

PUBLIC NOTICE

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 paying providers 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 (SC) Title XIX state plan as follows:

- (1) The agency will eliminate retrospective cost settlements for the following services provided by South Carolina state agencies:

Clinic Services (SC Department of Mental Health and Medical University of South Carolina);

Family Intervention/Early Intervention Services (SC Department of Disabilities and Special Needs and SC School for the Deaf and Blind);

Special Needs Transportation (SC Department of Education).

The individual state agency payment rates will be developed based upon the provider's most recently filed cost report trended forward to the midpoint of the October 1, 2012 through June 30, 2013 payment period and will closely approximate allowable Medicaid costs.

- (2) The agency will eliminate retrospective cost settlements for the following services provided by South Carolina state agencies and any other non-state owned governmental provider or private provider which provides the service and are eligible to receive retrospective cost settlements and/or payment caps in accordance with the July 11, 2011 payment methodology:

Preventive Services for Primary Care Enhancement and Rehabilitative Services for Primary Care Enhancement - (Palmetto Health Richland, Florence Crittenton Programs of SC, Greenville Hospital System, James R Clark Sickle Cell, and SC Department of Health and Environmental Control).

The payment rates for the above services provided on or after October 1, 2012 will be established at less than 100% of procedure codes G0108 and G0109 of the 2012 SC Medicare Physician Fee Schedule.

- (3) The agency will eliminate retrospective cost settlements on all Home Health providers (including state government owned providers) effective for services provided on and after October 1, 2012. Prospective payment rates will be developed for each provider based upon its most recently filed cost report in accordance with the current payment methodology outlined in Attachment 4.19-B of the South Carolina Medicaid State Plan. Medical supplies incurred in the delivery of home health services will no longer be separately billed but become an add-on to the skilled nursing rate.

The Department will implement the above actions in order to encourage providers to implement efficiencies within the service programs they administer and reimburse providers on a prospective basis. However, while the retrospective cost settlement process will no longer be applicable for services provided on or after October 1, 2012, the Department will continue to ensure that reimbursement for services rendered by state owned governmental providers will

not exceed cost when certified public expenditures are used as the source of state matching funds.

In addition to the above state plan changes, the Department will eliminate retrospective cost settlements for waiver programs administered by the SC Department of Disabilities and Special Needs for services provided on or after October 1, 2012.

The Department estimates that these actions will have a minimal impact on annual Medicaid expenditures since the prospective payment rates will closely approximate current costs, which will be established at currently defined reimbursement levels of allowable costs or the maximum payment rate cap.

Copies of this notice are available for public review at each County Department of Health and Human Services Office. Additional information regarding these actions is available upon request at the address cited below.

Any written comments submitted may be reviewed by the public at the Department of Health and Human Services, Division of Ancillary Reimbursement, Klondike Building, Suite K137, 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
Department of Health and Human Services