

June 12, 2007

Ms. Susan B. Bowling, Acting Director
South Carolina Department of Health & Human Services
P. O. Box 8206
Columbia, South Carolina 29202-8206

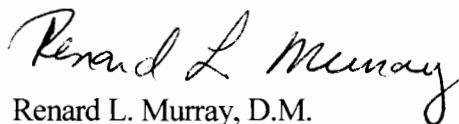
Dear Ms. Bowling:

We are pleased to inform you of the approval of South Carolina's Medicaid State Plan Amendment (SPA) 07-003. This SPA provides for the implementation of flexibilities granted under section 6044 of the Deficit Reduction Act of 2005 (DRA), State Flexibility in Benchmark Benefit Packages, which provided the addition of section 1937 of the Social Security Act (the Act). This approval will provide for voluntary enrollment in the benchmark plan for most categorically eligible families and children, as well as individuals in disability-based eligibility groups. The SPA is effective April 1, 2007.

The benchmark plan benefits will be the high deductible health plan of the State Employee's Health Plan, which is the health plan that is offered and generally available to South Carolina State employees. Initial implementation will be limited to 1,000 beneficiaries who live in Richland County, South Carolina. The State will comply with Federal requirements of advance public notice, which can include, but is not limited to State website posting or public service announcements.

A formal hard copy of the SPA and 179 will follow in the mail. If you have any questions, please contact Ms. Elaine Elmore at (404) 562-7408. We congratulate your State's pioneering efforts to implement the flexibility afforded to states under section 1937 of the Act.

Sincerely,



Renard L. Murray, D.M.
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Cheryl Powell