

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



June 23, 2011

Mr. Anthony E. Keck, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Re: South Carolina Title XIX State Plan Amendment, Transmittal #11-005

Dear Mr. Keck:

We have reviewed the proposed amendment to the South Carolina Medicaid State Plan SC 11-005 that was received in the Regional Office on March 29, 2011. This State plan amendment allows South Carolina Department of Health and Human Services (SCDHHS) to reduce provider payments three percent (3%) effective for services provided on and after April 4, 2011 by reimbursing providers at ninety seven percent (97%) of the Medicaid rate or Medicaid payment calculated in accordance with the methodologies in effect on April 1, 2011.

A companion letter is also being issued with this approval to address the program and financial concerns that developed during the review of this frontal rate reduction plan.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment SC 11-005. This SPA was approved on June 20, 2011. The effective date of this amendment is April 4, 2011. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Yvette Moore at 404-562-7327.

Sincerely,

A handwritten signature in black ink, appearing to read "Davida Kimble". The signature is fluid and cursive, written over a light gray background.

Davida Kimble
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: SC 11-005	2. STATE South Carolina
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE 04/04/11	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 440 Subpart A	7. FEDERAL BUDGET IMPACT: FMAP a. FFY 2011 \$(9,476,050) b. FFY 2012 \$(12,947,573)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pages 0 & 0a	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:
Provider service rate reductions

11. GOVERNOR'S REVIEW (Check One):

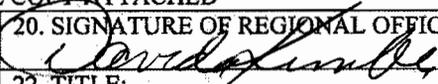
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Mr. Keck was designated by the Governor to
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, SC 29202-8206
13. TYPED NAME: Anthony E. Keck	
14. TITLE: Director	
15. DATE SUBMITTED: March 25, 2011	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 06/20/11
--------------------	--------------------------------

PLAN APPROVED -- ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 03/29/11	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Davida Kimble	22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children's Health Opns

23. REMARKS:

Medicaid SP Section 419-B (Reimbursement) Review

The South Carolina Department of Health and Human Services (SCDHHS) will reduce the reimbursement amount to providers by three percent (3%) effective for services provided on or after April 4, 2011. This will be accomplished by reimbursing providers at ninety seven percent (97%) of the Medicaid rate or Medicaid payment amount that is calculated in accordance with the methodologies in effect on April 1, 2011. Any Medicaid service described below that is provided by state agencies and are cost settled will not be impacted by this action.

In compliance with federal regulations, we are excluding or limiting certain provider groups from this reduction to include Hospice, Catawba Service Unit (Indian Health Services Facility), Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs).

SERVICE	4.19-B PAGE/SECTION	COMMENTS
Other Laboratory and X-Ray Services	Page 2/Section 3	
EPSDT	Page 2/Section 4b	
Family Planning Services	Page 2a.2/Section 4c	
Physician Services	Page 2a.2/Section 5	Includes all physicians as well as injectable drugs. Supplemental teaching physician payments are excluded from this three percent (3%) reduction.
Podiatrists' Services	Page 3/Section 6.a	
Optometrists' Services (Vision Care Services)	Page 3/Section 6.b	
Chiropractor's Services	Page 3/Section 6.c	
Certified Registered Nurse Anesthetist (CRNA)	Page 3/section 6.d	
Nurse Practitioner	Page 3	
Psychologists	Page 3	
Licensed Midwives' Services	Page 3	
Medical Social Services	Page 3.1	

SC: 11-005

EFFECTIVE DATE: 04/04/11

RO APPROVED: 06/20/11

SUPERSEDES: NEW PAGE

Medicaid SP Section 419-B (Reimbursement) Review

Home Health Services	Pages 3.1 & 3a/Section 7	The 3% reduction will apply to settlement payments but will not apply to settlement payments determined for state agencies.
Clinical Services:	Page 3a/Section 9	Covers ambulatory surgical centers, end stage renal disease clinics, mental health clinics, and county health departments. The 3% reduction will not apply to settlements determined for state agencies.
Dental Services	Page 3a/Section 10	
Physical Therapy & Occupational Therapy	Page 3b/Section 11.a & 11b	
Speech/Language and Audiological Services	Page 3b/Section 11.c	
Prescribed Drugs	Page 3b/Section 12.a	
Prosthetic Devices and Medical Supplies Equipment and Services	Page 5/Section 12.c	
Eyeglasses	Page 5/Section 12.d	
Preventive Services - Disease Management	Page 6/Section 13.c	The 3% reduction will not apply to settlements determined for state agencies.
Rehabilitative Services	Page 6.1/Section 13.d	The 3% reduction will not apply to settlements determined for state agencies.
Personal Care Service	Page 6.2/Section 13.d	
Nurse Midwife Services	Page 6.2/Section 17	
Case Management Services	Page 6a – 6e/Section 19a – 19m	The 3% reduction will not apply to settlements determined for state agencies.
Extended pregnancy related services	Page 6f/Section 20a – 20b	
Transportation	Page 6h – 6h.5/Section 24a	Broker transportation services are excluded. The 3% reduction will not apply to settlements determined for state agencies.
Program of all-Inclusive Care for the Elderly (PACE)	Page 6i	

SC: 11-005
EFFECTIVE DATE: 04/04/11
RO APPROVED: 06/20/11
SUPERSEDES: NEW PAGE