

**Medical Care Advisory Committee (MCAC)**

**Nov. 9, 2021**

**SCDHHS, 1801 Main Street, Columbia, South Carolina 29201**

**10 a.m.-12 p.m.**

I. Welcome by Director

*Robby Kerr, Director*

Updated Organizational Chart and Leadership

*Robby Kerr, Director*

SCDHHS Strategic Plan

*Robby Kerr, Director*

Medicaid Enrollment

*Nicole Mitchell Threatt, Deputy Director of Eligibility, Enrollment and Member Services*

Medicaid Redeterminations Reinstatement Update

*Nicole Mitchell Threatt, Deputy Director of Eligibility, Enrollment and Member Services*

Telehealth Update

*Jordan Desai, Clinical Quality Director*

Advisement: Durable Medical Equipment Definition State Plan Amendment

*Tara Derrick, Program Coordinator*

Advisement: Oct. 1, 2021, Rate Updates

*Jeff Saxon, Program Manager*

Advisement: Medicaid Coverage of Certain Medical Transportation

*Jeremy Faulkenburg, DrPH, Bureau Chief, Provider & Support Services*

Advisement: Third Party Liability Payment Changes

*Rebecca Esslinger, Program Manager*



Home and Community-based Services (HCBS) Waiver Updates

*Margaret Alewine, Program Manager*

Recap of Recent Bulletins

*Margaret Alewine, Program Manager*

Community Connections

*Jeff Leieritz, Director of Communications and Public Relations*

II. Public Comment

III. Closing Comments

IV. Adjournment

**Medical Care Advisory Committee  
Aug. 10, 2021, Meeting Minutes**

**Present**

Graham Adams  
John Barber  
Sue Berkowitz  
Maggie Cash  
Dr. Tom Gailey  
Tysha Holmes  
Michael Leach  
Bill Lindsey  
JT McLawhorn  
Dr. Kashyap Patel  
Loren Rials  
\*Tricia Richardson  
Amanda Whittle  
Lathran Woodard  
Amy Holbert

*\*Allie Boykin attended MCAC on behalf of Tricia Richardson*

**Not Present**

William Bilton  
Dr. Amy Crockett  
Chief Bill Harris  
Melanie Matney  
Dr. Jennifer Root  
Dr. Keith Shealy

**Introduction**

Director Robby Kerr welcomed Medical Care Advisory Committee (MCAC) members and thanked them for their service and for continuing to join MCAC meetings virtually. He stated he would continue to reach out to MCAC members by phone to introduce himself. Director Kerr introduced two new members of the agency leadership team, Eunice Medina as the new chief of staff and Rhonda Morrison as the chief information officer.

**Public Health Emergency Planning**

Director Kerr introduced the agency's planning activities for the end of the public health emergency (PHE). Director Kerr shared the agency was doing an inventory and assessment of PHE flexibilities authorities and then introduced Deputy Director of Eligibility, Enrollment and Member Services Nicole Mitchell Threatt. She reviewed the steps the agency was taking to prepare for the end of the PHE, which may expire at the end of the year.

**Advisements**

**Advisement: Vaccines for Children (VFC) Program Coding Update**

An overview of the advisement was provided by Elizabeth Biddle and Lynn Martin.

No questions were asked but an audience member applauded South Carolina's effort to fix this issue and stated they are currently working on legislation to correct the current restriction.

#### **Advisement: Intellectually Disabled/Related Disabilities (ID/RD) Waiver Renewal**

This advisement was originally introduced at the May MCAC meeting. An overview of the updated advisement was provided by Margaret Alewine.

There were no questions or comments.

#### **Advisement: Medically Complex Children (MCC) Waiver Renewal**

This advisement was originally introduced at the May MCAC meeting. An overview of the updated advisement was provided by Margaret Alewine. She also went over the public comment period dates (mid-August to mid-September), where to review the waiver renewal application and how to send public comments.

#### **The following question(s)/comment(s) were provided:**

1. Can you clarify environmental modifications?
  - a. SCDHHS provided examples of environmental modifications, such as a wheelchair ramp for a private residence and a bathroom modification to accommodate a wheelchair and stated this benefit would be provided to MCC waiver recipients based on an assessment of need.

#### **Home and Community-Based Services (HCBS) Settings Rule – South Carolina Statewide Transition Plan Update**

Kelly Eifert provided an update on the HCBS Settings Rule and South Carolina's Statewide Transition Plan. She also shared information on the public comment period (Aug. 23 – Oct. 1) and corresponding webinars.

#### **The following question(s)/comment(s) were provided:**

1. Are the day treatment facilities for adults?
  - a. SCDHHS confirmed the day programs the agency was reviewing served people ages 18 and older.
2. Where will the link to the webinar be posted?
  - a. SCDHHS stated the webinar link is already available on the [agency's HCBS website](#).

#### **Budget Update**

Director Kerr spoke about expenditure trends and stated the agency is working on creating more informative charts for MCAC members. He shared a six-year expenditure history chart highlighting the cost comparison of fee-for-service (FFS) vs. managed care, noting the expenditure gap between the two is closing some because the managed care organizations continue to receive capitated payments while reimbursements in FFS were lower due to a decrease in utilization of services during the PHE.

#### **The following question(s)/comment(s) were provided:**

1. Can the agency send the information on PHE planning and the meeting slides to attendees?
  - a. SCDHHS responded that it would send the slides to MCAC members.
2. Will we be able to see more details related to the bar graph? Perhaps a ratio or difference of the FFS and managed care amounts?
  - a. SCDHHS committed to presenting more data in future meetings.

### **Closing**

Director Kerr closed the meeting by inviting participants to reach out to him if they need anything and thanking them for their participation. He also encouraged everyone to get the COVID-19 vaccine, noting the current rise in COVID-19 infections. Director Kerr reminded meeting participants the next virtual meeting is scheduled for Nov. 9, 2021.

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advisement**

**PREPARED BY:** Tara Derrick, Program Coordinator, Division of Coverage and Benefit Design

**PRESENTED BY:** Tara Derrick, Program Coordinator, Division of Coverage and Benefit Design

**DATE:** Nov. 9, 2021

**SUBJECT:** Update the Durable Medical Equipment (DME) Definition to Comply With 42 CFR § 440.70(b)(3)

**OBJECTIVE:** Update the South Carolina Medicaid State Plan to reflect the definition change in 42 CFR § 440.70(b)(3).

**BACKGROUND:** The Centers for Medicare and Medicaid Services (CMS) expanded the definition of home health medical supplies, equipment and appliances to clarify that items may be suitable for use in any non-institutional setting in which normal life activities take place as defined in §440.70(c)(1). This definition revision will align with the Medicare DME definition at 42 CFR §414.202, which will help streamline beneficiaries' access to receive needed items. The previous definition restricted use of medical supplies, equipment and appliances to those suitable for use in the home.

**BUDGETARY IMPACT:** SCDHHS anticipates a budget impact of approximately \$1.5 million per year when adding places of services as defined in 42 CFR §440.70(c)(1).

**EXPECTED OUTCOMES:** Align the DME definition in the State Plan with the Code of Federal Regulations (CFR) definition at 42 CFR §440.70(b)(3).

**EXTERNAL GROUPS AFFECTED:** None

**RECOMMENDATION:** Amend the current State Plan to update the DME definition to “medical supplies, equipment and appliances suitable for use in any setting in which normal life activities take place, as defined at § 440.70(c)(1)” in the State Plan.

**EFFECTIVE DATE:** On or after Oct. 1, 2021

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advisement**

**PREPARED BY:** Jeff Saxon, Program Manager, Office of Finance and Administration

**PRESENTED BY:** Jeff Saxon, Program Manager, Office of Finance and Administration

**DATE:** Nov. 9, 2021

**SUBJECT:** Updates to Medicaid Disproportionate Share Hospital (DSH) Payment, Inpatient Hospital Swing Bed Rate and Administrative Day Rate, Inpatient Hospital per Discharge Rates and Outpatient Hospital Multipliers for Impacted Hospitals, Inpatient Hospital Per Diem Increase for South Carolina Department of Mental Health (SCDMH) Hospitals, Rebasing of Psychiatric Residential Treatment Facility (PRTF) Rates and amendment to the South Carolina Medicaid Defined Rural Hospital Criteria

**OBJECTIVE:** To update DSH payments for federal fiscal year (FFY) 2022 (Oct. 1, 2021-Sept. 30, 2022) using updated base year DSH financial and statistical data (hospital fiscal year [HFY] 2020) as well as the updated FFY 2022 DSH allotment amount. To update the inpatient hospital swing bed rate and administrative day rate effective Oct. 1, 2021, based upon the Oct. 1, 2021, nursing facility rate rebasing project. To update inpatient hospital per discharge rates and outpatient hospital multipliers for impacted hospitals effective Oct. 1, 2021, due to the elimination of the July 1, 2014, and Oct. 1, 2015, normalization actions. To increase inpatient hospital per diem rates for SCDMH hospitals effective Oct. 1, 2021, based upon fiscal year (FY) ending 2020 cost report data. To amend the South Carolina Medicaid Defined Rural Hospital criteria effective Oct. 1, 2021. And finally, to rebase the PRTF reimbursement rates effective Oct. 1, 2021 based upon the FY ending 2019 cost report data.

**BACKGROUND:** The Federal Consolidated Appropriations Act of 2021 has further delayed implementation of the DSH Patient Protection and Affordable Care Act (ACA) reductions until fiscal year 2024. The DSH ACA reductions will now be implemented beginning with FY 2024 and end with FY 2027. The annual DSH reductions will amount to \$8 billion federal dollars each year over a four-year period.

**DSH Changes Effective Oct. 1, 2021**

- The agency will update the base year used to calculate the interim DSH payments for the DSH allotment period that ends Sept. 30, 2022 (FFY 2022) using HFY end 2020 data, the continued use of the Dec. 19, 2008, Final Rule (Federal Register / Vol. 73, No. 245) relating to the audits of the Medicaid DSH Payment Plans, and the Dec. 3, 2014, Final Rule (Federal Register /Vol. 79, No. 232), which relates to the Medicaid Program DSH payments uninsured definition.
- The agency will implement the provisions of the Federal Consolidated Appropriations Act of 2021 relating to the determination of the Medicaid shortfall for South Carolina Medicaid DSH payment purposes. Under the Act, the costs of Medicaid-eligible patients with third-party sources of coverage, where the third-party source of coverage is the primary payer, will be excluded from the calculation of the hospital-specific DSH limits and resulting

DSH payments.

- The agency will update the inflation rate used to trend the DSH base year cost to the end of the 2020 calendar year.
- The agency will expend 100% of its FFY 2022 Medicaid DSH allotment to qualifying DSH-eligible hospitals during the Medicaid State Plan Rate Year.
- In accordance with Budget Proviso 33.20 (A) of the SFY 2022 South Carolina State Appropriations Act, the agency proposes/may tie DSH payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

The South Carolina Department of Health and Human Services (SCDHHS) will also make the following changes to the hospital payment methodology effective on or after Oct. 1, 2021:

### **Inpatient and Outpatient Hospital Reimbursement Changes Effective Oct. 1, 2021**

- The agency will update the inpatient hospital swing bed and administrative day rates based upon the Oct. 1, 2021, rebasing of nursing facility payment rates.
- The agency will eliminate the statewide rate/multiplier caps placed upon certain hospitals by eliminating the impact of the July 1, 2014, and Oct. 1, 2015, normalization actions placed upon inpatient hospital per discharge rates and outpatient hospital multipliers.
- The agency will update the SCDMH hospital per diem rates based upon the use of the FY 2020 cost report data.
- The agency will amend its current South Carolina Medicaid Defined Rural Hospital definition to further protect rural hospitals in South Carolina by allowing hospitals located in a large, rural Zip Code Tabulation Area (ZCTA) and primary care Health Professional Shortage Area (HPSA) for low-income population and has less than or equal to 130 beds to be eligible for retrospective Medicaid cost settlements and DSH reimbursement at 100% of their individual hospital-specific DSH limit. This additional rural hospital criteria will add two hospitals to the South Carolina Defined Rural Hospital list, Cherokee Medical Center and MUSC Health Kershaw Medical Center, and is based upon the May 8, 2014, study conducted by the Division of Policy and Research on Medicaid and Medicare, Institute for Families in Society, University of South Carolina.

And finally, SCDHHS will make the following changes to the PRTF payment methodology effective on or after Oct. 1, 2021:

### **PRTF Reimbursement Changes Effective Oct. 1, 2021**

- The agency will update the PRTF reimbursement rates based upon the use of the FY ending 2019 Medicaid cost reports and the use of a trend factor using the midpoint-to-midpoint trending methodology and the use of the Global Insight Service Indexes – Inpatient Psych Facilities.

**BUDGETARY IMPACT:** DSH - \$10 million (total dollars); Swing Bed Rates – budget neutral; Elimination of July 1, 2014, and Oct. 1, 2015, Normalization Actions on Inpatient Hospital Rates/Outpatient Hospital Multipliers - \$5 million (total dollars); Additional South Carolina Defined Rural Hospitals - \$0.6 million (total dollars) and; PRTFs - \$0.3 million (total dollars). All



amounts reflected above relate to the Medicaid fee-for-service program only.

**EXPECTED OUTCOMES:** Medicaid recipient and uninsured individuals' access to inpatient and outpatient hospital services will be maintained/may improve. Medicaid recipients' access to PRTF services will be maintained/may improve.

**EXTERNAL GROUPS AFFECTED:** Contracting Medicaid DSH hospitals, PRTFs and Medicaid/ uninsured individuals.

**RECOMMENDATION:** Move to amend the current state plan to allow for the changes and updates identified above to the South Carolina Medicaid DSH payment program, South Carolina Medicaid inpatient and outpatient hospital reimbursement programs and the PRTF reimbursement program.

**EFFECTIVE DATE:** On or after Oct. 1, 2021

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advisement**

**PREPARED BY:** Jeff Saxon, Program Manager, Office of Finance

**PRESENTED BY:** Jeff Saxon, Program Manager, Office of Finance

**DATE:** Nov. 9, 2021

**SUBJECT:** Nursing Facility Rate Update Effective Oct. 1, 2021

**OBJECTIVE:** To update the non-state-owned governmental Medicaid nursing facility rates based upon the most recent cost report information available based upon the use of the pre COVID-19 reimbursement methodology in effect on Oct. 1, 2019. Also, to update the state-owned governmental Medicaid nursing facility rates based upon the most recent cost report information available and updated trend factor.

**BACKGROUND:** During the Oct. 1, 2020, rate setting process, the South Carolina Department of Health and Human Services (SCDHHS) attempted to address the COVID-19-related occupancy issues by adjusting its non-state government-owned nursing facility payment methodology to provide higher Medicaid reimbursement rates based upon the use of blended occupancy data (i.e. 75/25 blend of the fiscal year-end (FYE) Sept. 30, 2019, occupancy and the May 2020 and June 2020 census data occupancy) along with other methodology changes. However, as more current census data became available, the agency realized the Oct. 1, 2020, payment methodology was not meeting its intended needs. Therefore, to address the COVID-19 Lost Medicaid Occupancy issue, quarterly payment adjustments were paid to qualifying nursing facilities beginning with the April 1, 2021 quarter. Since the agency no longer wishes to address COVID-19 occupancy issues through the Medicaid reimbursement rates, it intends to update the non-state-owned governmental Medicaid nursing facility rates effective Oct. 1, 2021, as follows:

- Providing payments based on the most recent cost report data available (i.e., FYE Sept. 30, 2020);
- Removing all COVID-19 related costs from the calculation of the Oct. 1, 2021, payment rates;
- To address duplicate reimbursement of Medicaid allowable reimbursable costs, any nursing facility that seeks/receives forgiveness of repaying the Paycheck Protection Program (PPP) revenue back to the federal government will have its Oct. 1, 2021, Medicaid reimbursement rate limited to the lower of the Oct. 1, 2021, Medicaid reimbursement rate based upon its fiscal year ending Sept. 30, 2020, cost report or its Jan. 1, 2021 Medicaid reimbursement rate;
- Increasing minimum occupancy from 87.5% to 90.0% for Medicaid rate setting purposes;
- Updating the cost center standards based upon the FYE Sept. 30, 2020, Medicaid cost reports and establishing the standards at 105% of the mean cost per patient day;

- Applying a 3.5% inflation factor in the calculation of the Oct. 1, 2021, payment rates;
- Increasing the square footage allowance used for capital cost reimbursement from \$222.96 to \$231.11 in accordance with the annual increase reflected in the RS Means Construction Cost Data Publication;
- Increasing the Medicaid reimbursement rate for the South Carolina vent unit facility from \$530.00 per Medicaid patient day to \$560.00 per Medicaid patient day; and
- Authorizing 3,864,665 Medicaid Permit Days to be permitted by the South Carolina Department of Health and Environmental Control for state fiscal year July 1, 2021, through June 30, 2022.

Additionally, effective for services provided on or after Oct. 1, 2021, SCDHHS proposes to amend the South Carolina Title XIX reimbursement methodology for state-owned long-term care facilities by:

- Providing payments based on the most recent cost report data available (i.e. FYE June 30, 2020); and
- Applying a 5.092% inflation factor in the calculation of the Oct. 1, 2021, payment rates based upon the use of the midpoint-to-midpoint trending methodology and Global Insight Indexes.

As a result of the above payment methodology changes for the non-state-owned governmental nursing facilities, the weighted average rate effective Oct. 1, 2021, is projected to be \$202.62 per patient day, which represents a 0.044% increase from the September 30, 2021, weighted average payment rate of \$202.53. For the state-owned governmental nursing facilities, the weighted average rate effective Oct. 1, 2021, is projected to be \$426.64 per patient day, which represents a 23.54% increase from the Sept. 30, 2021, weighted average payment rate of \$345.34. Please note that the last time state-owned nursing facility rates were updated occurred when SFY June 30, 2015 Medicaid cost reports were used to set rates effective Oct. 1, 2017.

**BUDGETARY IMPACT:** Annual aggregate expenditures relating to the non-state-owned governmental nursing facilities are expected to increase by approximately \$0.7 million (total dollars). Annual aggregate expenditures relating to the state-owned governmental nursing facilities are expected to increase by approximately \$6.3 million (total dollars), and the state matching funds associated with this increase will come from the South Carolina Department of Mental Health.

**EXPECTED OUTCOMES:** Nursing facility services provided to Medicaid recipients will be maintained/should improve.

**EXTERNAL GROUPS AFFECTED:** Contracting Medicaid nursing facilities, hospice providers, hospitals, and Medicaid recipients.

**RECOMMENDATION:** SCDHHS moves to amend the current State Plan to allow for the rebasing of non-state owned governmental and state-owned governmental nursing facility rates effective Oct. 1, 2021, based upon the updated Medicaid cost report data and the updated Medicaid reimbursement policy changes noted above.

**EFFECTIVE DATE:** On or after Oct. 1, 2021

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advisement**

**PREPARED BY:** Jeremy Faulkenburg, DrPH, Bureau Chief, Provider & Support Services

**PRESENTED BY:** Jeremy Faulkenburg, DrPH

**DATE:** Nov. 9, 2021

**SUBJECT:** Updated Non-Emergency Medical Transportation (NEMT) Provider Requirements

**OBJECTIVE:** To bring the State Plan into compliance with the Centers for Medicare & Medicaid Services (CMS) to provide Assurance of Transportation and NEMT provider and driver requirements as established by Section 209 of the Consolidated Appropriations Act, 2021 (Public Law 116-260).

**BACKGROUND:** The Consolidated Appropriations Act, 2021, Division CC, Title II, Section 209 added provisions concerning Medicaid coverage of certain medical transportation. This provision codifies in statute longstanding regulatory requirements for states to assure necessary transportation for beneficiaries to and from covered services. New requirements for providers and drivers were added for a state's Medicaid transportation program. CMS requires the State Plan be amended to conform to the amendments made by Section 209.

The State Plan must include new provider and driver requirements:

- (A) Each provider and individual driver is not excluded from participation in any federal health care program (as defined in section 1128B(f) of the Act) and is not listed on the exclusion list of the Inspector General of the Department of Health and Human Services;
- (B) Each such individual driver has a valid driver's license;
- (C) Each such provider has in place a process to address any violation of a state drug law; and
- (D) Each such provider has in place a process to disclose to the state Medicaid program the driving history, including any traffic violations, of each such individual driver employed by such provider, including any traffic violations.

**BUDGETARY IMPACT:** The brokerage contract terms cover these new requirements. SCDHHS anticipates this policy change to be budget neutral.

**EXPECTED OUTCOMES:** Ongoing compliance with CMS in transportation brokerage contract and requirements for drivers.

**EXTERNAL GROUPS AFFECTED:** SCDHHS anticipates this policy change to be seamless to Medicaid beneficiaries. Existing contracted NEMT providers meet these requirements. Transportation Network Companies (TNC, i.e. Uber and Lyft) providers may be adversely impacted if they do not meet the new requirements.

**RECOMMENDATION:** Amend the State Plan to define provider and driver requirements pursuant to CMS guidelines, and update requirements in brokerage contract.

**EFFECTIVE DATE:** On or after Dec. 15, 2021

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advise ment**

**PREPARED BY:** Rebecca Esslinger and Gwendolyn Gaymon

**PRESENTED BY:** Rebecca Esslinger

**DATE:** Nov. 9, 2021

**SUBJECT:** Third Party Liability (TPL) Changes Required in Bipartisan Budget Act and Medicaid Services Investment and Accountability Act

**OBJECTIVE:** Update State Plan to apply TPL cost avoidance logic per directive from the Centers for Medicare and Medicaid Services' (CMS) informational bulletin dated Aug. 27, 2021.

**BACKGROUND:** Medicaid is generally the payor of last resort and should only pay for covered care and services if there are no other responsible sources or parties. Presently, prenatal services, pediatric preventive services, and claims for child enforcement beneficiaries are paid primary by Medicaid under the TPL "pay and chase" logic without subject to TPL claims editing for other health insurance coverage. Claims are billed directly to the appropriate private insurance carrier monthly for recovery. However, the Bipartisan Budget Act amended section 1902(a)(25)(E) of the Social Security Act requiring states to use standard coordination of benefits cost avoidance instead of "pay and chase" when processing claims for prenatal services, including labor and delivery and postpartum care claims.

To be compliant with the TPL requirements reflected in current law, the South Carolina Department of Health and Human Services (SCDHHS) will amend the State Plan to reflect the following CMS-directed changes:

- "The requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services;
- The requirement for states to make payments without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for 90 days; and
- State flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries."

**BUDGETARY IMPACT:** SCDHHS anticipates a potential increase of fee-for-service cost avoidance savings. Actual savings is still being analyzed. Preliminary reporting indicates a potential savings of \$111,000 per year.

**EXPECTED OUTCOMES:** The change will bring the state's Medicaid program into compliance with CMS and TPL requirements reflected in current law.

**EXTERNAL GROUPS AFFECTED:** Physicians

**RECOMMENDATION:** To amend the existing State Plan language to revise the TPL logic to cost avoidance.

**EFFECTIVE DATE:** On or after Dec. 31, 2021

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advise ment**

**PREPARED BY:** Margaret Alewine, Program Manager, Health Programs

**PRESENTED BY:** Margaret Alewine, Program Manager, Health Programs

**DATE:** Nov. 9, 2021

**SUBJECT:** American Rescue Plan Act (ARP) Funding for 1915(c) Home and Community-based Services (HCBS) Waivers.

**OBJECTIVE:** To amend rate methodology in approved waivers to reflect use of enhanced funding from section 9817 of the ARP.

**BACKGROUND:** Section 9817 of the ARP provides states with a temporary 10% increase to the federal medical assistance percentage (FMAP) for Medicaid HCBS. The funding is intended to enhance, strengthen and improve HCBS beyond what was available as of April 1, 2021. Per guidance from the Centers for Medicare and Medicaid Services (CMS), HCBS provider pay increases funded through the temporary 10% increased FMAP will require an updated rate methodology. For section 1915(c) waivers, states are required to submit a waiver amendment for any rate methodology change except as permitted in the Appendix K. Proposed changes include the following:

- 1915(c) waivers are being amended to change the rate methodology in Appendix I, section I-2-a (rate determination methods). The change will indicate that funds from section 9817 of the ARP will be temporarily utilized for activities approved in the South Carolina Department of Health and Human Services ARP spending plan.
- Waivers impacted: Intellectual Disabilities/Related Disabilities (SC.0237), Community Supports (SC.0676), Head and Spinal Cord Injury Waiver (SC.0284), HIV/AIDS (SC.0186), Community Choices (SC.0405), Mechanical Ventilator Dependent (SC.40181), Medically Complex Children (SC.0675) and Palmetto Coordinated System of Care for Children (SC.1686).

**BUDGETARY IMPACT:** In its application and each year during the period that the waiver is in operation, the state must demonstrate that the waiver is cost neutral. The average per participant expenditures for the waiver and non-waiver Medicaid services must be no more costly than the average per person costs of furnishing institutional (and other Medicaid state plan) services to persons who require the same level of care.

**EXPECTED OUTCOME:** Waivers will be amended.

**EXTERNAL GROUPS AFFECTED:** Waiver participants, stakeholders, service providers.

**RECOMMENDATION:** Issue public notification of proposed waiver changes to allow for public input in accordance with 42 CFR 441.304(f).

**EFFECTIVE DATE:** Upon CMS approval.