

PUBLIC NOTICE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The South Carolina Department of Health and Human Services (Department), 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 on or after October 1, 2012, the Department will amend the South Carolina (SC) Title XIX state plan as follows:

- (1) The agency will eliminate retrospective cost settlements for all South Carolina non-state owned governmental long-term care psychiatric hospitals as well as all state owned long-term care psychiatric hospitals owned by the South Carolina Department of Mental Health effective for services provided on or after October 1, 2012. Prospective per diem payment rates will be developed based upon the hospital's most recently filed cost report and will closely approximate allowable Medicaid costs.
- (2) The agency will eliminate retrospective cost settlements for all South Carolina state owned governmental nursing facilities owned and/or operated by the South Carolina Department of Mental Health effective for services provided on or after October 1, 2012. Prospective per diem payment rates will be developed based upon the nursing facility's most recently filed cost report and will closely approximate allowable Medicaid costs.
- (3) The agency will eliminate retrospective cost settlements for all South Carolina state owned governmental intermediate care facilities for the mentally retarded (ICF/MRs) that are owned and/or operated by the South Carolina Department of Disabilities and Special Needs effective for services provided on or after October 1, 2012. Prospective per diem payment rates will be developed based upon the ICF/MR's most recently filed cost report and will closely approximate allowable Medicaid costs.
- (4) The agency will eliminate retrospective cost settlements for all South Carolina non-state owned governmental psychiatric residential treatment facilities (at 97% of allowable costs) as well as all state owned psychiatric residential treatment facilities owned by the South Carolina Department of Mental Health (at 100% of allowable costs) effective for services provided on or after October 1, 2012. Prospective per diem payment rates will be developed based upon the provider's most recently filed cost report and will closely approximate allowable Medicaid costs at currently defined reimbursement levels.

The Department will implement the above actions in order to encourage providers to implement efficiencies within the service programs they administer. 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.

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

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, Bureau of Reimbursement Methodology and Policy, Klondike Building, Suite K120, 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