)/PMPM FY14)	3.2.1
3	Increase the percentage of expenditures analyzed for third-party liability by 5%	+5% FY 2014-15: 86%	-1% FY 2015-16: 85%	89%	7/1/2015-6/30/2016	Truven Analytics - Advantage Suite	(Expenditures Reviewed by TPL)/(Total TPL Potential)	3.3.1
4	Provide at least X% of managed care payments using value-based approach	12%	19%	20%	1/1/2015-12/31/2015 (measurements will not be available until April 2017)	MCO Attestation	Percentage of MCO claims dollars paid subject to VOC contract.	1.1.1
5	Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by	47%	55%	57%	7/1/2015-6/30/2016	MCO HEDIS submission	Number of measure above 50%/total number of measures	1.1.2
6	Reduce the rate of low birth weight babies by 3%	8.68%	7.46%	7.24%	1/1/2015-12/31/2015	Truven Analytics - Advantage Suite	Percentage of live birth deliveries with diagnosis of birth weight below 2,500 mg	1.2.1
7	Increase the rate of single-touch case resolutions for applications and reviews by 10%	10%	71%	78%	7/1/2015-6/30/2016	Pathos	Number of single-touch resolutions/total resolutions	2.2.2
8	Increase the number of online applications by 10%	74,526	54,923	60,415	7/1/2015-6/30/2016	Electronic Document Management System	Total Online Apps Submitted	2.1.1
9	Increase rate of one-hour resolution for walk-in services by 10%	+10%	78%	86%	7/1/2015-6/30/2016	Pathos	Number of one-hour resolutions/total resolutions	2.2.1
10	Process 99% of electronic claims submissions within 14 days	99+%	99.91%	99+%	7/1/2015-6/30/2016	MMIS; Document Direct	Document Direct (CLM4710R01 - Monthly Prompt Payment Compliance Report); Average of 30 Day Period % column	4.1.2
11	Process 99% of provider applications within 30 days	99+%	100.00%	99+%	7/1/2015-6/30/2016	iFlow	Applications over 30 days / Total applications	4.1.1
12	Improve employee engagement scores by 5%	49.4%	47.0%	49.4%	7/1/2015-6/30/2016	Third party engagement survey administered in fall	Calculated as part of third party engagement survey that generates an "Overall Engagement Score"	4.2.1

Agency Name:	Department of Health and Human Services		
Agency Code:	J02	Section:	033

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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual) General	Other	Federal	TOTAL	FY 2016-17 Expenditures (Projected) General	Other	Federal	TOTAL	Associated Objective(s)
I. Administration	Provides administrative support and other shared operating services for the agency.				$ -				$ -	Objective 3.1.1 - Maintain General Fund expenditures within 3% of forecast
I. Administration	Provides administrative support and other shared operating services for the agency.				$ -				$ -	cost increases below national benchmarks
I. Administration	Provides administrative support and other shared operating services for the agency.				$ -				$ -	Objective 3.3.1 - Increase the percentage of expenditures analyzed for third-party liability by 5%
I. Administration	Provides administrative support and other shared operating services for the agency.	$ 10,062,450	$ 691,931	$ 11,638,253	$ 22,392,634	$ 11,994,335	$ 1,474,227	$ 17,263,229	$ 30,731,791	Objective 4.2.1 - Improve employee engagement scores by 5%
II. Programs and Services A. Health Services 1. Medical Administration	Provides administrative support and other shared operating services for the agency.				$ -				$ -	Fund expenditures within 3% of forecast
II. Programs and Services A. Health Services 1. Medical Administration	Provides administrative support and other shared operating services for the agency.	$ 10,582,251	$ 1,018,316	$ 18,359,396	$ 29,959,963	$ 9,493,887	$ 1,449,879	$ 19,159,566	$ 30,103,332	Objective 3.2.1 - Keep per-member cost increases below national benchmarks
II. Programs and Services A. Health Services 2. Medical Contracts	Provides contract development and management services for the Department's nursing home, Community Long Term Care, eligibility, telemedicine, claims payment, and other provider-facing programs.				$ -				$ -	Objective 2.2.1 - Increase the rate of one-hour resolution for walk-in services by 10%
II. Programs and Services A. Health Services 2. Medical Contracts	Provides contract development and management services for the Department's nursing home, Community Long Term Care, eligibility, telemedicine, claims payment, and other provider-				$ -				$ -	Objective 2.2.2 - Increase the rates of single-touch case resolutions for applications and reviews by 10%
II. Programs and Services A. Health Services 2. Medical Contracts	Provides contract development and management services for the Department's nursing home, Community Long Term Care, eligibility, telemedicine, claims payment, and other provider-				$ -				$ -	Objective 4.1.1 - Process 99% of provider applications within 30 days
II. Programs and Services A. Health Services 2. Medical Contracts	Provides contract development and management services for the Department's nursing home, Community Long Term Care, eligibility, telemedicine, claims payment, and other provider-	$ 89,291,231	$ 26,376,883	$ 129,704,758	$ 245,372,872	$ 63,027,792	$ 65,737,407	$ 179,008,826	$ 307,774,025	Objective 4.1.2 - Process 99% of electronic claims submissions within 14 days

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Fiscal Year 2015-16
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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual) General	Other	Federal	TOTAL	FY 2016-17 Expenditures (Projected) General	Other	Federal	TOTAL	Associated Objective(s)
II. Programs and Services A. Health Services 3. Medical Assistance Payment - Case Services	Finances a broad range of inpatient and outpatient services through both the fee-for-service and managed care programs, including for nursing homes, pharmaceuticals, hospital and physician services, dental, Community Long Term Care, home health, EPSDT, medical professionals, transportation, laboratory and radiology, family planning, Medicare premium matching/payments, hospice, clinical, durable medical equipment, behavioral health, and other related services.				$ -				$ -	Objective 1.1.1 - Provide at least 12% of managed care payments using a value-based approach
II. Programs and Services A. Health Services 3. Medical Assistance Payment - Case Services	Finances a broad range of inpatient and outpatient services through both the fee-for-service and managed care programs, including for nursing homes, pharmaceuticals, hospital and physician services, dental, Community Long Term Care, home health, EPSDT, medical professionals, transportation, laboratory and radiology, family planning, Medicare premium matching/payments, hospice, clinical, durable medical equipment, behavioral health, and other related services.				$ -				$ -	Objective 1.1.2 - Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by 2% annually
II. Programs and Services A. Health Services 3. Medical Assistance Payment - Case Services	Finances a broad range of inpatient and outpatient services through both the fee-for-service and managed care programs, including for nursing homes, pharmaceuticals, hospital and physician services, dental, Community Long Term Care, home health, EPSDT, medical professionals, transportation, laboratory and radiology, family planning, Medicare premium matching/payments, hospice, clinical, durable medical equipment, behavioral health, and other related services.	$ 1,069,868,700	$ 449,562,392	$ 3,554,765,692	$ 5,074,265,984	$ 1,146,303,610	$ 468,495,577	$ 3,798,382,670	$ 5,413,181,857	Objective 1.2.1 - Reduce the rate of low birth weight babies by 3%

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Program Template

Program/Title	Purpose	FY 2015-16 Expenditures (Actual) General	Other	Federal	TOTAL	FY 2016-17 Expenditures (Projected) General	Other	Federal	TOTAL	Associated Objective(s)
II. Programs and Services A. Health Services 4. Assistance Payments - State Agencies	Finances services that are provided by or through other state agencies, such as to the disabled and special needs population, for child health, chronic disease control, STI treatment, women's health, emergency medical services, outpatient and rehabilitative behavioral health, case management and clinical services, alcohol and other substance use treatment, school-based services, etc.	$ 225,086	$ 236,086,478	$ 583,138,090	$ **819,449,654**	$ 225,086	$ 263,986,154	$ 651,757,692	$ **915,968,932**	Objective 1.2.1 - Reduce the rate of low birth weight babies by 3%
II. Programs and Services* A. Health Services 6. Other Entities - Assistance Payments	Provides payment to qualifying hospitals for the unreimbursed cost of providing inpatient and outpatient hospital services to Medicaid eligible and uninsured individuals (DSH Program).		$ 157,894,910	$ 385,974,607	$ **543,869,517**	$ 18,628,621	$ 166,808,737	$ 411,484,684	$ **596,922,042**	None
II. Programs and Services A. Health Services 7. Medicaid Eligibility	Process applications, annual reviews, and other eligibility changes and member services for the program's applicants and beneficiaries.				$ -				$ -	Objective 2.1.1 - Increase the number of online applications by 10%
II. Programs and Services A. Health Services 7. Medicaid Eligibility	Process applications, annual reviews, and other eligibility changes and member services for the program's applicants and beneficiaries.				$ -				$ -	Objective 2.2.1 - Increase the rate of one-hour resolution for walk-in services by 10%
II. Programs and Services A. Health Services 7. Medicaid Eligibility	Process applications, annual reviews, and other eligibility changes and member services for the program's applicants and beneficiaries.	$ 5,460,934	$ 2,050,727	$ 15,746,072	$ **23,257,733**	$ 14,816,850	$ 4,512,197	$ 22,541,330	$ **41,870,377**	Objective 2.2.2 - Increase the rates of single-touch case resolutions for applications and reviews by 10%
III. Employee Benefits C. State Employer Contributions	Provide fringe & benefits for SCDHHS employees.	$ 5,397,087	$ 757,951	$ 11,230,591	$ **17,385,629**	$ 6,525,419	$ 1,678,538	$ 9,520,840	$ **17,724,797**	Objective 4.2.1 - Improve employee engagement scores by 5%

Agency Name: Department of Health and Human Services

Agency Code: J02 Section: 033

Fiscal Year 2015-16
Accountability Report

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
1	44-6-5; 44-6-10	State	Statute	Establishes the State Department of Health and Human Services which shall be headed by a Director appointed by the	I. Administration
2	44-6-30	State	Statute	Establishes DHHS' authority to administer Title XIX of the Social Security Act (Medicaid), including the EPSDT Program and	I. Administration
3	44-6-35	State	Statute	Establishes Medicaid waiver protections for eligible family members of a member of the armed services who maintains his South Carolina state residence, regardless of where the service member is stationed.	II. A. 7. Medicaid Eligibility
4	44-6-40	State	Statute	Establishes the Department's duties for all health and human services interagency programs.	II. A. 4. Assistance Payments - State Agencies
5	44-6-45	State	Statute	Establishes the authority of DHHS to collect administrative fees associated with accounts receivable for those individuals or	I. Administration
6	44-6-50	State	Statute	Establishes that the Department will carry out certain duties through contracts in accordance with the South Carolina Consolidated Procurement Code.	I. Administration; II. A. 2. Medical Contracts
7	44-6-70	State	Statute	Requires DHHS to prepare a state plan for each program assigned to it and prepare resource allocation recommendations	I. Administration
8	44-6-80	State	Statute	Requires the Department to submit to the Governor, the State Budget and Control Board, and the General Assembly an	I. Administration
9	44-6-90	State	Statute	Authorizes the Department to promulgate regulations to carry out its duties. Requires all state and local agencies whose responsibilities include administration or delivery of services which are covered by Title 44, Chapter 6 to cooperate with the Department and comply with its regulations.	I. Administration; II. A. 4. Assistance Payments - State Agencies
10	44-6-100	State	Statute	Establishes the Director as the chief administrative officer of the department responsible for executing policies, directives,	I. Administration
11	44-6-132; 44-6-135	State	Statute	Medically Indigent Assistance Act; Legislative Intent and Findings.	I. Administration
12	44-6-140	State	Statute	Establishes the Medicaid hospital prospective payment system and cost containment measures.	Administration; II. A. 6. Other Entities - Assistance Payments
13	44-6-146	State	Statute	Establishes County assessments for indigent medical care and penalties for failure to pay assessments in timely manner.	Administration; II. A. 6. Other Entities - Assistance Payments
14	44-6-150	State	Statute	Creates the Medically Indigent Assistance Program to be administered by the Department. The program is authorized to sponsor inpatient hospital care for which hospitals shall receive no reimbursement.	Administration; II. A. 6. Other Entities - Assistance Payments
15	44-6-155	State	Statute	Creates the Medicaid Expansion Fund. Monies in the fund must be used to: (1) provide Medicaid coverage to pregnant women and infants with family incomes above one hundred percent but below one hundred eighty-five percent of the	Administration; II. A. 7. Medicaid Eligibility
16	44-6-160	State	Statute	Requires the Department, by August first of each year, to compute and publish the annual target rate of increase for net	I. Administration
17	44-6-180	State	Statute	Patient records received by the Department, as well as counties and other entities involved in the administration of the	I. Administration
18	44-6-190	State	Statute	Establishes that the Department may promulgate regulations pursuant to the Administrative Procedures Act and appeals	I. Administration
19	44-6-200	State	Statute	Criminal penalties for falsification of information regarding MIAP.	I. Administration
20	44-6-220	State	Statute	Establishes notice requirements on nursing home admission applications regarding eligibility for Medicaid-sponsored long-term care services.	II. A. 7. Medicaid Eligibility
21	44-6-300	State	Statute	Requires the Department to establish child development services in certain counties.	I. Administration
22	44-6-310	State	Statute	Requires the Department to expand child development services in certain counties.	I. Administration
23	44-6-320	State	Statute	Requires the establishment and expansion of the child development services to be accomplished within the limits of the	I. Administration

Agency Name: Department of Health and Human Services

Agency Code: J02 **Section:** 033

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
24	44-6-400	State	Statute	Definitions for the Intermediate Sanctions For Medicaid Certified Nursing Home Act.	I. Administration
25	44-6-420	State	Statute	Authorizes the Department to take certain enforcement action when it is notified by DHEC that a nursing home is in	I. Administration
26	44-6-470	State	Statute	Specifies the use of funds collected by the department as a result of the imposition of civil monetary penalties or other	I. Administration
27	44-6-530	State	Statute	Before instituting an action against a nursing home, requires the Department to determine if the Secretary of the United	I. Administration
28	44-6-540	State	Statute	Authorizes the Department to promulgate regulations, pursuant to the Administrative Procedures Act, to administer	I. Administration
29	44-6-630	State	Statute	Creates within the Department the Gap Assistance Pharmacy Program for Seniors (GAPS) program. The purpose of this program is to coordinate, beginning January 1, 2006, with Medicare Part D Prescription Drug Plans to provide to low-	I. Administration; II. A. 7. Medicaid Eligibility
30	44-6-640	State	Statute	Establishes that the Department may designate, or enter into contracts with, other entities including, but not limited to,	I. Administration
31	44-6-650	State	Statute	Establishes the eligibility requirements and benefits available under the GAPS program.	I. Administration
32	44-6-660	State	Statute	Requires the Department to maintain data to allow evaluation of the cost effectiveness of the GAPS program and to	I. Administration
33	44-6-710	State	Statute	Requires the Medicaid application for nursing home care of a person deemed ineligible because of Medicaid qualifying trust to be treated as an undue hardship case.	I. Administration; II. A. 7. Medicaid Eligibility
34	44-6-720	State	Statute	Establishes requirements for qualifying for undue hardship waiver.	I. Administration; II. A. 7. Medicaid Eligibility
35	44-6-725	State	Statute	Establishes that certain promissory notes received by a Medicaid applicant or recipient or the spouse of a Medicaid applicant or recipient shall, for Medicaid eligibility purposes, be deemed to be fully negotiable under the laws of this State	I. Administration; II. A. 7. Medicaid Eligibility
36	44-6-730	State	Statute	Authorizes the Department to promulgate regulations to implement the article and comply with federal law and amend the state Medicaid plan consistent with article ("Trusts and Medicaid Eligibility").	I. Administration; II. A. 7. Medicaid Eligibility
37	44-6-610 to 630	State	Statute	Definitions and creation of the GAPS program.	I. Administration; II. A. 7. Medicaid Eligibility
38	44-6-910	State	Statute	Recognition of FQHCs, RHCs and Rural Hospitals.	I. Administration; II. A. Health Services
39	44-6-1010	State	Statute	Establishes the Pharmacy and Therapeutics Committee within the Department of Health and Human Services and describes	I. Administration
40	44-6-1020	State	Statute	Requires the P&T Committee to adopt bylaws, elect a chairman and vice chairman; establishes rules regarding	I. Administration
41	44-6-1030	State	Statute	Requires the P&T committee to recommend to the Department therapeutic classes of drugs that should be included on a	I. Administration
42	44-6-1040	State	Statute	Establishes certain procedures to be included in any preferred drug list program administered by the Department.	I. Administration; II. A. Health Services
43	44-6-1050	State	Statute	Establishes rules regarding the granting of prior authorization for a drug and establishes that a Medicaid recipient who has been denied prior authorization for a prescribed drug is entitled to appeal this decision through the Department's appeals	I. Administration; II. A. Health Services
44	43-7-50	State	Statute	Establishes that payments for professional services under the State Medicaid Program shall be uniform within the State.	I. Administration; II. A. Health Services
45	43-7-60	State	Statute	Establishes that a false claim, statement, or representation by a medical provider is a misdemeanor and sets out penalties for violations.	I. Administration; II. A Health Services
46	43-7-70	State	Statute	Establishes that a false statement or representation on application for assistance under the Medicaid program is a misdemeanor and sets out penalties for violations.	I. Administration; II. A. 7. Medicaid Eligibility
47	43-7-80	State	Statute	Establishes that Medicaid providers are required to keep separate accounts for patient funds and maintain records of such	I. Administration

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
48	43-7-410	State	Statute	Assignment and subrogation of claims for reimbursement for Medicaid services; definitions.	I. Administration; II. A. Health Services
49	43-7-420	State	Statute	Establishes that Medicaid applicants and recipients are considered to have assigned their right to recover an amount paid by Medicaid from a third party or private insurer to the department. Also that the receipt of medical assistance by an	I. Administration; II. A. 7. Medicaid Eligibility
50	43-7-430	State	Statute	Establishes the subrogation of rights to the Department. The Department automatically is subrogated, only to the extent	I. Administration
51	43-7-440	State	Statute	Establishes the enforcement and superiority of the Department's subrogation rights. Requires provider assistance in identification of third parties liable for medical costs. Renders ineffective certain insurance provisions.	I. Administration; II. A. Health Services
52	43-7-450	State	Statute	Assignment and subrogation of claims for reimbursement for Medicaid services; claims or actions pending or brought	I. Administration
53	43-7-460	State	Statute	Establishes the Department's obligation to recovery of medical assistance paid under the Title XIX State Plan for Medical Assistance from estates of certain individuals.	I. Administration; II. A. 7. Medicaid Eligibility
54	43-7-465	State	Statute	Establishes requirements for insurers doing business in the State that provide coverage to persons receiving Medicaid	I. Administration
55	44-7-80 through 44-7-90	State	Statute	Establishes the Medicaid Nursing Home Permits rules.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
56	1-1-1035	State	Statute	Establishes that no state funds or Medicaid funds shall be expended to perform abortions, except for those abortions	I. Administration
57	12-23-840	State	Statute	Revenues derived under Article 11 (Indigent Health Care) of Title 12 of Chapter 23 of the Code must be deposited in the Medicaid Expansion Fund created by Section 44-6-155. In addition to the purposes specified in Section 44-6-155, monies in	I. Administration; II. A. 7. Medicaid Eligibility
58	9-1-1870	State	Statute	With one exception, retirees and beneficiaries under the State Retirement Systems receiving Medicaid (Title XIX) sponsored nursing home care as of June thirtieth of the prior fiscal year shall receive no increase in retirement benefits during the current fiscal year. The exception is for a retired employee who is discharged from the nursing home and does not require admission to a hospital or nursing home within six months.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
59	9-11-315	State	Statute	With one exception, retirees and beneficiaries under the Police Officers Retirement System receiving Medicaid (Title XIX) sponsored nursing home care as of June thirtieth of the prior fiscal year shall receive no increase in retirement benefits during the current fiscal year. The exception is for a retired employee who is discharged from the nursing home and does not require admission to a hospital or nursing home within six months.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
60	40-43-86(H)(6)	State	Statute	A Medicaid recipient whose prescription is reimbursed by the South Carolina Medicaid Program is deemed to have consented to the substitution of a less costly equivalent generic drug product.	I. Administration; II. A. Health Services
61	62-7-503	State	Statute	Makes the spendthrift exception unenforceable against a special needs trust, supplemental needs trust, or similar trust established for a disabled person if the applicability of such a provision could invalidate such a trust's exemption from	I. Administration; II. A. 7. Medicaid Eligibility
62	11-7-40	State	Statute	Establishes that the Department is responsible for fifty percent of the costs incurred by the State Auditor in conducting the medical assistance audit. The amount billed by the State Auditor must include those appropriated salary adjustments and	I. Administration; II. A. Health Services
63	12-21-625	State	Statute	Describes the portion of the cigarette tax to be deposited in the South Carolina Medicaid Reserve Fund created pursuant to	I. Administration
64	59-123-60	State	Statute	Requires certain state appropriations to the Department to be used as match funds for the disproportionate share for the MUSC's federal program. Any excess funding may be used for hospital base rate increases. The Department must pay to the Medical University of South Carolina Hospital Authority an amount equal to the amount appropriated for its	I. Administration; II. A. 6. Other Entities - Assistance Payments
65	44-6-110 (effective Jan. 1, 2017)	State	Statute	A Medicaid provider, outside of the geographical boundary of South Carolina but within the South Carolina Medicaid	I. Administration

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
66	38-71-2110(B)	State	Statute	Exempts the Department from Article 20, Chapter 71 of Title 38 of the SC Code, which provides procedures governing the maximum allowable cost reimbursements for generic prescription drugs by pharmacy benefit managers.	I. Administration; II. A. Health Services
67	58-23-1610	State	Statute	A transportation network company does not include transportation services provided pursuant to Articles 1 through 15, Chapter 23, Title 58, or arranging nonemergency medical transportation for individuals qualifying for Medicaid or Medicare	I. Administration; II. A. Health Services
68	11-5-400; 11-5-440(F)(2)	State	Statute	Establishes the 'South Carolina ABLE Savings Program'. The purpose of the South Carolina ABLE Savings Program is to authorize the establishment of savings accounts empowering individuals with a disability and their families to save private	I. Administration; II. A. 7. Medicaid Eligibility
69	Reg. 126-125	State	Regulation	Requires the Department to administer its programs without discrimination.	I. Administration
70	Regs. 126-150 through 126-158	State	Regulation	Establishes rules for the Department's appeals and hearings.	I. Administration
71	Regs. 126-170 through 126-175	State	Regulation	Establishes rules for the safeguarding and disclosure of Department-held client information.	I. Administration
72	Regs. 126-300 through 126-335	State	Regulation	Establishes the scope of the Medicaid program including services available under the program.	I. Administration
73	Regs. 126-350 through 126-399	State	Regulation	Establishes the application procedures and the general requirements for Medicaid eligibility.	I. Administration; II. A. 7. Medicaid Eligibility
74	Regs. 126-400 through 126-405	State	Regulation	Describes the administrative sanctions that may be invoked by the Department against Medicaid providers.	I. Administration
75	Reg. 126-425	State	Regulation	Establishes program integrity rules designed to safeguard against unnecessary, harmful, wasteful, and uncoordinated	I. Administration
76	Regs. 126-500 through 126-515	State	Regulation	Describes eligibility requirements for the Medically Indigent Assistance Program (MIAP).	I. Administration; II. A. 7. Medicaid Eligibility
77	Regs. 126-530 through 126-540	State	Regulation	Describes the services covered by the Medically Indigent Assistance Program (MIAP).	I. Administration; II. A. Health Services
78	Reg. 126-560	State	Regulation	Establishes the payment process to reimburse hospitals for inpatient services provided to Medically Indigent recipients.	I. Administration; II. A. 6. Other Entities - Assistance Payments
79	Reg. 126-570	State	Regulation	Establishes the grace period for County assessments for indigent medical care in accordance with the provisions of 44-6-146(C).	I. Administration; II. A. 6. Other Entities - Assistance Payments
80	Regs. 126-710 through 126-799	State	Regulation	Establishes rules regarding the administration of Social Services Block Grants under Title XX of the Social Security Act.	I. Administration
81	Regs. 126-800 through 126-850	State	Regulation	Establishes intermediate sanctions for Medicaid certified nursing facilities. Establishes that the Administrator, or his designee, of the State Medicaid Agency may invoke certain sanctions against a Medicaid nursing facility which has failed to correct deficiencies or make acceptable progress toward correction of deficiencies.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
82	Regs. 126-910 through 126-940	State	Regulation	Establishes eligibility rules for individuals to participate in the Optional State Supplementation (OSS) program as well as rules for the Department in administering the OSS program.	I. Administration; II. A. 7. Medicaid Eligibility
83	Proviso 33.1 (Recoupment/Restricted Fund)	State	Proviso	Establishes a restricted fund for recoupments and overpayments and specifies the allowable uses of that fund.	I. Administration
84	Proviso 33.2 (Long Term Care Facility Reimbursement Rate)	State	Proviso	Establishes procedures for calculating reimbursements for long-term care facilities.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services

Agency Name: Department of Health and Human Services

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
85	Proviso 33.3 (Medical Assistance Audit Program Remittance)	State	Proviso	Directs the Department to make monthly remittances to the State Auditor's Office to support Medical Assistance audits.	I. Administration
86	Proviso 33.4 (Third Party Liability Collection)	State	Proviso	Allows the Department to fund Third Party Liability and Drug Rebate collection efforts from the monies collected in those efforts.	I. Administration
87	Proviso 33.5 (Medicaid State Plan)	State	Proviso	Establishes the circumstances under which the Department may bill other state agencies for state matching funds.	I. Administration; II. A. 4. Assistance Payments - State Agencies
88	Proviso 33.6 (Medically Indigent Assistance Fund)	State	Proviso	Makes DSH-receiving hospitals liable for any audit exceptions relating to their receipt or expenditure of DSH funds.	I. Administration; II. A. 6. Other Entities - Assistance Payments
89	Proviso 33.7 (Registration Fees)	State	Proviso	Authorizes the Department to receive and expend registration fees for educational, training, and certification programs.	I. Administration
90	Proviso 33.8 (Fraud and Abuse Collections)	State	Proviso	Authorizes the Department to offset the administrative costs associated with controlling fraud and abuse.	I. Administration
91	Proviso 33.9 (Medicaid Eligibility Transfer)	State	Proviso	Transfers responsibility for Medicaid eligibility from DSS to HHS and requires that counties provide facilities for this work, as they do for DSS.	I. Administration; II. A. 7. Medicaid Eligibility
92	Proviso 33.10 (Franchise Fees Suspension)	State	Proviso	Suspends franchise fees imposed on nursing home beds.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
93	Proviso 33.11 (Program Integrity Efforts)	State	Proviso	Directs the Department to expand its program integrity efforts by utilizing resources both within and external to the agency including, but not limited to, the ability to contract with other entities for the purpose of maximizing the	I. Administration
94	Proviso 33.12 (Post Payment Review)	State	Proviso	Requires post-payment reviews to ensure compliance with the Hyde Amendment.	I. Administration; II. A. Health Services
95	Proviso 33.13 (Long Term Care Facility Reimbursement Rates)	State	Proviso	Requires that HHS submit its long-term care facility reimbursement state plan amendment to CMS by August 15th each year.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
96	Proviso 33.14 (Nursing Services to High Risk/High Tech Children)	State	Proviso	Requires a separate classification and compensation plan for Registered Nurses (RN) and Licensed Practical Nurses (LPN) who provide services to Medically Fragile Children and others.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services
97	Proviso 33.15 (SCHIP Enrollment and Recertification)	State	Proviso	Directs the Department to enroll and recertify eligible children for the Children's Health Insurance Program (CHIP) using various sources of information from other state agencies.	I. Administration; II. A. 7. Medicaid Eligibility
98	Proviso 33.16 (Carry Forward)	State	Proviso	Allows the Department to carry forward funds from earmarked and restricted sources and establishes relevant reporting	I. Administration
99	Proviso 33.17 (Medicaid Provider Fraud)	State	Proviso	Directs the Department to expand and increase its effort to identify, report, and combat Medicaid provider fraud and requires annual reporting.	I. Administration
100	Proviso 33.18 (GAPS)	State	Proviso	Suspends the GAPS program.	I. Administration

Agency Name:	Department of Health and Human Services		
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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
101	Proviso 33.20 (Contract Authority)	State	Proviso	Authorizes the Department to contract with community-based not-for-profit organizations for local projects that further the objectives of the Department's programs.	I. Administration; II. A. 2. Medical Contracts
102	Proviso 33.21 (Medicaid Accountability and Quality Improvement Initiative)	State	Proviso	Establishes the Healthy Outcomes Initiative, increases DSH payments to rural hospitals, promotes telemedicine, and directs expenditures to safety net and other providers.	I. Administration; II. A. 6. Other Entities - Assistance Payments
103	Proviso 33.22 (Medicaid Healthcare Initiatives Outcomes)	State	Proviso	Requires that the Director of the Department of Health and Human Services present to the House Ways and Means Healthcare Budget Subcommittee on the outcomes of Medicaid healthcare initiatives by February 15th.	I. Administration
104	Proviso 33.23 (Carry Forward Authorization)	State	Proviso	Allows the Department to carry-forward General Fund balances.	I. Administration
105	Proviso 33.27 (Rural Health Initiative)	State	Proviso	Establishes a Rural Health Initiative to promote rural healthcare and education, along with workforce development for rural medicine.	I. Administration; II. A. 6. Other Entities - Assistance Payments
106	Proviso 117.9 (Transfers of Appropriations)	State	Proviso	Sets rules for transferring appropriations within programs.	I. Administration
107	Proviso 117.10 (Federal Funds - DHEC, DSS, DHHS - Disallowances)	State	Proviso	Allows DSS, DHEC, and HHS to use current-year funds for certain prior-year purposes.	I. Administration
108	Proviso 117.13 (Discrimination Policy)	State	Proviso	Agencies must submit employment reports to the State Human Affairs Commission by October 31st.	I. Administration
109	Proviso 117.14 (Personal Service Reconciliation)	State	Proviso	Defines the process through which FTEs are tracked and allocated.	I. Administration
110	Proviso 117.18 (Business Expense Reimbursement)	State	Proviso	DOA to promulgate regulations governing business travel expenses for department heads and deputies.	I. Administration
111	Proviso 117.20 (Travel - Subsistence Expenses and Mileage)	State	Proviso	Outlines state employee travel reimbursement policies.	I. Administration
112	Proviso 117.23 (Carry Forward)	State	Proviso	Allows agencies to carry-forward 10% of their General Fund appropriations; sets procedures for sweeping these accounts, if necessary in a recession.	I. Administration
113	Proviso 117.24 (TEFRA)	State	Proviso	Directs HHS to amend the State Plan to exercise the TEFRA eligibility option and other agencies to identify potential sources of state match.	I. Administration; II. A. 4. Assistance Payments - State Agencies
114	Proviso 117.29 (Base Budget Analysis)	State	Proviso	Agencies must submit accountability reports by September 15th.	I. Administration
115	Proviso 117.30 (Collection on Dishonored Payments)	State	Proviso	Agencies may collect service charges for payments dishonored for insufficient funds.	I. Administration
116	Proviso 117.32 (Voluntary Separation Incentive Program)	State	Proviso	Sets parameters through which agencies may establish voluntary separation incentives, subject to DOA approval.	I. Administration; III. Employee Benefits

Agency Name: Department of Health and Human Services

Agency Code: J02 Section: 033

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
117	Proviso 117.34 (Debt Collection Reports)	State	Proviso	Agencies must submit debt collection reports by the end of February.	I. Administration
118	Proviso 117.36 (Tobacco Settlement Funds Carry Forward)	State	Proviso	Agencies may carry-forward Tobacco Settlement Agreement funds.	I. Administration
119	Proviso 117.45 (Parking Fees)	State	Proviso	Agencies may not increase or impose new parking fees for employees.	I. Administration
120	Proviso 117.47 (Insurance Claims)	State	Proviso	Agencies may use insurance reimbursements to offset expenses related to the claim and may carry-forward these funds.	I. Administration
121	Proviso 117.48 (Organizational Charts)	State	Proviso	Agencies must file organization charts by September 1st and when making changes that affect grievance rights.	I. Administration
122	Proviso 117.49 (Agencies Affected by Restructuring)	State	Proviso	Defines the process for making accounting changes when agencies are restructured.	I. Administration
123	Proviso 117.50 (Agency Administrative Support Collaboration)	State	Proviso	Agencies should pursue cost savings through shared services efforts.	I. Administration
124	Proviso 117.55 (Employee Bonuses)	State	Proviso	Sets limits on employee bonuses and sets reporting requirements.	I. Administration; III. C. State Employer Contributions
125	Proviso 117.58 (Year-End Financial Statements - Penalties)	State	Proviso	Sets deadlines for agencies to submit financial statements to the Comptroller General.	I. Administration
126	Proviso 117.59 (Purchase Card Incentives)	State	Proviso	Agencies that receive incentive rebate premiums for using the purchasing card may retain those funds.	I. Administration
127	Proviso 117.64 (Attorney Dues)	State	Proviso	Agencies employing attorneys may use their funds to pay SC Bar Association dues.	I. Administration
128	Proviso 117.65 (Healthcare Employee Recruitment and Retention)	State	Proviso	Allows certain agencies to pay bonuses, educational leave, loan repayments, and tuition for healthcare workers under specific conditions.	I. Administration; III. C. State Employer Contributions
129	Proviso 117.68 (Voluntary Furlough)	State	Proviso	Agencies may create voluntary furlough programs	I. Administration; III. C. State Employer Contributions
130	Proviso 117.70 (Reduction in Force Antidiscrimination)	State	Proviso	Agencies can't discriminate when applying reductions in force.	I. Administration
131	Proviso 117.71 (Reduction in Force/Agency Head Furlough)	State	Proviso	Agency heads must take a five-day furlough in fiscal years when they apply reductions in force, with certain exceptions.	I. Administration
132	Proviso 117.73 (IMD Operations)	State	Proviso	Funds used prior to 2006 for behavioral health services for children in group homes and other institutional settings must still be used for out-of-home placements; creates associated reporting requirements.	I. Administration

Agency Name: Department of Health and Human Services

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Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statuary Requirement and/or Authority Granted	Associated Program(s)
133	Proviso 117.75 (Mandatory Furlough)	State	Proviso	Defines the rules governing mandatory employee furloughs.	I. Administration; III. C. State Employer Contributions
134	Proviso 117.76 (Reduction in Force)	State	Proviso	When RIFs occur, agencies should focus on letting contractors, TERI, and post-TERI employees go first.	I. Administration
135	Proviso 117.77 (Cost Saving When Filling Vacancies Created by Retirements)	State	Proviso	Agencies should eliminate 1/4 of the cost associated with positions made vacant by retirement.	I. Administration
136	Proviso 117.78 (Information Technology for Health Care)	State	Proviso	Establishes the intended use of funds awarded to HHS under the HITECH Act.	I. Administration
137	Proviso 117.80 (Reduction in Compensation)	State	Proviso	Agencies can't discipline or give pay reductions to employees solely for providing sworn testimony to legislative committees.	I. Administration; III. C. State Employer Contributions
138	Proviso 117.81 (Deficit Monitoring)	State	Proviso	Defines the Executive Budget Office's quarterly deficit monitoring program.	I. Administration
139	Proviso 117.82 (Commuting Costs)	State	Proviso	Provides restrictions on the use of state vehicles for employees' commuting purposes.	I. Administration
140	Proviso 117.83 (Bank Account Transparency and Accountability)	State	Proviso	Agencies must provide detailed reports on non-SCEIS bank accounts by October 1st.	I. Administration
141	Proviso 117.84 (Websites)	State	Proviso	Agency websites must link to another agency's website that posts procurement card spending reports?	I. Administration
142	Proviso 117.85 (Regulations)	State	Proviso	Joint Resolutions for regulations that raise or establish fees must state this in their titles.	I. Administration
143	Proviso 118.88 (Recovery Audits)	State	Proviso	Requires state agencies to participate in recovery audit program and cooperate and provide necessary information in a timely manner.	I. Administration
144	Proviso 117.90 (Opt out of Affordable Care Act)	State	Proviso	Opts-out of specific provisions of the Patient Protection and Affordable Care Act, where permissible.	I. Administration
145	Proviso 117.91 (Means Test)	State	Proviso	Agencies providing healthcare services are to apply means tests and report on these criteria and collections by January 1st.	I. Administration
146	Proviso 117.92 (Agency Reduction Management)	State	Proviso	In the event of a base reduction, agencies are to realize savings through furloughs, reductions in employee compensation, hiring freezes, elimination of administrative overhead, and as a final option, reductions to programmatic funding.	I. Administration; III. 3. State Employer Contributions
147	Proviso 117.98 (First Steps - Baby Net)	State	Proviso	Imposes reporting requirements on First Steps, largely related to compliance with recent LAC reports.	I. Administration
148	Proviso 117.107 (Data Breach Notification)	State	Proviso	Creates notification requirements in the event of a data breach.	I. Administration
149	Proviso 117.114 (Information Technology and Information Security Plans)	State	Proviso	Agencies must file IT and information security plans by October 1st.	I. Administration

Agency Name: Department of Health and Human Services

Agency Code: J02 Section: 033

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
150	Proviso 117.118 (Employee Compensation)	State	Proviso	Directs employee pay raise of 3.25% for FY 2016-17.	I. Administration; III. Employee Benefits
151	Proviso 117.133 (Statewide Strategic Information Technology Plan Implementation)	State	Proviso	Directs state agencies to provide information/comply with the Statewide Strategic Information Technology Plan Implementation.	I. Administration
152	Proviso 117.137 (State Employee Leave Donation)	State	Proviso	Replaces previous rules for donating annual and sick leave.	I. Administration; III. Employee Benefits
153	Proviso 118.1 (Year End Cutoff)	State	Proviso	Sets accounting rules for fiscal year-end.	I. Administration
154	Proviso 118.5 (Health Care Maintenance of Effort Funding)	State	Proviso	Directs the proceeds of the $0.50 cigarette surcharge and applies those funds to Medicaid.	I. Administration
155	Proviso 118.6 (Prohibits Public Funded Lobbyists)	State	Proviso	Agencies may not use General Funds to pay lobbyists.	I. Administration
156	Proviso 118.11 (Tobacco Settlement)	State	Proviso	Allocates funds received through the Tobacco Master Settlement Agreement.	I. Administration
157	Proviso 118.16 (Non-recurring Revenue)	State	Proviso	Appropriates non-recurring revenues.	I. Administration
158	Title XIX and XXI of the Social Security Act	Federal	Statute	Authorizes Federal grants to States for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. The program is jointly financed	I. Administration
159	42 CFR 430.0 - 430.104	Federal	Regulation	Establishes regulations regarding the Medicaid State Plan, federal deferrals and disallowances, reduction of Federal	I. Administration
160	42 CFR 431.1 - 431.1002	Federal	Regulation	Establishes regulations regarding State organization and general administration of the Medicaid program including rules on	I. Administration
161	42 CFR 432.1 - 432.55	Federal	Regulation	Establishes regulations regarding the Department's personnel administration including available federal financial participation for staffing and training.	I. Administration; III. Employee Benefits
162	42 CFR 433.1 - 433.322	Federal	Regulation	Establishes regulations regarding the Department's fiscal administration of the Medicaid program including matching	I. Administration
163	42 CFR 434.1 - 434.78	Federal	Regulation	Establishes general provisions regarding Department contracts including conditions for federal financial participation.	I. Administration; II. A. 2. Medical Contracts
164	42 CFR 435.2 - 435.1205	Federal	Regulation	Establishes regulations regarding eligibility to participate in the Medicaid program including mandatory and optional coverage groups, general financial eligibility requirements, certain post-eligibility financial requirements, and federal financial participation available for expenditures in determining eligibility and providing services.	I. Administration; II. A. Health Services; II. A. 7. Medicaid Eligibility
165	42 CFR 438.1 - 438.812	Federal	Regulation	Establishes regulations regarding the administration of the Medicaid program through managed care entities.	I. Administration; II. A. Health Services
166	42 CFR 440.1 - 440.390	Federal	Regulation	Establishes regulations regarding the services available under the Medicaid program including definitions, requirements	I. Administration
167	42 CFR 441.1 - 441.745	Federal	Regulation	Establishes requirements and limits applicable to specific services.	I. Administration; II. A. Health Services
168	42 CFR 442.1 - 442.119	Federal	Regulation	Establishes standards for payment to nursing facilities and intermediate care facilities for individuals with intellectual disabilities.	I. Administration; II. A. 3. Medical Assistance Payment - Case Services

Agency Name: Department of Health and Human Services

Agency Code: J02 Section: 033

Legal Standards Template

Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Associated Program(s)
169	42 CFR 447.1 - 447.520	Federal	Regulation	Establishes regulations regarding the Department's payment for services including payment methods, payment for inpatient hospital and long term care facility services, payment adjustments for hospitals that serve a disproportionate number of low-income patients, payment methods for other institutional and non-institutional services, payments for primary care services provided by physicians, and payment for drugs.	I. Administration; II. A. 2. Medical Contracts; II. A. 6. Other Entities - Assistance Payments
170	42 CFR 455.1 - 455.516	Federal	Regulation	Establishes regulations regarding Medicaid program integrity including the Medicaid agency fraud detection and	I. Administration
171	42 CFR 456.1 - 456.725	Federal	Regulation	Establishes regulations regarding utilization control measures for Medicaid services.	I. Administration; II. A. Health Services
172	42 CFR 460.1 - 460.210	Federal	Regulation	Establishes regulations for the administration of the Program of All-Inclusive Care for the Elderly (PACE).	I. Administration; II. A. 3. Medical Assistance Payment - Case Services

Agency Name:	Department of Health and Human Services
Agency Code:	J02
Section:	33

Fiscal Year 2015-16
Accountability Report

Customer Template

Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	Specify only for the following Segments: (1) Industry Name (2) Professional Organization Name (3) Public Demographics.
Eligibility and Health Services	Medicaid members and/or applicants	Health coverage for members	Public	Low-income and/or disabled residents who meet categorical requirements.

Agency Name:	Department of Health and Human Services		
Agency Code:	J02	Section:	033

Fiscal Year 2015-16
Accountability Report

Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Department of Disabilities and Special Needs	State Government	DDSN administers certain waiver programs on behalf of HHS; DDSN is primarily financed through HHS.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Department of Mental Health	State Government	DMH is a major provider of behavioral health services for Medicaid beneficiaries.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Department of Education	State Government	SCDE has traditionally served as an intermediary between HHS and the school districts that provide Medicaid-funded services.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Department of Social Services	State Government	Many Medicaid beneficiaries also receive some form of services through DSS (SNAP, TANF, foster care, etc.). The agencies collaborate on eligibility and to serve certain populations.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Lt. Governor's Office	State Government	The agencies collaborate on enrollment and eligibility data for elderly and vulnerable adults pursuing Medicaid eligibility to receive long-term care or nursing facility services.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Department of Health and Environmental Control	State Government	DHEC is an important service provider and information source for Medicaid beneficiaries.	1.2.1 Reduce the rate of low birth weight babies by 3%; 3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks

Agency Name:	Department of Health and Human Services		
Agency Code:	J02	Section:	033

Fiscal Year 2015-16
Accountability Report

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Partner Template Associated Objective(s)
Department of Alcohol and Other Drug Abuse Services	State Government	DAODAS receives significant funding from HHS and the agencies collaborate to discuss/design Medicaid service offerings.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Continuum of Care	State Government	Continuum manages services for children needing the most intensive behavioral health assistance; these services are often Medicaid-funded.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Medical University of South Carolina	State Government	MUSC administers the statewide telemedicine system that is funded with resources from HHS.	3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks
Managed Care Organizations	Private Company	The program's five managed care organizations are responsible for coordinating care and controlling costs for most Medicaid beneficiaries.	1.1.1 Provide at least 20% of managed care payment using a value-based approach; 1.1.2 Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by 2% annually; 3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks

Agency Name:	Department of Health and Human Services		
Agency Code:	J02	Section:	033

Fiscal Year 2015-16
Accountability Report

Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Providers	State Government, Private Company, Individuals, Non-profits	Roughly 48,000 individuals and organizations are currently enrolled to provide services to Medicaid beneficiaries, including physicians, dentists, and countless other classes.	1.1.1 Provide at least 20% of managed care payment using a value-based approach; 1.1.2 Increase the percentage of HEDIS withhold metrics at or above the 50th percentile by 2% annually; 3.1.1 Maintain General Fund expenditures within 3% of forecast; 3.2.1 Keep per-member cost increases below national benchmarks

Agency Name: Department of Health and Human Services

Agency Code: J02 Section: 033

Fiscal Year 2015-16
Accountability Report

Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Restructuring Report	House Legislative Oversight Committee	State	Annually	January 12, 2016	Assure that agency programs are rooted in an organized hierarchy of goals, strategies, and objectives; assess agency performance.	www.scstatehouse.gov
2	Accountability Report	Executive Budget Office	State	Annually	September 15, 2015	Assure that agency programs are rooted in an organized hierarchy of goals, strategies, and objectives; assess agency performance.	www.budget.sc.gov
3	Restructuring Report	Senate's committees of jurisdiction	State	Annually	January 13, 2015	Assure that agency programs are rooted in an organized hierarchy of goals, strategies, and objectives; assess agency performance.	www.scstatehouse.gov
4	Carry Forward Report	General Assembly, through appropriations bill	State	Annually	August 10, 2015	Provide additional information on funds carried forward from one fiscal year to the next.	www.scstatehouse.gov
5	Medicaid Provider Fraud	General Assembly, through appropriations bill	State	Annually	April 1, 2016	Confirm the Department is taking appropriate steps to combat waste, fraud, and abuse.	www.scdhhs.gov
6	Medicaid Accountability and Quality Improvement Initiative	General Assembly, through appropriations bill	State	Quarterly	Various (Quarterly)	Monitor the impact of a variety of recently introduced programs.	www.scdhhs.gov
7	Medicaid Healthcare Initiatives Outcomes	General Assembly, through appropriations bill	State	Annually	December 8, 2015; February 3, 2016	Ensure the House Ways and Means Healthcare Subcommittee has an opportunity to discuss budget and policy matters with the Department's Director early in	www.scdhhs.gov
8	Carry Forward Authorization	General Assembly, through appropriations bill	State	Annually	August 10, 2015	Provide appropriations committees with information on funds carried forward from one year to the next.	www.scstatehouse.gov
9	Discrimination Policy	General Assembly, through appropriations bill	State	Annually	October 21, 2015	Ensure [illegible] discrimination laws in their hiring and promotion	By request
10	Travel Report	General Assembly, through appropriations bill	State	Annually	September 18, 2015	Monitor agency travel expenses.	By request
11	Debt Collection Report	General Assembly, through appropriations bill	State	Annually	March 1, 2016	Ensure that agencies recover funds that are due to the state.	By request
12	IMD Operations	General Assembly, through appropriations bill	State	Annually	February 23, 2016	Monitor the impact of funding changes made by the state in recent years due to changes in federal guidance.	www.scstatehouse.gov
13	Bank Account Transparency and Accountability	General Assembly, through appropriations bill	State	Annually	September 28, 2015	Provide information on fund balances and accounts not managed through the SCEIS system.	By request
14	Means Test	General Assembly, through appropriations bill	State	Annually	December 15, 2015	Ensure that recipients of public services are those in the greatest need.	www.scstatehouse.gov
15	First Steps/BabyNet	General Assembly, through appropriations bill	State	Quarterly	April 14, 2016	Track BabyNet's progress in implementing various recommendations from past audit reports.	By request
16	Information Technology and Information Security Plans	General Assembly, through appropriations bill	State	Annually	October 1, 2015	Track agencies' progress in implementing IT and information security plans; ensure adherence to	By request
17	Medicaid Transportation Advisory Committee Reports	General Assembly through Joint Resolution	State	Quarterly	March 10, 20116	Ensure the Department's management of transportation services is informed by public comment.	www.scstatehouse.gov

Agency Name: Department of Health and Human Services

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Fiscal Year 2015-16
Accountability Report

Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
18	PAPD/IAPD/IAPD-U/OPAD Reports	Federal requirement	Federal	Annually or as Needed	Various	Request enhanced federal funds from Centers for Medicare and Medicaid Services (CMS); update CMS on changes to previously approved planning documents.	By request
19	Supplemental; 64 Report	Federal requirement	Federal	Quarterly	April 30, 2016	Update CMS on enhanced federal spending at a detailed	By request
20	The Annual Report of the Children's Health Insurance Plans Under Title XXI of the Social Security Act	Federal requirement	Federal	Annually	December 31, 2015	Measure quality of healthcare for children in Medicaid and CHIP programs.	CARTS
21	Sole Sources and Emergencies	SFAA - Division of Procurement Services	State	Quarterly	May 3, 2016	Monitor use of select source selection methods.	http://procurement.sc.gov/PS/general/PS-general-audit-reports.phtm
22	Trade-In Sales	SFAA - Division of Procurement Services	State	Quarterly	No activity	Monitor instances in which agencies trade-in items instead of selling them outright.	By request
23	Unauthorized (Illegal) Procurements	SFAA - Division of Procurement Services	State	Quarterly	January 15, 2016	Monitor procurement exceptions.	http://procurement.sc.gov/PS/general/PS-general-audit-reports.phtm
24	Preferences and 10% Rule	SFAA - Division of Procurement Services	State	Quarterly	No activity	Provide information on agencies' procurement activities.	By request
25	Quarterly Reporting of Indefinite Delivery Contract Activity	SFAA - Division of Procurement Services	State	Quarterly	No activity	Provide information on agencies' procurement activities.	By request
26	Minority Business Utilization Plan	Governor's Office of Small and Minority Business Assistance	State	Annually	September 14, 2015	Provide information on agencies' procurement activities.	By request
27	MBE Progress Report	Governor's Office of Small and Minority Business Assistance	State	Quarterly	April 30, 2016	Provide information on agencies' procurement activities.	By request
28	CMS-64 (Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program), CMS-21 (Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI)	Federal requirement.	Federal	Quarterly	April 29, 2016	These reports are the State's accounting of actual recorded expenditures for the federal grant programs.	By request
29	Federal Budget Reports CMS-37 (Medicaid Program Budget Report), CMS-21B (Children's Health Insurance Program Budget Report)	Federal requirement.	Federal	Quarterly	May 16, 2016	These reports provide a statement of the state's Medicaid and CHIP funding requirements for a certified quarter and estimates and underlying assumptions for two fiscal years (FYs).	By request
30	Federal Financial Report (FFR)	Federal requirement.	Federal	Quarterly	April 6, 2016	This report allows the agency to report cash disbursements back to (i.e., reconcile to) Payment Management System, the central system responsible for paying most Federal assistance grants and contracts.	By request

Agency Name: Department of Health and Human Services

Agency Code: 102 Section: 033

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report	Report Template
31	CHIP Statistical Enrollment Data Reports	Federal requirement.	Federal	Quarterly	April 28, 2016	The 64.21E report collects data on children enrolled in Medicaid expansion CHIP Title XXI funded coverage. The 64.EC report collects data on children enrolled in the Medical assistance program Title XIX, traditional	By request	
32	Schedule of Expenditures of Federal Awards (SEFA/SFFA)	Federal requirement; State of SC Proviso 117.105 of the 2015-2016 Appropriation Act requires the schedule be completed and submitted to the SC Office of the State Auditor.	Federal	Annually	August 15, 2015	The schedule is prepared each year and lists the expenditures for each grant during the fiscal year. The schedule is also the basis for the major programs audited in accordance with OMB Circular A-133.	By request	
33	CMS-R-199 (Survey of Medicaid Payables and Receivables) CMS-10180 (Survey of CHIP Payables & Receivables)	Federal requirement.	Federal	Annually	April 28, 2016	These reports and the accompanying questionnaires identify/estimate the accounts payable for services rendered by both Medicaid and CHIP providers which have not been reported on the quarterly CMS-64/CMS-21. The reports also identify all amounts due to the states from various sources, excluding the federal government.	By request	

Agency Name:	Department of Health and Human Services		
Agency Code:	J02	Section:	033

Fiscal Year 2015-16
Accountability Report

Oversight Review Template

Item	Name of Entity Conducted Oversight Review	Type of Entity	Oversight Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the Oversight Review Report
1	CMS	Federal	10/01/2011-09/30/2015	Contact SCDHHS Program Integrity (final report pending)
2	SC Office of Inspector General	State	7/1/2014-11/30/2015	Office of the State Inspector General
3	CAFR Audit (Office of State Auditor and CPA Firm)	State	7/1/2014-6/30/2015	http://www.cg.sc.gov/publicationsandreports/Pages/CAFRFY20142015.aspx
4	Agreed Upon Procedures Audit (Hobbs Group)	State	7/1/2014-6/30/2015	By request
5	Statewide Single Audit (Office of State Auditor)	State	7/1/2014-6/30/2015	By request

#4 - Prioritized Decision Packages

Priority List	DP #	GF	EF	RF	FF	TF
1. Residual Annualizations	11284	45,382,209	21,476,154	-	195,053,093	261,911,456
2. Adopt Savings Iniatives	11287	(3,288,587)	-	-	(2,346,284)	(5,634,871)
3. Transfer Bank Account Monitoring to STO	11290	(150,000)	-	-	-	(150,000)
4. Improve Alignment of Adult Vaccine Coverage with CDC Standards	11293	280,410	-	-	694,590	975,000
5. Maintain Access to Dental Services	11296	4,742,517	-	-	11,747,457	16,489,974
6. Standardize and Update Durable Medical Equiptment/Home Health Fee Schedule	11299	3,451,200	-	-	8,548,800	12,000,000
7. Allocate Health/Pay Plan Funding	11302	879,007	-	-	-	879,007
8. Incorporate BabyNet	11305	1	-	-	-	1
		51,296,757	21,476,154	-	213,697,656	286,470,567
Non-Refurring Medicaid Management Information System	11308	8,832,619	-	-	-	8,832,619
3% General Fund Reduction	11311	(34,656,839)	(3,500,000)	-	(80,865,958)	(119,022,797)

DHHS Proviso Changes

Proviso Number	Proviso Title	Requested Action	Summary of Requested Action
33.9	Medicaid Eligibility Transfer	Amend	The proviso transferred the Medicaid eligibility determination operations to HHS from DSS and required county governing authorities to supply office space for HHS as they do DSS. The proposed amended proviso would preserve the existing language, but also require HHS to provide the governing authorities and legislative delegations with information regarding the condition and accessibility of county-supplied office space and the counties would be obligated to report on actions taken to correct any deficiencies found.
33.16	Carry Forward	Amend	The Department currently has two different carry forward provisos – 33.16 (Carry Forward) and 33.22 (Carry Forward Authorization). Both contain similar reporting requirements, but have different deadlines and recipient lists. Proviso 33.16 focuses on earmarked, restricted, and special accounts, while Proviso 33.22 focuses on the General Fund. The intent of both HHS carry-forward provisos can be achieved by moving a few words out of 33.22 and into 33.16. The combined proviso would have the broader list of recipients and the earlier submission deadline.
33.21	Medicaid Accountability and Quality Improvement Initiative	Amend	This proviso provides authority for a series of quality-improvement projects, such as the Healthy Outcomes Initiative, along with various efforts to improve access through telemedicine and/or changes to the state's Graduate Medical Education program. The Department proposed to reduce many allocations by 20% in FY 2016-17, leaving other critical items (such as Rural Hospital DSH Payments) untouched. That action was important to helping move the program toward a more sustainable path. These cuts amounted to $7.4 million. For FY 2017-18, the Department is proposing a $2 million reduction that would be designed to minimize the impact on the providers who have the most constrained access to other revenue sources (free clinics and 301s).
33.22	Carry Forward Authorization	Delete	The intent of both HHS carry-forward provisos can be achieved by moving a few words out of 33.22 and into 33.16. The combined proviso would have the broader list of recipients and the earlier submission deadline. Proviso 33.22 should only be deleted if the requested changes to Proviso 33.16 are also made.
33.23	Rural Health Initiative	Amend	The FY 2016-17 Appropriations Act established a new Rural Health Initiative, funded with a mixture of recurring and non-recurring money. The proviso directs the Department to pursue various actions to promote rural healthcare and education, support rural medicine workforce development, and investigate the use of DSH funds to complete transformation plans and/or develop facilities to address poor access to emergency services. The Department's proposed changes would update the proviso for FY 2017-18 and add new carry-forward language, since some activities envisioned for the Rural Health Initiative are multi-year efforts.

DHHS Proviso Changes

Proviso Number	Proviso Title	Requested Action	Summary of Requested Action
113.7	Political Subdivision Flexibility	Amend	The proviso is intended to allow political subdivisions to decrease their support for state-mandated services (with exceptions) by the same proportion that the Local Government Fund has been appropriated below the permanent statutory requirement. The amendment would add assessments for indigent medical care to the list of exceptions. The proposed language would prevent counties from using this proviso to reduce their MIAP payments, since the Department is not permitted to reduce the cost of the program.
117.73	IMD Operations	Amend	In 2006, the Centers for Medicare and Medicaid Services (CMS) rejected South Carolina's model of using Medicaid funding to make bundled payments for certain out-of-home placements for children. The state responded by developing a new patchwork of other Medicaid services, Title IV-E funds, and other resources in order to sustain these services and preserve revenues for affected providers. This proviso's origin was in tracing the after-effects of those changes. The Department proposes to update the language of this proviso to focus on providing information on out-of-home placements; this information has represented most of the volume of this proviso's reports in recent years.

BabyNet Proviso Changes

Proviso Number	Proviso Title	Requested Action	Summary of Requested Action
1.74	First Steps Accountability	Delete	The Department proposes to delete this proviso and replace it with an amended version in the HHS section. Under EO 2016-20, BabyNet will be transferred to HHS on July 1, 2017.
1A.56	BabyNet Early Intervention Autism Therapy	Delete	The Department proposed to delete this proviso because BabyNet will no longer be managed by First Steps and because the Department intends to align the BabyNet provider network and billing rates with Medicaid's.
1A.77	BabyNet Financial Audit Reimbursement	Delete	The Department proposes to delete this proviso because the audit and associated reimbursement were a one-time event in FY 2016-17.
117.98	First Steps – BabyNet	Amend	Provisos 1.74 and 117.98 contain substantial reporting requirements for First Steps in association with the BabyNet program's ongoing compliance problems. The Department proposes to combine compliance-specific reporting requirements into a new "33.NEW" and leave the remainder of 117.98 in place in FY 2017-18 to facilitate common reporting across agencies. Since Executive Order 2016-20 was signed shortly before FY 2017-18 budget requests were due, there was not adequate time for HHS to work with the other agencies involved in BabyNet to produce a comprehensive BabyNet budget for the upcoming fiscal year. The Department will likely propose additional revisions to this proviso in FY 2018-19 that reflect a revised approach.
33.NEW	BabyNet Compliance	NEW	This proviso would direct HHS to provide an annual report on its efforts to bring BabyNet into federal compliance.
33.NEW	BabyNet	NEW	Not in Executive Budget "From funds available in the current fiscal year for budgetary analysis and oversight, the Executive Budget Office shall conduct an inventory of all BabyNet-related spending, which shall be presented to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee no later than July 15, 2017. All affected agencies shall support the Executive Budget Office in this effort by providing information upon request, so that the first recommendation of the Legislative Audit Council's 2011 report on BabyNet may be implemented."

SECTION 33 - J020 - DEPARTMENT OF HEALTH AND HUMAN SERVICES

33.1. (DHHS: 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.

33.2. (DHHS: Long Term Care Facility Reimbursement Rate) The department, in calculating a reimbursement rate for long term care facility providers, shall obtain for each contract period an inflation factor, developed by the Revenue and Fiscal Affairs Office. Data obtained from Medicaid cost reporting records applicable to long term care providers will be supplied to the Revenue and Fiscal Affairs Office. A composite index, developed by the Revenue and Fiscal Affairs Office will be used to reflect the respective costs of the components of the Medicaid program expenditures in computing the maximum inflation factor to be used in long term care contractual arrangements involving reimbursement of providers. The Revenue and Fiscal Affairs Office shall update the composite index so as to have the index available for each contract renewal.

The department may apply the inflation factor in calculating the reimbursement rate for the new contract period from zero percent up to the inflation factor developed by the Revenue and Fiscal Affairs Office.

33.3. (DHHS: Medical Assistance Audit Program Remittance) The Department of Health and Human Services shall remit to the State Auditor's Office an amount representing fifty percent (allowable Federal Financial Participation) of the cost of the Medical Assistance Audit Program as established in the State Auditor's Office of the State Fiscal Accountability Authority, Section 105. Such amount shall also include appropriated salary adjustments and employer contributions allocable to the Medical Assistance Audit Program. Such remittance to the State Auditor's Office shall be made monthly and based on invoices as provided by the State Auditor's Office of the State Fiscal Accountability Authority.

33.4. (DHHS: 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.

33.5. (DHHS: Medicaid State Plan) Where the Medicaid State Plan has been altered to cover services that previously were provided by one hundred percent state funds, or that have been requested to be added by other state agencies, the department can bill other agencies for the state share of services provided through Medicaid. In order to comply with Federal regulations regarding allowable sources of matching funds, state agencies are authorized to make appropriation transfers to the Department of Health and Human Services to be used as the state share when certified public expenditures are not allowed for those state agency Medicaid services. The department will keep a record of all services affected and submit periodic reports to the Senate Finance and House Ways and Means Committees.

33.6. (DHHS: Medically Indigent Assistance Fund) The department is authorized to expend disproportionate share funds to all eligible hospitals with the condition that all audit exceptions through the receipt and expenditures of these funds are the liability of the hospital receiving the funds.

33.7. (DHHS: Registration Fees) The department is authorized to receive and expend registration fees for educational, training, and certification programs.

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

33.9. (DHHS: Medicaid Eligibility Transfer) The South Carolina Department of Health and Human Services (DHHS) is hereby authorized to determine the eligibility of applicants for the South Carolina Medicaid Program in accordance with the State Plan Under Title XIX of The Social Security Act Medical Assistance Program. The governing authority of each county shall provide office space and facility service for this function as they do for DSS functions under Section 43-3-65.

33.10. (DHHS: Franchise Fees Suspension) Franchise fees imposed on nursing home beds and enacted by the General Assembly during the 2002 session are suspended.

33.11. (DHHS: Program Integrity Efforts) The Department of Health and Human Services is instructed to expand its program integrity efforts by utilizing resources both within and external to the agency including, but not limited to, the ability to contract with other entities for the purpose of maximizing the department's ability to detect and eliminate provider fraud.

33.12. (DHHS: Post Payment Review) The department is directed to perform post payment reviews as permitted under Medicaid regulations to ensure compliance with the Hyde Amendment provisions as it relates to the performance of medically necessary services under the Medicaid program. The results of such reviews shall be available to the General Assembly upon request in a format that meets the requirements of the Health Insurance Accountability and Portability Act (HIPAA) and Medicaid confidentiality regulations.

33.13. (DHHS: Long Term Care Facility Reimbursement Rates) The department shall direct staff to complete and submit its Medicaid State Plan Amendment for long term care facility reimbursement rates to the Director of the Department of Health and Human Services by August first of each year. The director shall review the plan and submit to the Federal Government on or before August fifteenth of each year provided the State Appropriations Act has been enacted by that date. All additional requests for information from CMS concerning the plan shall be promptly submitted to CMS by the Department of Health and Human Services.

33.14. (DHHS: Nursing Services to High Risk/High Tech Children) The Department of Health and Human Services shall continue a separate classification and compensation plan for Registered Nurses (RN) and Licensed Practical Nurses (LPN) who provide services to Medically Fragile Children, who are Ventilator dependent, Respirator dependent, Intubated, and Parenteral feeding or any combination of the above. The classification plan shall recognize the skill level that these nurses caring for these Medically Fragile Children must have over and above normal home-care or school-based nurses.

33.15. (DHHS: CHIP Enrollment and Recertification) The Department of Health and Human Services shall enroll and recertify eligible children to the Children's Health Insurance Program (CHIP) and must use available state agency program data including, but not limited to, that housed in the Revenue and Fiscal Affairs Office, to include the Department of Social Services' Supplemental Nutritional Assistance Program (SNAP) and the department may use the poverty-related information from the Department of Education. Use of this data and cooperative efforts between state agencies reduces the cost of outreach and maintenance of eligibility for CHIP.

33.16. (DHHS: 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. 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.

33.17. (DHHS: Medicaid Provider Fraud) The department shall expand and increase its effort to identify, report, and combat Medicaid provider fraud. The department shall publish on its' agency homepage by April first, of the current fiscal year, the results of these efforts, the funds recovered, and information pertaining to prosecutions of such cases, including pleas agreements entered into.

33.18. (DHHS: GAPS) The requirements of Article 5, Chapter 6, Title 44 shall be suspended for the current state fiscal year.

33.19. DELETED

33.20. (DHHS: Contract Authority) The Department of Health and Human Services is authorized to contract with community-based not-for-profit organizations for local projects that further the objectives of department programs. The department shall develop policies and procedures and may promulgate regulations to assure compliance with state and federal requirements associated with the funds used for the contracts and to assure fairness and accountability in the award and administration of these contracts. The department may require a match from contract recipients. The department shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committees on the contracts administered.

33.21. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:

(A) Healthy Outcomes Initiative - The Department of Health and Human Services may tie Disproportionate Share Hospital (DSH) payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

(B) To improve community health, the department may explore various health outreach, education, patient wellness and incentive programs. The department may pilot health interventions targeting diabetes, smoking cessation, weight management, heart disease, and other health conditions. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(C) Rural Hospital DSH Payment - Medicaid-designated rural hospitals in South Carolina may be eligible to receive up to one hundred percent of costs associated with uncompensated care as part of the DSH program. Funds shall be allocated from the existing DSH program. To be eligible, rural hospitals must participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative. In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.

(D) Primary Care Safety Net - The department shall implement a methodology to reimburse safety net providers participating in a hospital Healthy Outcomes Initiative program to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs and other entities receiving funding under Section 330 of the Public Health Services Act), Rural Health Clinics (RHCs), local alcohol and drug abuse authorities established by Act 301 of 1973, Free Clinics, other clinics serving the uninsured, and Welvista. The department shall formulate a methodology and allocate $4,000,000 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate $6,400,000 of funding to FQHCs, at least $1,600,000 of funding for Free Clinics, and $1,600,000 of funding for local alcohol and drug abuse authorities created under Act 301 of 1973. The department shall develop a process for obtaining encounter-level data that may be used to assess the cost and impact of services provided through this proviso. The department shall also

explore a transition to a prospective payment system for FQHCs to provide greater predictability and stability for FQHC budgets.

(E) Rural and Underserved Area Provider Capacity - The department shall incentivize the development of primary care access in rural and underserved areas through the following mechanisms:

(1) the department shall leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group;

(2) the department shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage, expand the use of Telemedicine, and ensure targeted placement and support of OB/GYN services in at least four counties with a demonstrated lack of adequate OB/GYN resources by June 30, 2017; and

(3) during the current fiscal year the department shall contract with the MUSC Hospital Authority in the amount of $10,000,000 to lead the development and operation of an open access South Carolina Telemedicine Network. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than $1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. MUSC Hospital Authority shall publish a summary report to the General Assembly indicating the overall progress of the state's telemedicine transformation by March 1, 2017. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of $1,000,000, and the USC School of Medicine in the amount of $2,000,000 to further develop statewide teaching partnerships.

(4) the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. Any funding supplied by the department in support of the Rural Health Initiative may be deducted from the allocation made to the USC School of Medicine in section (E)(3)of this proviso.

(F) The department shall allocate funds to be used for obesity education for patients, reimbursement payments for providers, and continuing education for all providers through partnerships with the Department.

(G) To be eligible for funds in this proviso, providers must provide the department with patient, service and financial data to assist in the operation and ongoing evaluation of both the initiatives resulting from this proviso, and other price, quality, transparency and DSH accountability efforts currently underway or initiated by the department. The Revenue and Fiscal Affairs Office shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

(H) The department may pilot an all-inclusive health intervention program for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state. The pilot program must provide reports detailing progress on the target population and health outcomes achieved. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(I) The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.

33.22. (DHHS: Medicaid Healthcare Initiatives Outcomes) Prior to February fifteenth of the current fiscal year, the Director of the Department of Health and Human Services shall make a presentation to the House Ways and Means Healthcare Budget Subcommittee on the outcomes of Medicaid healthcare initiatives enacted during the current fiscal year to improve the well-being of

persons enrolled in the Medicaid program and receiving services from Medicaid providers.

33.23. (DHHS: Carry Forward Authorization) For the current fiscal year, the Department of Health and Human Services is authorized to carry forward and expend any General Fund balances for the Medicaid program. Within thirty days after the close of the fiscal year, the department shall report the balance carried forward to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

33.24. DELETED

33.25. DELETED

33.26. DELETED

33.27. (DHHS: Rural Health Initiative) From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to implement this initiative.

(A) The Department of Health and Human Services shall take appropriate action to facilitate the following provisions:

(1) Rural Healthcare and Education - The USC School of Medicine shall consult with the South Carolina Office of Rural Health in preparing a proposal for a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus, through clinical practice, training, and research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least $1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February 1st of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

(2) Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). Applications to the ACGME must be developed no later than June 30, 2017. The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to $500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose.

(B) The department shall investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years. In the current fiscal year, the department is authorized to establish a DSH pool for this purpose and/or if deemed necessary to implement transformation plans for which

conforming applications were filed with the department on or before April 1, 2016, but for which additional negotiations or development were required. An emergency department that is established within 35 miles of its sponsoring hospital during the current fiscal year and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the Statewide Telemedicine Network.

(C) The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

33.28. DELETED

33.29.** ***(DHHS: Notice of Proposed Rate Reductions, Fee Increases, Policy Decisions) The Department of Health and Human Services may not reduce Medicaid provider rates, increase Medicaid fees or implement an agency policy decision with a similar effect, until the department has provided notice of the proposed rate reduction, fee increase or policy decision and has given a minimum of thirty days from the date of notification for written comments to be submitted. Following this thirty day comment period, the department must take a maximum of fifteen days to review and respond to the comments received. The department must not implement a provider rate reduction, fee increase, or policy decision with a similar effect until forty-five days has elapsed from the date of notification.

This does not restrict the annual updating of cost base rates and those rates which are indexed to methodologies provided for in the Medicaid State Plan.

Please note: Text printed in italic, boldface indicates sections vetoed by the Governor on June 8, 2016.

*Indicates those vetoes sustained by the General Assembly on June 15, 2016.

FTE Request

- Transfer Bank Account Monitoring to State Treasurer's Office
- ($150,000) General Funds, ($150,000) Total Funds – (2.0 FTEs)
- Funds associated with two FTEs will be transferred to the State Treasurer's Office.

Healthy Connections MEDICAID

Proviso 33.23

DHHS: Carry Forward Authorization

The following is submitted as required by Proviso 33.23 of the SFY 2017 Appropriations Act

For the current fiscal year, the Department of Health and Human Services is authorized to carry forward and expend any General Fund balances for the Medicaid program. Within thirty days after the close of the fiscal year, the department shall report the balance carried forward to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

GENERAL FUNDS
CARRY FORWARD

Agency: Department of Health and Human Services

Fund Number: 10010000 **Fund Name:** General Fund

	SFY 2015-16
Beginning Balance	174,310,340
Receipts	-
Disbursement	(1,191,850,294)
Transfers	1,126,493,641
Ending Balance	108,953,687

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 33.23 – Carry Forward Authorization: For the current fiscal year, the Department of Health and Human Services is authorized to carry forward and expend any General Fund balances for the Medicaid program. Within thirty days after the close of the fiscal year, the department shall report the balance carried forward to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

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 agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements for purposes of maintaining funds for unexpected increases in enrollment and/or health care costs for Medicaid beneficiaries.

3. Please describe the key expenditures of this fund.

   These funds are for Medicaid Expenditures.

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

   The source of funding for this account is State Appropriated Dollars.

Healthy Connections

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

	SFY 2015-16
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

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

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

	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.

   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.

Three year historical comparison of Other Fund Authorization vs. Actual Expenditure

Fiscal Year	EARMARKED FUNDS		RESTRICTED FUNDS		Total Other Funds	
	Original Budget	Actual Expense	Original Budget	Actual Expense	Original Budget	Actual Expense
FY 2014	458,709,205	322,148,883	454,147,000	488,743,875	**912,856,205**	**810,892,758**
FY 2015	509,436,384	350,582,831	489,923,260	487,291,656	**999,359,644**	**837,874,487**
FY 2016	533,416,640	392,516,646	484,476,000	481,922,942	**1,017,892,640**	**874,439,588**

FY 13-2014: Budget authority transfer from Earmarked to Restricted completed in the 4th quarter. Net -0- impact.