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

PREPARED BY: Valeria Williams

PRESENTED BY: Valeria Williams

DATE: October 23, 2014

SUBJECT: Increase Medicaid Primary Care Physicians Fee Schedule

OBJECTIVE: To Implement Primary Care Fee Schedule Enhancement Program

BACKGROUND: Effective January 1, 2015, the SCDHHS ("Department") will implement an enhanced primary care physician's fee schedule. The program is limited to Primary Care Physicians (PCPs) and Primary Care Services. PCPs include the following practitioners: (i) Family Practice, (ii) General Practice, (iii) Obstetrics & Gynecology, (iv) Internal Medicine, (v) Pediatrics, (vi) Psychiatry, and (vii) Child Psychiatry. Primary Care Services include the Evaluation and Management (E&M) services used by Medicare, and services related to immunization administration for vaccines and toxoids. For Medicaid Managed Care Members, payments for this program will be reflected in the Managed Care Organization's (MCO's) per member per month (PMPM) capitation rate. In order to ensure federal compliance for its Medicaid Managed Care Program, the Department will not forward separate payments to the MCOs on behalf of individual providers. This change is effective January 1, 2015 and applies to all dates of service after January 1, 2015.

BUDGETARY IMPACT: Based on estimates from Milliman this program will cost $23.5 million FY2015 and $47 million FY2016 for both the FFS and MCO programs

EXPECTED OUTCOMES: PCPs will receive an enhanced reimbursement on certain E & M and vaccine administration codes.

EXTERNAL GROUPS AFFECTED: Family Practice, General Practice, Gynecology, Internal Medicine, Obstetrics, Obstetrics & Gynecology, Pediatrics, Psychiatry, and Child Psychiatry physicians

RECOMMENDATION: Amend State Plan with appropriate language and make necessary system updates.

EFFECTIVE DATE: January 1, 2015