

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
61 Forsyth Street S.W. Suite 4T20
Atlanta, Georgia 30303-8909



Atlanta Regional Operations Group

May 24, 2019

Mr. Joshua D. Baker
Director
SC Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

RECEIVED

JUN 09 2019

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Attention: Sheila Chavis

Re: South Carolina State Plan Amendment 17-0012

Dear Mr. Baker:

We have reviewed the proposed South Carolina State Plan Amendment, SC 17-0012, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 21, 2017. This amendment increases the July 1, 2016 alternate payment methodology (APM) prospective payment system (APM) for Federally Qualified Health Centers (FQHC) by a trend rate of 1.2%.

Based on the information provided, the Medicaid State Plan Amendment SC 17-0012 was approved on May 24, 2019. The effective date of this amendment is July 1, 2017. We are enclosing the approved HCFA-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Cheryl Wigfall at (803) 252-7299 or Cheryl.wigfall@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads 'Shantrina D. Roberts'.

Shantrina D. Roberts, MSN
Deputy Director
Division of Medicaid Field Operations-South

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
17-0012

2. STATE
South Carolina

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2017

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR Part 447 – Subchapter C

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 \$ 27,000 (\$150,000 x .7130 x 3/12)
b. FFY 2018 \$ 107,000 (\$150,000 x .7158)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, page 1f

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, page 1f

10. SUBJECT OF AMENDMENT:

Alternate Payment Methodology Prospective Payment Rates for FQHCs effective July 1, 2017.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Ms. Singleton was designated by the Governor
to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Deirdra T. Singleton

14. TITLE:

Acting Director

15. DATE SUBMITTED:

September 21, 2017

16. RETURN TO:

South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 09/21/17

18. DATE APPROVED: 05/24/19

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
07/01/17

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Shantrina D. Roberts

22. TITLE Deputy Director
Division of Medicaid Field Operations-South

23. REMARKS: Approved with the following changes to block 8 and 9 as authorized by state agency on RAI response dated 05/06/19.

Block # 8 changed to read: Attachment 4.19-B page 1f.1.

Block # 9 changed to read: Attachment 4.19-B page 1f.1.

visits per year; and OB/GYN physicians shall be 3,360 patient visits per year. Next, in order to trend the FY 2014 APM PPS rates to the prospective payment period beginning July 1, 2016, the Medicaid Agency employed the use of the midpoint to midpoint trending methodology using the IHS Global Insight 2015 Quarter 3 Forecast published December 22, 2015. For out of state border FQHCs that contract with the State Medicaid Agency or for those in-state FQHCs deemed as a low volume FQHC (i.e. provides less than 50 SC Medicaid FFS encounters during its FY 2014 reporting period), their APM PPS rate effective July 1, 2016 will be based upon its rate in effect on June 30, 2016 increased by 5.48% trend. For out of state border FQHCs that contract with the SC Medicaid Agency for the first time on or after July 1, 2016, the SC Medicaid Agency will reimburse the FQHC at the Medicaid rate in effect upon entrance into the SC Medicaid program as determined by its state's Medicaid Agency. Future Medicaid rates will be adjusted accordingly.

For those FQHCs that are not Public Health Service (PHS) grantees but are designated as "look alike", these entities have the choice of being reimbursed under the APM PPS or baseline PPS methodology as described under section 2c of Attachment 4.19-B.

Effective for services provided on and after July 1, 2017, the July 1, 2016 APM PPS rates were increased by the calendar year 2017 Medicare Economic Index trend rate of 1.2%.

Scope of Service Changes

The baseline PPS rate or the APM PPS rate will be adjusted to take into account any change (increase or decrease) in the scope of services furnished by the FQHC. A change in the cost of a service is not considered in and of itself a change in the scope of services. A change in scope will be defined as:

- A change in the type, intensity, duration, and/or amount of services or;
- Adding a South Carolina Medicaid service that was not included in the baseline PPS rate or APM PPS rate calculation or;
- Deleting a South Carolina Medicaid service that was included in the baseline PPS rate or APM PPS rate calculation or;
- Incurring a minimum five percent (5%) cost increase in overhead costs or direct medical costs as a result of the acquisition of or implementation of a singular project or equipment purchase that is not covered by any of the other scope of service change criteria.

The FQHC will be responsible for notifying the Division of Ancillary Reimbursements, in writing, of any increases or decreases in the scope of its services. A modified rate will be established based upon the allowable Medicaid reimbursable costs subject to the reasonableness definitions as described earlier and contained in the annual budget information and effective for services provided on and after the implementation of the scope of service change.

SC: 17-0012
Effective Date: 07/01/17
RO Approval: 05/24/19
Supersedes: SC 16-0005