

PUBLIC NOTICE

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN 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 proposed 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, 2013, SCDHHS proposes to amend the South Carolina Title XIX reimbursement methodology for long term care by:

- Providing payments to nursing facilities based on the most recent cost report data available (i.e., FYE September 30, 2012).
- Amending the county occupancy qualification factor from 90% to 85%. This change will exempt counties with a county occupancy rate of 85% or less from the minimum occupancy requirement of 92%.
- Updating the owner/lessor/relative compensation guidelines for the annual cost of living increase provided to state employees during SFY 2013.
- Updating the cost center standards based upon the FYE September 30, 2012 Medicaid cost reports.
- Applying a 3.60% inflation factor in the calculation of the October 1, 2013 payment rates.
- Applying an updated deemed asset value and market rate of return factor for October 1, 2013 Medicaid rate setting purposes.
- Applying a 2.9241% budget neutrality factor in the calculation of the October 1, 2013 payment rates.

SCDHHS is proposing the above changes in order to determine Medicaid reimbursement rates based upon the most recent cost report data available and to ensure that nursing facility expenditures remain within budgeted amounts during state fiscal year 2013/2014.

As a result of the proposed actions relating to the Medicaid reimbursement methodology changes for nursing facilities effective for services provided on or after October 1, 2013, the weighted average rate is projected to be \$160.67. The weighted average September 30, 2013 rate was \$156.28. This represents a weighted average per diem increase of \$4.39 per Medicaid patient day, or a 2.81% increase.

SCDHHS projects that based upon the proposed actions, annual aggregate expenditures will increase by approximately \$16,900,000 (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 for public review. Additional information concerning the proposed action is available upon request at the address cited below.

Written comments may be sent to the Division of Long Term Care Reimbursements, South Carolina Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Comments may also be submitted to comments@scdhhs.gov. Written and e-mailed comments must be received by close of business August 13, 2013.

Any written comments submitted may be reviewed by the public at the SCDHHS, Division of Long Term Care Reimbursements, Room 1231, 1801 Main Street, Columbia, South Carolina, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

Anthony E. Keck
Director
South Carolina Department of Health and Human Services