

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Post Office Box 8206
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March 4, 2011

ALL

MEDICAID BULLETIN

TO: Providers Indicated

SUBJECT: Medicaid Rate Reduction

In anticipation of the General Assembly's final approval of S.434, a Joint Resolution allowing the South Carolina Department of Health and Human Services (SCDHHS) to pursue cost efficiencies, SCDHHS will reduce the reimbursement amount to providers by 3% effective for dates of service on or after April 4, 2011. This reduction in reimbursement rates will also be reflected in the April 1, 2011 Managed Care Organization capitation rates, along with additional cost savings strategies.

This action allows SCDHHS to partially address the budget deficit for State Fiscal Year 2011. It also serves as a baseline adjustment for expected further reductions in State Fiscal Year 2012 which will be implemented on a case by case basis and announced in future bulletins.

In compliance with federal regulations, at this time, we are excluding or limiting certain provider groups from this reduction to include Hospice, Medicare Buy In Premiums, Catawba Service Unit, Federally Qualified Health Centers (FQHC) and Rural Health Centers (RHC).

Should S.434 not be passed as anticipated, SCDHHS will not implement this reduction as stated.

Thank you for your continued support of the South Carolina Medicaid program. Please call your program area should you have any questions.

/S/
Anthony E. Keck
Director

AEK/gm

NOTE: To receive Medicaid bulletins by email, please register at <http://bulletin.scdhhs.gov/>. To sign up for Electronic Funds Transfer of your Medicaid payment, please go to <http://www.dhhs.state.sc.us/dhhsnew/hipaa/index.asp> and select "Electronic Funds Transfer (EFT)" for instructions.