

Sept. 28, 2021

PUBLIC NOTICE

Public Notice of Final Action for Setting Payment Rates for Long-Term Care Facility Services

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 under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective for services provided on or after Oct. 1, 2021, SCDHHS will amend the South Carolina Title XIX reimbursement methodology for non-state-owned long-term care facilities by:

1. Providing payments based on the most recent cost report data available (i.e., FYE Sept. 30, 2020);
2. Removing all COVID-19-related costs from the calculation of the Oct. 1, 2021, payment rates;
3. Increasing minimum occupancy from 87.5% to 90.0% for Medicaid rate setting purposes;
4. Updating the cost center standards based upon the FYE Sept. 30, 2020, Medicaid cost reports and establishing the standards at 105% of the mean cost per patient day;
5. Applying a 3.5% inflation factor in the calculation of the Oct. 1, 2021, payment rates;
6. Increasing the square footage allowance used for capital cost reimbursement purposes from \$222.96 to \$231.11 in accordance with the annual increase reflected in the RS Means Construction Cost Data Publication;
7. Increasing the Medicaid reimbursement rate for the South Carolina vent unit facility from \$530.00 per Medicaid patient day to \$560.00 per Medicaid patient day; and,
8. In an attempt to address duplicate reimbursement of Medicaid allowable reimbursable costs, any long-term care facility that seeks/receives forgiveness of repaying the Paycheck Protection Program (PPP) revenue back to the federal government will have its Oct. 1, 2021, Medicaid reimbursement rate limited to the lower of the Oct. 1, 2021, Medicaid reimbursement rate based upon its fiscal year ending Sept. 30, 2020, cost report or its Jan. 1, 2021, Medicaid reimbursement rate. Any nursing facility that received PPP revenue subject to the provisions reflected above and undergoes a change in ownership will be subject to the rate setting provisions as outlined in Section III E. 3 of Attachment 4.19-D

Effective for services provided on or after Oct. 1, 2021, SCDHHS will amend the South Carolina Title XIX reimbursement methodology for state-owned long-term care facilities by:

1. Providing payments based on the most recent cost report data available (i.e., FYE June 30, 2020); and,
2. Applying a 5.092% inflation factor in the calculation of the Oct. 1, 2021, payment rates based upon the use of the midpoint-to-midpoint trending methodology and Global Insight Indexes.

SCDHHS will implement the above actions to determine Medicaid reimbursement rates based upon the most recent cost report data available. Any COVID-19 related issues that result in additional Medicaid funding being provided to non-state-owned long-term care facilities will be made outside of the payment rates via gross payment adjustments.

As a result of the above actions relating to the Medicaid reimbursement methodology changes for non-state-owned long-term care facilities effective for services provided on or after Oct. 1, 2021, the weighted average rate is projected to be \$202.62. The weighted average Sept. 30, 2021, rate was \$202.53. This represents a weighted average per diem increase of \$.09 per Medicaid patient day, or a .044% increase. As a result of the above actions relating to the Medicaid reimbursement methodology changes for state-owned long-term care facilities effective for services provided on or after Oct. 1, 2021, the weighted average rate is projected to be \$426.64. The weighted average Sept. 30, 2021, rate was \$345.34. This represents a weighted average per diem increase of \$81.30 per Medicaid patient day, or a 23.54% increase.

SCDHHS projects that based upon the actions above, annual aggregate expenditures for non-state-owned long-term care facilities will increase by approximately \$700,000 total dollars including Medicaid days paid while the recipient is under the hospice benefit. Annual aggregate expenditures for state-owned long-term care facilities will increase by approximately \$6,300,000 total dollars including Medicaid days paid while the recipient is under the hospice benefit.

Copies of this notice are available at each South Carolina Healthy Connections Medicaid county office and at www.scdhhs.gov for public review. Additional information concerning the actions above are available upon request at the address cited below.

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> .