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State/Territory Name: South Carolina

State Plan Amendment (SPA) #: 23-0014

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850

Financial Management Group

October 25, 2023

Robert M. Kerr
Director, Department of Health & Human Services
Post Office Box 8206
1801 Main Street
Columbia, SC 29202-8206
Reference: State Plan Amendment (SPA) SC-23-0014

Dear Mr. Kerr:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) 23-0014. Effective October 1, 2023, this State Plan Amendment (SPA) updates the cost center standards using the most recent cost report data available; applies a 4.10% inflation factor in the calculation of the October 1, 2023, payment rates; and determines general services standards at 110% of the mean and laundry, housekeeping, and maintenance standards at 105% of the mean for Medicaid rate setting purposes. The amendment also increases the square footage allowance used for capital cost reimbursement purposes from $231.11 to $276.71. The SPA exempts from the annual spending test on capital purchases those Nursing Facilities that quadrupled expenditures during the October 1, 2021, through September 30, 2022, cost reporting period. For Essential Public Safety Net Nursing Facilities, the Upper Payment Limit will be calculated using frequency distribution determined using the Optional State Assessments (OSAs) completed during the period which corresponds to the quarterly Upper Payment Limit payment period.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment SC-23-0014 is approved, effective October 1, 2023. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or james.francis@cms.hhs.gov.

Sincerely,

Rory Howe

Rory Howe
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 23-0014

2. STATE: SC

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR Subpart C (Part 447.250)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 $ 71,270,000
b. FFY 2025 $ 71,270,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, pages 4, 5, 9, 11, 12, 13, 14, 15, 17, 26b, 27, 28a, 30b.1, 30b.2, 30c, 32, 34, 41

Attachment 4.19-D pages 30b.1, 30b.2 and 41 are being removed from the State Plan due to deleted language

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Attachment 4.19-D, pages 4, 5, 9, 11, 12, 13, 14, 15, 17, 26b, 27, 28a, 30c, 32, 34

9. SUBJECT OF AMENDMENT

Updating nursing facility payment rates effective October 1, 2023.

10. GOVERNOR'S REVIEW *(Check One)*

( ) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(●) OTHER, AS SPECIFIED:
Mr. Kerr was designated by the Governor to review and approval all State Plans.

11. SIGNATURE OF STATE AGENCY OFFICIAL
RM Kerr

12. TYPED NAME
Robert M. Kerr

13. TITLE
Director

14. DATE SUBMITTED
August 15, 2023

15. RETURN TO
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

FOR CMS USE ONLY

16. DATE RECEIVED
August 15, 2023

17. DATE APPROVED
October 25, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL
Rory Howe

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Instructions on Back

a) Cost Subject to Standards:
   i) General Services: Nursing, Social Worker, and Activity Director and related cost.
   ii) Dietary
   iii) Laundry, Maintenance, and Housekeeping
   iv) Administration and Medical Records & Services

b) Cost Not Subject to Standards:
   i) Utilities
   ii) Special Services
   iii) Medical Supplies and Oxygen
   iv) Property Taxes and Insurance - Building and Equipment
   v) Legal Fees

c) Cost of Capital Reimbursement – Fair Rental Value (FRV) Payment System

Effective for dates of service beginning on or after October 1, 2019, the Medicaid Agency will reimburse South Carolina Medicaid contracting nursing facilities (NFs) for capital costs using a Fair Rental Value (FRV) methodology. The payment made under this methodology shall be the only payment made to reimburse providers for building and equipment in lieu of depreciation, interest expense, and lease costs. The only depreciation expense that will continue to be allowed relates to home office building and equipment expense as well as specialty vehicle depreciation expense as outlined in Attachment 4.19-D of the South Carolina Medicaid State Plan. Home office lease expense between unrelated parties will be considered to be allowed as an administrative expense.

(1) FRV Rate Year – Each NF shall receive a new prospective capital per diem rate effective October 1st of each year. The capital per diem rate shall be facility specific and determined each year using the data available from the Capital Data Surveys corresponding to the base year cost report period (i.e. FYE September 30th) used to establish the October 1st payment rates each year. Capital Data Surveys will be submitted annually in conjunction with the annual filing of the SC Medicaid Nursing Facility cost reports. FRV data elements that are not provider specific, including those published by RSMeans Construction Cost Data publication and the rental value rate as determined by the rolling three year average of the three most recently completed calendar years of 10 Year US Treasury Bond interest rates, shall be determined annually and effective October 1st of each year.

(2) Calculation of FRV Capital Per Diem Rate – The new value construction cost per square foot shall be established at $215.55 prior to the Location Factor adjustment. For the FRV Capital Per Diem rate effective October 1, 2019 and annually thereafter, the new construction cost of $215.55 per square foot will be trended forward based on the historical cost index factor each October 1st as published annually in the RSMeans Construction Cost Data publication (October 1st, current year divided by October 1st, previous year). Effective October 1, 2023 the adjusted new construction cost per square foot will amount to $276.71. The standard square footage minimum and maximums per age group per bed, the $7,000 addition per Medicaid certified bed for equipment, and the 7.50% land value to be added to the fixed capital replacement was established in partnership with the state's nursing facility industry. The FRV Capital Per Diem rate is calculated as follows:

a) First, determine the square footage that will be used in the computation. The square footage that will be used will be the greater of the actual measured gross square footage or the square footage determined by multiplying the number of Medicaid certified beds by the minimum square footage amount per room of 275. However in no event can the square footage used in the payment calculation exceed the maximum square footage ceiling amount per age group multiplied by the number of Medicaid certified beds. For clarification purposes, nursing facilities are allowed to include the square footage related to other facilities on the campus that are used to provide patient care related services such as kitchen or laundry facilities. However, the square footage of "out buildings" used for storage purposes cannot be included. In the event that a nursing facility fails to provide its required square footage data, the Medicaid Agency will determine the square footage at the minimum square footage allowance per bed along with the use of a thirty (30) year life.

b) Next, to determine the New Building Value Cost, first multiply the square footage determined in step a) above by $276.71. To account for the Location Factor of each NF, apply the location factor as provided in the 2023 RSMeans Construction Cost Data publication against the amount calculated above. Location Factors are determined by the state in which the NF is located and the first three digits of the NF's zip code. The Location Factors will be updated annually based upon the base year cost reporting period FYE date.

c) Next, to determine the Moveable Equipment Replacement Value, multiply the number of Medicaid certified beds for each NF by $7,000. Add this calculated amount to the New Building Value Cost as determined in step b) above to arrive at the Building and Equipment Replacement Value for each NF.

iii. Penalty for Non-Compliance with Spending Test
In the event a nursing facility does not spend the annual threshold amount as described above, there will be a ten percent (10%) penalty applied to the capital per diem in effect prior to the penalty rate period that will be imposed on the next Medicaid rate cycle. For rates effective October 1, 2022 thru September 30, 2024, the spending requirement is being waived due to COVID-19 access issues. Therefore effective for the October 1, 2024 Medicaid rate period, the spending requirement will be based on the October 1, 2022 thru September 30, 2023 cost reporting period.

iv. Nursing Facilities that quadrupled expenditures during the October 1, 2021 thru September 30,2022 cost reporting period will be exempt from the spending requirement.

d) Lease and Sales

The South Carolina Department of Health and Human Services will treat any new lease or sale of a facility executed after December 15, 1981, as a related party transaction. Therefore, in the event of a sale after December 15, 1981, the provider's capital related cost will be limited to the lower of the sales price or the historical cost of the prior owner. In the event of a lease executed after December 15, 1981, the provider's capital related cost will be limited to the lower of the lease cost or the historical cost of the owner (lessor). The historical costs of the prior owner would include:

A. REIMBURSEMENT METHODOLOGY TO BE USED IN THE CALCULATION OF THE MEDICAID REIMBURSEMENT RATES

A prospective rate shall be established for each nursing facility separately based on the facility's cost report, and upon the standard costs which are developed in accordance with the methodology described below. In the event that audit adjustments are made to cost reports in accordance with Title XIX and Title XVIII Program rules, regulations, policies and procedures, the rate of payment will be established so as to be consistent with the facility's cost as audited. In the event that such adjustment is made subsequent to the date that a facility was paid an incorrect rate based on unaudited costs, the facility will be liable to repay to the South Carolina Department of Health and Human Services the difference between the audited rate and the interim rate for the contract period. In a case in which an audited rate exceeds the interim rate, the South Carolina Department of Health and Human Services will be liable to repay the facility the difference between the audited rate and the interim rate for the contract periods beginning on or after October 1, 1994.

Effective October 1, 2010, nursing facilities which do not incur an annual Medicaid utilization in excess of 3,000 patient days will receive a prospective payment rate which will represent the weighted average industry rate at the beginning of each rate cycle. This rate will not be subject to change as a result of any field audit, but will be subject to change based on the lower of cost or charges test to ensure compliance with the state plan.

Minimum occupancy levels of 85% are currently being utilized for Medicaid rate setting purposes. For clarification purposes, a nursing facility wing that is taken off-line due to renovation/construction issues relating to unsafe building conditions and considered unusable to meet the SC Department of Health and Environmental Control survey and certification guidelines will be temporarily excluded from the minimum occupancy computation for Medicaid rate setting purposes.

PROVIDER NAME:	0			
PROVIDER NUMBER:	0			
REPORTING PERIOD:	10/01/21	through	09/30/22	DATE EFF. 10/1/2023

		MAXIMUM BED DAYS:(less Complex Care)		0
PATIENT DAYS USED:	0	PATIENT DAYS INCURRED:		0
TOTAL PROVIDER BEDS:	0	ACTUAL OCCUPANCY %:	0.00%	
% Skilled	0.000	PATIENT DAYS @	0.00%	0

COMPUTATION OF REIMBURSEMENT RATE - PERCENT SKILLED METHODOLOGY

		PROFIT INCENTIVE	TOTAL ALLOW COST	COST STANDARD	COMPUTED RATE
COSTS SUBJECT TO STANDARDS:					
GENERAL SERVICE			0.00	0.00	
DIETARY			0.00	0.00	
LAUNDRY/HOUSEKEEPING/MAINT.			0.00	0.00	
SUBTOTAL		0.00	0.00	0.00	0.00
ADMIN & MED REC		0.00	0.00	0.00	0.00
SUBTOTAL		0.00	0.00	0.00	0.00
COSTS NOT SUBJECT TO STANDARDS:					
UTILITIES			0.00		0.00
SPECIAL SERVICES			0.00		0.00
MEDICAL SUPPLIES AND OXYGEN			0.00		0.00
TAXES AND INSURANCE			0.00		0.00
LEGAL COST			0.00		0.00
SUBTOTAL			0.00		0.00
GRAND TOTAL			0.00		0.00
INFLATION FACTOR	4.10%				0.00
COST OF CAPITAL					0.00
PROFIT INCENTIVE (MAX 3.5% OF ALLOWABLE COST)				3.50%	0.00
COST INCENTIVE - FOR GENERAL SERVICE, DIETARY, LHM					0.00
EFFECT OF CAP ON COST/PROFIT INCENTIVES				$1.75	0.00
SUBTOTAL					0.00
NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) ADD-ON					0.00
REIMBURSEMENT RATE					0.00

Effective October 1, 1995, for the purpose of establishing all cost center standards, the facilities are grouped according to bed size. The bed groupings are:

0 Through 60 Beds
61 Through 99 Beds
100 Plus Beds

B. General Services cost center standards will be computed using private and non-state owned governmental free standing and hospital based nursing facilities. All other cost center standards will be computed using private for profit free standing nursing facilities.

A BRIEF DESCRIPTION ON THE CALCULATION OF ALL THE STANDARDS IS AS FOLLOWS:

1. General Services:

a. Accumulate all allowable cost for the General Services cost center (Nursing & Restorative) for all facilities in each bed size.

b. Determine total patient days by multiplying total beds for all facilities in each group by (365 x 85%).

c. Calculate the mean cost per patient day by dividing total cost in (a) by total patient days in (b).

d. Calculate the standard by multiplying the mean by 110%.

e. The establishment of the General Services standard for all nursing facilities (excluding state owned facilities) will be based on the average of the percentage of Medicaid Level A patients/total Medicaid patients served. Rates effective on or after October 1, 2021 will be computed annually using nursing facility utilization (including nursing facility days paid under the Hospice Benefit) by patient acuity based upon the preceding July 1 through June 30 data period. Effective October 1, 2003, co-insurance days for dual eligibles are excluded from the computation. Effective December 31, 2011, nursing facility providers will no longer be allowed to appeal its acuity level (i.e. percent skilled) payment adjustment determination for any current or future year payment rates. The General Services standard for each separate facility will be determined in relation to the percent of Level A Medicaid patients served, i.e., the base standard determination in (d.) above will be decreased as the percent of Level A Medicaid patients is decreased and increased as the percent of Level A Medicaid patients is increased.

2. Dietary; Laundry, Maintenance and Housekeeping; Administration and Medical Records & Services: The standard for each of these three cost categories is calculated as follows:

   a. Accumulate all allowable cost for each cost center for all facilities in each bed size.

   b. Total patient days are determined by taking maximum bed days available from each bed group, subtracting complex care days associated with each bed group, and multiplying the net amount by 85%.

   c. Calculate the mean cost per patient day by dividing total cost in (a) by total patient days in (b).

   d. Calculate the standard by multiplying the mean by 105%.

C. Rate Computation

Rates will be computed using the attached rate computation sheet (see page 12) as follows:

1. For each facility, determine allowable cost for the following categories:

   COST SUBJECT TO STANDARDS:

   General Services
   Dietary
   Laundry, Maintenance and Housekeeping
   Administration and Medical Records & Services

   COST NOT SUBJECT TO STANDARDS:

   Utilities
   Special Services
   Medical Supplies
   Property Taxes and Insurance Coverage - Building and Equipment
   Legal Fees

2. Calculate actual allowable cost per day based on the cost reports for each category by dividing allowable cost by total patient days as determined under section III A of Attachment 4.19-D.

3. For cost subject to standards, the lower of cost determined in step 2 or the cost standard will be allowed in determining the facility's rates. Effective October 1, 1997, the General Services, Dietary, and Laundry, Housekeeping, and Maintenance cost centers are combined. Therefore, compare the sum of the allowable cost of these three cost centers to the sum of these three cost standards.

4. For costs not subject to standards, the cost determined in step 2 will be allowed in determining the facility's rate.

5. Accumulate per diem costs determined in steps 3 and 4.

6. Inflate the cost in step 5 by multiplying the cost in step 5, by the inflation factor. The maximum inflation factor that can be used will be that provided by the State of South Carolina Revenue and Fiscal Affairs Office and is determined as follows:

   a. Proxy indices for each of the eleven major expenditure components of nursing homes, (salaries, food, medical supplies, etc.) during the third quarter of 2023 were weighted by the expenditure weights of the long term care facilities. These eleven weighted indices are summed to one total proxy index for the third quarter of 2023.

   b. Proxy indices are estimated for each of the eleven major expenditure components of nursing homes, (salaries, food, medical supplies, etc.), during the third quarter of 2024 and then weighted by the same expenditure weights as in step a. These weighted proxy indices were summed to one total proxy index for the third quarter of 2024.

   c. The percent change in the total proxy index during the third quarter of 2023 (as calculated in step a), to the total proxy index in the third quarter of 2024 (as calculated in step b), was 4.10%. Effective October 1, 2023 the inflation factor used was 4.10%.

10. Effective for services provided on or after October 1, 2019, the Medicaid Agency will determine the facility specific Non-Emergency Medical Transportation (NEMT) Add-On as follows:

    - For nursing facilities that were not capped by the NEMT transport trip criteria developed by the agency to adjust for significant acuity and utilization shifts observed in the type of NEMT transports among some of the participants residing in the nursing facility and employed in the determination of the October 1, 2018 NEMT add-ons, each facility's October 1, 2023 NEMT add-on will be determined based upon twelve months of allowable Medicaid reimbursable NEMT costs incurred from October 1, 2021 through September 30, 2022 (FYE Sept. 30, 2022) divided by the number of incurred FYE Sept. 30, 2022 Medicaid days as reported on provider cost reports.

      For nursing facilities that were capped by the NEMT transport trip criteria developed by the agency to adjust for significant acuity and utilization shifts observed in the type of NEMT transports among some of the participants residing in the nursing facility and employed in the determination of the October 1, 2018 NEMT add-ons, each facility's October 1, 2022 NEMT add-on will be determined based upon the lower of the NEMT add-on determined October 1, 2018 or twelve months of allowable Medicaid reimbursable NEMT costs incurred from October 1, 2021 through September 30, 2022 (FYE Sept. 30, 2022) divided by the number of incurred FYE Sept. 30, 2022 Medicaid days as reported on provider cost reports.

11. For rates effective October 1, 2023, the Medicaid reimbursement rate will be the total of costs accumulated in step 5, inflation, cost of capital, cost incentive/profit, and NEMT add-on per diem.

(8) To determine the Total Adjusted Medicaid per diem rate, add the Medicaid Per Diem in step (6) above to the SC Medicaid rate per diem adjustment as reflected in step (7) above.

(9) Medicaid paid days (excluding NF days paid for recipients while under the Hospice Benefit) based upon the most recently completed state fiscal year are applied to the Total Adjusted Medicaid per diem rate as defined in (8) above and the Total Adjusted Medicare Cost Per Diem as described in step (4) above to arrive at the annual Medicaid payments for each provider as well as the annual Total Adjusted Medicare Cost expenditures for each provider.

(10) The annual Total Adjusted Medicare Cost expenditures and the annual Medicaid rate expenditures for all providers within the class are summed to determine the aggregate payments for each class.

(11) The Medicaid UPL compliance check is determined by comparing the aggregate amounts as determined in (9) above to ensure that Total Adjusted Medicare Cost expenditures are equal to or greater than Medicaid rate expenditures. In the event that aggregate Medicaid rate expenditures exceed aggregate Total Adjusted Medicare Cost expenditures, the Medicaid rate for each facility will be limited to the Total Medicare Cost Per Diem as determined in (4) above.

The sum of the private UPL payments will not exceed the upper payment limit calculated under the FFY 2024 private nursing facility UPL demonstration.

(1) Qualifications

In order to qualify for a supplemental payment as an Essential Public Safety Net nursing facility, a nursing facility must meet all of the following criteria:

a) The nursing facility is a non-state owned governmental nursing facility in which the operator of the nursing facility is also the owner of the nursing facility assets;
b) The nursing facility is located in the State of South Carolina;
c) The nursing facility is licensed as a nursing facility by the State of South Carolina and is a current Medicaid provider;

(2) Upper Payment Limit Calculation

The upper payment limit effective for services beginning on and after October 1, 2023 for Essential Public Safety Net nursing facilities will be calculated using the Medicaid frequency distribution of all licensed South Carolina non-state owned governmental nursing facilities which contract with the South Carolina Medicaid Program. This frequency distribution will be determined using the Optional State Assessments or OSA's. Optional State Assessments completed during the period which corresponds with the quarterly upper payment limit payment period (e.g. October 1 through December 31 and January 1 through March 31, etc.). The results of each nursing facility's Medicaid frequency distribution will then be applied to the total Medicaid patient days (excludes hospice room and board Medicaid patient days and coinsurance days) paid to the nursing facility during each federal fiscal year beginning October 1, 2023 in order to allocate the Medicaid days across the Medicare RUG IV categories. The applicable Medicare rates for the payment year for each RUG category will be applied against the Medicaid days for each RUG category, and then summed, to determine the maximum upper payment limit to be used in the determination of the Essential Public Safety Net nursing facility payments.

Due to Medicare's conversion from the RUGS-IV payment methodology to the Patient Driven Payment Model for Medicare Part A skilled nursing facility services effective October 1, 2019, the Medicaid Agency will increase the October 1, 2018 Medicare RUGS-IV payment rates by the average annual increase in Medicare rates per the FY 2020, 2021, 2022, 2023, and 2024 Final Rule. The adjusted Medicare rates will then be used in the calculation of the quarterly Essential Public Safety Net Nursing Facility payments effective for services provided on and after October 1, 2023.

In order to adjust for program differences between the Medicare and Medicaid payment programs, the SCDHHS will calculate Medicaid payments in accordance with Section K(3)(b) of the plan.

(3) Payment Methodology

The South Carolina Department of Health and Human Services will make a supplemental Medicaid payment in addition to the standard nursing facility reimbursement to qualifying Essential Public Safety Net nursing facilities. Such payments will be made quarterly based on Medicaid patient days paid during the payment period. The payment methodology is as follows:

a. The upper payment limit for all licensed South Carolina non-state owned governmental nursing facilities which contract with the South Carolina Medicaid Program will be computed as described under section K(II)(2) above.

(2) Next, the Medicaid ICF/IID per diem cost as determined in step (1) above for each facility is then trended. The Medicaid Agency will employ the use of the midpoint to midpoint trending methodology using the Global Insight CMS Nursing Home without Capital Market Basket Index in order to trend the base year cost to the UPL demonstration period.

(3) Total annual projected Medicaid ICF/IID revenue of each facility for the UPL demonstration period is determined by averaging the July 1, 2022 Medicaid payment rate of each ICF/IID facility and multiplying the average rate by the facility's base year Medicaid incurred patient days which is obtained via MMIS.

(4) The Medicaid UPL compliance check is determined for this class by comparing the aggregate amounts as determined in step (3) above to ensure that projected Medicaid ICF/IID cost is equal to or greater than projected Medicaid ICF/IID rate expenditures in step (4). In the event that aggregate Medicaid ICF/IID rate expenditures exceed aggregate Medicaid ICF/IID cost, the Medicaid ICF/IID rate for each facility will be limited to the Medicaid cost based rate as determined in (3) above.

V. State Owned Governmental Nursing Facility Service Providers

The following methodology is used to estimate the upper payment limit applicable to state owned/operated nursing facilities:

The most recently filed FYE Medicare nursing facility cost report serves as the base year cost report to be used for Medicaid UPL demonstrations. In order to determine the Medicare allowable cost per patient day (i.e. upper payment limit), the SCDHHS will:

(1) Access the most recent and available CMS cost based UPL template for SC Medicaid UPL demonstration purposes.

R. Allowability of Certain Costs

A) Auto Expense:

Allowable costs shall not include actual costs of administrative vehicles used for business purposes or regular vehicles used for patient care related activities (depreciation, maintenance, gas and oil, etc.). Allowable costs shall include administrative vehicle expense and regular vehicles expense used for patient care related activities only through documented business miles multiplied by the current mileage rate for the State of South Carolina employees.

Allowable costs shall include the actual costs of specialty vehicles (e.g., vans, trucks). These costs will be classified to the appropriate cost centers for Medicaid cost reporting purposes. Allowable costs would include operation, maintenance, gas and oil, and straight line depreciation (over a 5 year useful life). Should these specialty vehicles be made available for personal use of the facility employees, then that percentage of cost would be reclassified to nonallowable expense.

It is the intent of the SCDHHS to recognize as specialty vehicles, station wagons with a seating capacity of more than six (6) passengers used in patient care related activities, vans, and trucks. The cost of sedans or station wagons with a seating capacity of six (6) or less passengers used for patient transport or other patient care related activities will be limited to the state employee mileage rate and charged to the appropriate cost center(s) based upon miles documented by a log effective August 1, 1986.

For cost reporting requirements prior to August 1, 1986, actual allowable costs which would include operation, maintenance, gas and oil, and straight-line depreciation (over a 5 year useful life and limited to 10,000 maximum vehicle cost) will be used in determining allowable costs for cost centers other than administration. Should these specialty vehicles be made available for personal use of the facility employees, then that percentage of cost would be reclassified to nonallowable expense.

Any vehicle that cannot be identified to charge to the appropriate cost center will be charged to administration and follow administration vehicle allowable cost guidelines. However, only that portion of such costs related directly to patient care related purposes will be allowed.

B) Dues

Association dues will be recognized for reimbursement purposes only when the dues are for professional services that are patient care related. Any component of association dues related to legal actions against state agencies, lobbying, etc., will not be recognized as an allowable cost for Medicaid rate setting purposes.

JOB TITLE	0-60 BEDS MAX ALLOWED ANNUAL SALARY	61-99 BEDS MAX ALLOWED ANNUAL SALARY	100+ BEDS MAX ALLOWED ANNUAL SALARY
DIRECTOR OF NURSING (DON)	$83,749	$88,677	$110,359
RN	$63,343	$64,173	$67,644
LPN	$51,696	$51,696	$54,004
CNA	$26,207	$26,207	$27,998
SOCIAL SERVICES DIRECTOR	$42,939	$44,619	$55,482
SOCIAL SERVICES ASSISTANT	$36,667	$36,667	$42,848
ACTIVITY DIRECTOR	$35,569	$36,487	$39,623
ACTIVITY ASSISTANT	$23,720	$24,191	$26,476
DIETARY SUPERVISOR	$43,566	$48,203	$59,491
DIETARY WORKER	$21,301	$22,578	$25,580
LAUNDRY SUPERVISOR	$31,336	$31,336	$31,336
LAUNDRY WORKER	$18,950	$20,831	$23,250
HOUSEKEEPING SUPERVISOR	$30,956	$37,339	$41,393
HOUSEKEEPING WORKER	$19,778	$20,764	$22,600
MAINTENANCE SUPERVISOR	$41,303	$46,142	$54,676
MAINTENANCE WORKER	$30,172	$30,284	$33,845
ADMINISTRATOR	$96,651	$108,993	$141,695
ASSISTANT ADMINISTRATOR	$70,690	$83,950	$83,950
BOOKKEEPER / BUSINESS MGR	$48,784	$48,784	$51,383
SECRETARY / RECEPTIONIST	$30,597	$30,910	$32,344
MEDICAL RECORDS SECRETARY	$38,974	$38,974	$38,974

Note: No change to prior year guidelines- state employee pay increase Of 3% effective 7/1/22

G) ALLOWABLE COMPENSATION RANGES FOR OWNERS AND/OR THEIR RELATIVES EMPLOYED BY PARENT COMPANIES:

JOB TITLE	% - CEO Compensation	0-60 BEDS	61-99 BEDS	100-257 BEDS	258 + BEDS	
CEO	see nh admin. Guidelines	$96,651	$108,993	$141,695	130%* 100+ admin. Guidelines	$184,203
ASST CEO CONTROLLER CORPORATE SECRETARY CORPORATE TREASURER ATTORNEY	75%	$72,488	$81,745	$106,271		$138,152
ACCOUNTANT BUSINESS MGR PURCHASING AGENT REGIONAL ADMINISTRATOR REGIONAL V-P REGIONAL EXECUTIVE	70%	$67,656	$76,295	$99,186		$128,942
CONSULTANTS: SOCIAL ACTIVITY DIETARY (RD) PHYSICAL THER (RPT) MEDICAL RECORDS (RRA) NURSING (BSRN)	65%	$62,823	$70,845	$92,102		$119,732
SECRETARIES	see nh	$30,597	$30,910	$32,344		$32,344
BOOKKEEPERS	see nh	$48,784	$48,784	$51,383		$51,383
MEDICAL DIRECTOR	90%	$86,986	$98,093	$127,525		$165,783
****NOTE: there are no home offices in the 0-60 bed group**						

Note: No change to prior year guidelines- state employee pay increase of 3% effective 7/1/22.

1. The above are maximum limits of allowable cost for owners and/or relatives who are actually performing these duties 100% of a normal work week. Part-time performance will be computed according to time spent. No individual will have more than one full time equivalent (40 hour per week) job recognized in the Medicaid program.

2. No assistant operating executive will be authorized for a chain with 257 beds or less.