

Sept. 20, 2018

## 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 actions regarding its methods and standards for setting payment rates for long term care facility services (excluding state owned nursing facilities) under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective for services provided on or after October 1, 2018, SCDHHS will amend the South Carolina Title XIX reimbursement methodology for long term care by:

1. For all nursing facilities except for hospital based nursing facilities, the SCDHHS will employ the use of worksheet A column #7, lines 3 through 30, of each provider's fiscal year end 2016 and fiscal year end 2017 Medicare cost reports (i.e. CMS-2540-10) to determine the annual percentage increase/(decrease) in occupancy adjusted per patient day costs of each nursing facility as it relates to its General Service Cost Centers and the Skilled Nursing Facility Routine Cost Center. Capital related costs reported via lines 1 and 2 of worksheet A column #7 are excluded from this computation.
2. For all hospital based nursing facilities, the SCDHHS will employ the use of worksheet B Part I column #24, line 30, of each provider's fiscal year end 2016 and fiscal year end 2017 Medicare cost reports (i.e. CMS-2552-10) to determine the annual percentage increase/(decrease) in occupancy adjusted per patient day costs of each nursing facility as it relates to its Skilled Nursing Facility Routine Cost Center. The capital related costs that have been allocated throughout the stepdown process will be removed from this computation.
3. Removing costs that are reimbursed outside of the Medicaid per diem rate prior to determining the annual percentage increase/(decrease) in occupancy adjusted per patient day costs addressed in items #1 and #2 above (i.e. Hurricane Matthew costs, professional liability claim cost in excess of \$50,000 on an individual claim basis, and Certified Nursing Assistant training and testing costs) from the fiscal year end 2016 and 2017 provider cost reports.
4. Applying the SC Medicaid agency approved cost adjustment factor against each provider's September 30, 2018 Grand Total Computed Rate per diem amount.
5. To reimburse covered SC Medicaid ancillary services in the October 1, 2018 rate, the SCDHHS will replace covered SC Medicaid ancillary service costs for fiscal year end 2016 with covered SC Medicaid ancillary service costs for fiscal year end 2017. These costs will not be subject to the agency approved cost justification factor.
6. Applying a 2.80% inflation factor against the September 30, 2018 Adjusted Grand Total Computed Rate per diem amount in the calculation of the October 1, 2018 payment rates.
7. Maintaining per diem reimbursement of cost of capital, profit and cost incentives for SC Medicaid rates effective October 1, 2018 at the September 30, 2018 per diem reimbursement levels.

The determination of the SC Medicaid agency approved cost adjustment factor will be impacted by the following provider scenarios:

- The amount of per patient day costs below the cost center standards as reflected in the September 30, 2018 payment rates;
- The amount of per patient day costs above the cost center standards as reflected in the September 30, 2018 payment rates;
- The weighted average percentage increase in the cost center standards by bed group based upon the last three payment rate cycles using the following minimum occupancy rates (October 1, 2015 92% occupancy, October 1, 2016 92% occupancy, and October 1, 2017 90% occupancy);
- The impact of percent skilled changes resulting from the use of SFY 2018 Medicaid paid days as compared to the use of the SFY 2017 Medicaid paid days.
- Providers that did not file a SC Medicaid nursing facility cost report for September 30, 2016 due to actual/pending change in ownerships but filed a SC Medicaid nursing facility cost report for September 30, 2017.

SCDHHS is implementing the above actions in order to determine Medicaid reimbursement rates based upon the most recent cost report data available.

As a result of the nursing facility rate actions effective for services provided on or after October 1, 2018, the weighted average rate is projected to be \$181.77. The weighted average September 30, 2018 rate was \$177.64. This represents a weighted average per diem increase of \$4.13 per Medicaid patient day, or a 2.32% increase.

SCDHHS projects that based upon these actions, annual aggregate expenditures will increase by approximately \$15.5 million total dollars including Medicaid days paid while the recipient is under the Hospice benefit.

Copies of this notice are available at each County Department of Health and Human Services Office and at [www.scdhhs.gov](http://www.scdhhs.gov) for public review. Additional information concerning these actions 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, South Carolina, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

Joshua D. Baker  
Director  
South Carolina Department of Health and Human Services

## Notice of Non-Discrimination

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If you believe that 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 or by mail or 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>

## Language Services

**If your primary language is not English, language assistance services are available to you, free of charge. Call: 1-888-549-0820 (TTY: 1-888-842-3620).**

**Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-888-549-0820 (TTY: 1-888-842-3620).**

إذا كانت لغتك الأساسية غير اللغة الانكليزية فان خدمات المساعدات اللغوية متوفرة لك مجاناً. اتصل على الرقم:

**(1-888-842-3620 رقم هاتف الصم والبكم 888-549-0280)**

**Se fala português, encontram-se disponíveis serviços linguísticos, grátis. Ligue para 1-888-549-0820 (TTY: 1-888-842-3620).**

**Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-888-549-0820 (телетайп: 1-888-842-3620).**

**Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-888-549-0820 (TTY: 1-888-842-3620).**

**Se você fala português do Brasil, os serviços de assistência em sua língua estão disponíveis para você de forma gratuita. Chame 1-888-549-0820 (TTY : 1-888-842-3620)**

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**धयद आप हदी बोलते ह तो आपके िलए मुफ्त म भाषा सहायता सेवाएं उपलब्ध ह। 1-888-549-0820 (TTY: 1-888-842-3620) पर कॉल कर।**

한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-888-549-0820 (TTY: 1-888-842-3620)번으로 전화해 주십시오.

**Haka tawng thiam tu na si le tawng let asi mi 1-888-549-0820 (TTY: 1-888-842-3620) ah tang kapek tul lo in ko thei.**

**Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 888-549-0820 (ATS : 888-842-3620).**

နမူနာကတိကညီ ကျိအလိ, နမူနာ ကျိအတိမစာလါ တလင်ဘူင်လင်စွာ နိတမံဘာင်သုန့င်လိ. ကိ: 888-549-0820 (TTY: 888-842-3620)

ကျိအလိ: ၈၈၈-၅၄၉-၀၈၂၀ (ကျိအလိ: ၈၈၈-၈၄၂-၃၆၂၀)။  
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