

June 7, 2021

## PUBLIC NOTICE

### **Public Notice of Final Action for Setting Payment Rates for Long Term Care Facility Services (Excluding State-Owned Nursing Facilities)**

The South Carolina Department of Health and Human Services (SCDHHS), pursuant to the requirements of Section 1902(a)(13)(A) of the Social Security Act, gives notice of the following action regarding its methods and standards for setting payment rates for long-term care facility services (excluding state-owned nursing facilities) under the South Carolina Medicaid State Plan (State Plan) under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

As a result of the agency's review of census data provided by the South Carolina Health Care Association, SCDHHS recognized the need to provide certain South Carolina Medicaid contracting nursing facilities with additional funding due to their loss of South Carolina Medicaid patient revenue resulting from the impact of the COVID-19 pandemic. Therefore, to address this issue, SCDHHS will submit the following payment methodology to the Centers for Medicare and Medicaid Services (CMS) for approval so that quarterly payments can be made to qualifying nursing facilities based upon the following qualification and payment methodology effective April 1, 2021:

#### **Qualification Process:**

South Carolina Medicaid contracting nursing facilities that qualify for the additional payments will be those nursing facilities whose Jan. 1, 2021, total occupancy rate, based upon Medicaid certified beds only, is less than eighty-two percent (82%). Nursing facilities whose Jan. 1, 2021, total occupancy rate is equal to or greater than eighty-two percent (82%) will not be eligible to receive the additional payment. Additionally, any nursing facility whose Jan. 1, 2021 total occupancy rate is greater than their fiscal year end (FYE) Sept. 30, 2019, total occupancy rate will not be eligible to receive the additional payment.

#### **Individual Payment Calculation Process:**

- First, the FYE Sept. 30, 2019, total occupancy rate of each nursing facility is compared to the January 2021 monthly total occupancy rate.
- Next, the difference in the occupancy rates is multiplied by the number of available bed days for a thirty-one (31)-day month to determine the lost total days.
- Next, the lost total days applicable to the thirty-one (31) day month period is multiplied by the FYE Sept. 30, 2019, Medicaid occupancy rate to determine the number of lost Medicaid days.
- Next, the number of lost Medicaid days is multiplied by the nursing facility's Jan. 1, 2021, Medicaid rate to determine the monthly payment amount for each qualifying nursing facility. The quarterly payment calculations will be adjusted to account for the number of days in each month for which the payment represents.

- Finally, beginning with the July 1, 2021, payment quarter, the total occupancy rate will be reset based upon a more recent SCDHHS-selected census month and payments will be adjusted accordingly. This quarterly update methodology (i.e., updated census data) will continue until the end of this payment program.

**Additional Payment Requirements:**

1. Nursing facilities will be required to spend one hundred percent (100%) of the federal funds provided for revenue loss associated with the national public health emergency in order to receive the subject payments.
2. The payment adjustments will end once the national public health emergency is lifted or earlier if total occupancy improves.
3. Nursing facilities will be required to submit monthly census data to SCDHHS based upon Medicaid certified beds only. This census data will be used to evaluate whether a nursing facility will be eligible to receive, or continue to receive, payments under this program based upon a moving average two-month period trend rate beginning with the April 2021 census. This information will also be used to reset total occupancy rates used for future quarterly payment purposes.
4. Finally, all interim census data reports used for this payment process will be compared to the FYE Sept. 30, 2021, census report contained within the South Carolina Medicaid Nursing Facility Cost Report to ensure accuracy. This could possibly result in an adjustment to the payment amounts under this program for qualifying nursing facilities in the event that variances exist.

SCDHHS is implementing the above action to address the impact of the COVID-19 pandemic on lost Medicaid occupancy in nursing facilities.

As a result of this action, nursing facility expenditures are expected to increase by approximately \$28.0 million (total dollars) on a quarterly basis initially and are expected to decrease with each subsequent quarter as total occupancy improves.

Copies of this notice are available at each South Carolina Healthy Connections Medicaid county office and at [www.scdhhs.gov](http://www.scdhhs.gov) for public review. Additional information concerning this action is available upon request at the address cited below.

Any written comments submitted may be reviewed by the public at the SCDHHS, Division of Long Term Care Reimbursements, Room 1219, 1801 Main Street, Columbia, S.C., Monday through Friday between 9 a.m.-5 p.m.

Robert M. Kerr  
Director

## **Notice of Non-Discrimination**

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If you believe SCDHHS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with the Civil Rights Official using the contact information provided above. You can file a grievance in person, by mail, or via email. If you need help filing a grievance, we are available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf> or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201 or by phone at: 800-368- 1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html> .