

DEPARTMENTAL GRANT APPEALS BOARD

Department of Health and Human Services

SUBJECT: South Dakota Department of Social Services DATE: July 27, 1981
Docket No. 79-135-SD-HC
Decision No. 198

DECISION

The State sought review of a June 5, 1979 decision by the Director, Medicaid Bureau, Health Care Financing Administration (Agency), disallowing \$16,720 in Federal financial participation claimed under Title XIX (Medicaid) of the Social Security Act for quarters ending September 30, 1978 and December 31, 1978. Later, negotiations between the State and the Agency resulted in agreement that the disallowance amount should be reduced to \$14,954. Agency Response, p. 1.

The disallowance was based on an Agency finding that the State had paid a professional dispensing fee of \$2.50 for prescription drugs provided to Medicaid beneficiaries, although the State plan provided for a fee of \$2.25.

By letter dated June 2, 1981, the Board sent to the State an Order to Show Cause why the Board should not uphold the decision of the Agency, based on tentative findings and analysis set forth in the Order. The State was required to respond within 30 days from receipt of the Order. A U.S. Postal Service Return Receipt showed delivery to the State on June 5, 1981. Since the Board received no response, the Board Chair spoke to counsel for the State by telephone on July 21, 1981 and inquired about the response. Counsel informed the Chair that she had forwarded the Order to program personnel, and that she would check to see what happened to it. The Chair advised counsel that unless the Board heard from the State within two days, the Board would assume that there would be no submission in response to the Order, and proceed to issue a decision. The Board has received no written or oral response.

Based on the foregoing, the Board adopts the findings, analysis and conclusions set forth in the attached Order.

Conclusion

For the reasons stated above and in the attached Order, we uphold the disallowance in the amount of \$14,954.

/s/ Donald F. Garrett

/s/ Alexander G. Teitz

/s/ Norval D. (John) Settle, Panel Chair