

## 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 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, 2012, the SCDHHS will 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, 2011), adjusting the occupancy factor used to establish nursing facility cost center standards (from 96% to 92%), adjusting the minimum occupancy rate used in the determination of provider payment rates (from 96% to 92%), applying a 0% inflation factor, applying an updated deemed asset value and market rate of return factor, and the implementation of a 3.805% budget neutrality factor.

The SCDHHS is making the above changes in order to determine Medicaid reimbursement rates based upon the most recent cost report data available, to account for changes in the statewide occupancy rate of contracting South Carolina Medicaid nursing facilities, and to ensure that nursing facility expenditures remain within budgeted amounts during state fiscal year 2012/2013.

As a result of the above actions relating to the Medicaid reimbursement methodology changes for nursing facilities effective for services provided on or after October 1, 2012, the weighted average rate is projected to be \$156.21. The weighted average September 30, 2012 rate was \$153.20. This represents a weighted average per diem increase of \$3.01 per Medicaid patient day, or a 1.96% increase.

The SCDHHS projects that based upon the above actions, annual aggregate expenditures will increase by approximately \$11,600,000 (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 for public review. Additional information concerning the above 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, Klondike Building, Room K101, 1813 Main Street, Columbia, South Carolina, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

Anthony Keck  
Director  
South Carolina Department of Health and Human Services