

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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All

August 13, 2010

PROVIDER NOTICE

TO: All Medicaid Providers

SUBJECT: Medicaid Sustainability Project

All South Carolina Medicaid providers and other stakeholders are invited to take part in an ongoing dialogue concerning ways to make the state's Medicaid program more sustainable. The South Carolina Department of Health and Human Services is hosting a Medicaid Budget Forum on **Tuesday, August 24**. The event will be held at the William S. Hall Institute auditorium in Columbia from 10 a.m.-12 p.m. and is open to anyone who wishes to attend.

For those who cannot attend, we invite you to visit:

www.scdhhs.gov/budgetproject and fill out a short questionnaire offering your cost-saving ideas. The agency also will convene a series of follow-up meetings with provider groups focused on specific cost-saving ideas. SCDHHS will post further information when it becomes available on the agency's Medicaid Sustainability site.

The current and long-term budget outlook for Medicaid presents challenges. As you may have recently read, Congress approved a six-month extension of the increased Federal Medical Assistance Percentage (FMAP) rate. This should generate approximately \$127 million in additional funds for the program. It must be noted that the Medicaid program's potential budget shortfall this fiscal year could still be significant, even with these additional federal dollars taken into account.

South Carolina's Medicaid program has been largely shielded from painful reductions in beneficiary services or provider rates. But unexpectedly steep enrollment increases fueled by current economic conditions now make it necessary to implement meaningful cost-saving measures. SCDHHS believes the best solutions can only be identified in collaboration with our provider partners. While a number of state and federal regulations currently limit the agency's ability to make significant reductions, cooperation can lead to mutually acceptable solutions that work to protect Medicaid beneficiaries and the providers who serve them.

Thank you for all you do to support the South Carolina Medicaid program and those who depend on it.

