

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

**PREPARED BY:** Jeff Saxon, Bureau of Reimbursement Methodology and Policy

**PRESENTED BY:** Ruth Johnson, Deputy Director of Finance and Administration

**DATE:** July 30, 2012

**SUBJECT:** Outpatient hospital and private therapists physical, speech, occupational, and aquatic therapy rate update effective October 1, 2012.

**OBJECTIVE:** To establish a uniform Medicaid fee schedule payment rate for physical, speech, occupational, and aquatic therapy services provided by outpatient hospitals and private therapists (excluding school based therapy services).

**BACKGROUND:** Currently the SC Department of Health and Human Services employs different payment rates for physical, speech, occupational and aquatic therapy services provided by outpatient hospitals and private therapists. It is the agency's desire to develop a uniform fee schedule for these therapy services that would be reimbursed to both outpatient hospitals and private therapists. Therefore, it is recommended that effective October 1, 2012, the agency establish a uniform fee schedule for the therapy services listed above based upon the use of the 2012 SC Medicare Physician Fee Schedule rates with the exception of certain speech therapy services. (i.e. speech re-evaluation services and speech therapy services rates will be uniform and based upon the current fee schedule payments/utilization).

**BUDGETARY IMPACT:** It is anticipated to be budget neutral, as outpatient hospital expenditures will decrease and private therapists' expenditures are projected to increase at similar amounts.

**EXPECTED OUTCOMES:** It is anticipated that access to therapy services may increase.

**EXTERNAL GROUPS AFFECTED:** Hospitals, private therapists, and Medicaid recipients.

**RECOMMENDATION:** Move to amend the current state plan to provide for the therapy rate updates reflected above effective October 1, 2012.

**EFFECTIVE DATE:** October 1, 2012