

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



Atlanta Regional Operations Group

December 10, 2019

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

RECEIVED

DEC 17 2019

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Attention: Sheila Chavis

Re: South Carolina State Plan Amendment 19-0003

Dear Mr. Baker:

We have reviewed the proposed South Carolina State Plan Amendment, SC 19-0003, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2019. This plan amendment updates the Professional Services fee schedule by utilizing the 2019 Medicare fee schedule as a basis for determining the Medicaid reimbursement.

Based on the information provided, the Medicaid State Plan Amendment SC 19-0003 was approved on December 10, 2019. The effective date of this amendment is July 1, 2019. We are enclosing the approved HCFA-179 and a copy of the new state plan pages.

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 'Davida R. Kimble'. The signature is written in a cursive, flowing style.

Davida R. Kimble
Acting Deputy Director
Division of Medicaid Field Operations South

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER: 19-0003	2. STATE SC
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2019	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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: Social Security Act Sections 1905(a)(5)(A) 42 CFR 440.50	7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$.70 million b. FFY 2020 \$ 2.8 million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B pages, 0, 2a.2, 2a.3, 3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.19-B, pages, 0, 2a.2, 2a.3, 3

10. SUBJECT OF AMENDMENT: This plan amendment will update the fee schedule reference for Physicians in Attachment 4.19-B of the Medicaid State Plan for services provided on or after July 1, 2019.

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
Mr. Baker was designated by the Governor to review and approve all State Plans.

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, South Carolina 29202-8206
13. TYPED NAME Joshua D. Baker	
14. TITLE Director	
15. DATE SUBMITTED September 30, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 10/30/19	18. DATE APPROVED 12/10/19
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 07/01/19	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Davida R. Kimble	22. TITLE Acting Deputy Director Division of Medicaid Field Operations South

23. REMARKS

Medicaid SP Section 419-B (Reimbursement) Review

The South Carolina Department of Health and Human Services (SCDHHS) will revise and/or reduce reimbursement to providers effective for services provided on or after July 11, 2011 by the amount indicated. Providers incurred a 3% reduction for services provided on or after April 4, 2011. These reductions are in addition to the previous reduction.

Exempt from Reductions

The following are exempt from these reductions:

- J-Codes
- Hospice (except for room and board)
- Federally Qualified Health Center/Rural Health Center (FQHC/RHC) encounter rate
- Program for All-inclusive Care for the Elderly (PACE)
- Inpatient and outpatient hospital services provided by qualifying burn intensive care unit hospitals, critical access hospitals, isolated rural, small rural and certain large rural hospitals as defined by Rural/Urban Commuting Area classes. These large rural hospitals must also be located in a Health Professional Shortage Area (HPSA) for primary care for total population
- Services provided by state agencies
- Catawba tribal members are exempt when services are rendered by the Catawba Service Unit in Rock Hill, South Carolina and when referred to a specialist or other medical provider by the Catawba Service Unit.

SERVICE	4.19-B PAGE/SECTION	COMMENTS
Other Laboratory and X-Ray Services	Page 2/Section 3	Reduce reimbursement by 7%
Private Duty Nursing	Page 2 and 4.19-D, page 30	Reduce reimbursement by 4%.
Children's Personal Care	Page 2.1	Reduce reimbursement by 2%
<u>Medical Professionals</u>		
Podiatrists' Services	Page 3/Section 6.a	Podiatrist reimbursement reduced by 7%
Optometrists' Services (Vision Care Services)	Page 3/Section 6.b	5% for Optometrist to be consistent with Ophthalmologists
Chiropractor's Services	Page 3/Section 6.c	Chiropractor reimbursement reduced by 7%
Certified Registered Nurse Anesthetist(CRNA)	Page 3/section 6.d	CRNA reduced 3% reflected from Anesthesiologist rate

These CPT codes were chosen and averaged as the activities performed as a part of Orientation and Mobility Services most closely identify with various components defined in the three CPT codes listed above. The Medicaid rate has been reduced from 100% of the Medicare average rate to acknowledge the differences in the credentials required for providers of Orientation and Mobility Services from those of the Medicare covered CPT codes.

Nursing Services for Children Under 21:

Initial reimbursement to providers of nursing services for children under the age of 21 is made on the basis of an established fee schedule not to exceed the prevailing charges in the locality for comparable services under comparable circumstances. Reimbursement will be provided on a unit of a quarter of an hour basis for skilled nursing services and a per encounter basis for medication administration and other similar procedures. The current reimbursement rates are based on rates or fees reimbursed for similar services.

State and local government providers must submit annual actual cost and service delivery data. Allowable costs will be determined in accordance with Medicare reasonable cost principles and criteria outlined under 45 CFR Part 75 and 42 CFR Part 413. Future reimbursement rates to state and local government providers shall be the lesser of actual allowable documented cost or the established fee.

4.c Family Planning Services and Supplies:

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. Family Planning Services are reimbursed at an established fee schedule based on the methodologies set forth in Attachment 4.19B, Page 2a.2, Section 5 Physician Services and Attachment 4.19B Page 3b Section 12 Prescribed Drugs. The Physician Services fee schedule rates are effective for services provided on or after the implementation date as outlined in the Physician Section 5, Attachment 4.19-B. Medicaid Bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

5. Physician Services:

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of physician services (including pediatric sub-specialists). The agency's fee schedule rates were set as of July 1, 2019, and are effective for services provided on or after that date. Medicaid Bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's web site at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Payments to physicians are based on the 2019 Medicare fee schedule, as follows:

- The Medicaid fee schedule rates are set at 78% of the Medicare fee schedule for evaluation, preventative care and diagnostic services, and at 71% of the Medicare fee schedule for all other services.

Primary care Providers (PCPs) are reimbursed at 129% of the Medicaid Physician fee schedule. PCPs included physicians enrolled as Family Practice, General Practice, Gynecology, Internal Medicine, Obstetrics, Obstetrics & Gynecology, Pediatrics, Psychiatry, and Child Psychiatry providers.

Payment for vaginal deliveries is \$1,100. C-section deliveries are paid \$1000.

For those procedures that are not covered by Medicare, reimbursement is determined based on the following:

First, we look at the rate paid by the South Carolina State Health Plan. SCDHHS obtains the State Health Plan fee schedule from the SC Public Benefit Authority (SCPEBA), the state agency responsible for administering benefits for state employees. If there is a rate for the service (code) on SCPEBA fee schedule, but not Medicare, SCDHHS adopts the SCPEBA rate.

Second, if a service (code) is not covered by Medicare or SCPEBA, SCDHHS clinical staff will find a service (code) that has a similar description/nature, intensity, and complexity to determine the reimbursement.

Third, if none of the options above are available, SCDHHS will obtain cost data from the provider related to the delivery of the service, and uses the cost data to establish a rate.

The Anesthesiologist will be reimbursed at 60 percent of the Medicaid physician fee schedule rate for providing medical directed supervision of a Certified Registered Nurse Anesthetist (CRNA). The agency's fee schedule rates were set as of July 1, 2019 and are effective for services provided on or after that date. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Neonatologists and pediatric subspecialists are reimbursed at 140% of the Medicaid Physician fee schedule.

Pediatric sub-specialist providers are those medical personnel that meet the following criteria: a) have at least 85% of their patients who are children 18 years or younger; b) practice in the field of Adolescent Medicine, Cardiology,

SC 19-0003
EFFECTIVE DATE: 07/01/19
RO APPROVAL: 12/10/19
SUPERSEDES: SC 15-001

6.a Podiatrists' Services:

Reimbursement is calculated at 100 percent of the Medicaid Physician Fee Schedule. The fee schedule payments are the same for both governmental and private providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

6.b Optometrists' Services (Vision Care Services):

Reimbursement is calculated at 78% of the 2009 Medicare Physician fee schedule. The fee schedule payments are the same for both governmental and private providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

6.c Chiropractor's Services:

Reimbursement is calculated at 100 percent of the Medicaid Physician Fee Schedule. The fee schedule payments are the same for both governmental and private providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

6.d Certified Registered Nurse Anesthetist (CRNA): CRNAs under the medical direction of a surgeon will be reimbursed at 90 percent of the Anesthesiologist reimbursement rate. CRNAs under the medical direction of an Anesthesiologist will receive 50 percent of the reimbursement rate. Refer to the Physician Services Section 5, in Attachment 4.19-B. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Nurse Practitioner: Reimbursement is calculated at 80 percent of the Medicaid Physician fee schedule. The fee schedule payments are the same for both governmental and private providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Physician Assistant: Reimbursement is calculated at 80 percent of the Medicaid Physician fee schedule. The fee schedule payments are the same for both governmental and private providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Psychologists: Psychological services are reimbursed at an established statewide fee schedule as determined in accordance with section 13.d of Attachment 4.19-B.

Registered Dietitian: The state developed fee schedule rate for this service effective on or after April 1, 2013, is \$27.82 per encounter and is paid to both private and governmental providers. Medicaid bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's website at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

7. Home Health Services:

Nursing Services, Home Health Aide Services, Physical Therapy, Occupational Therapy, Speech Pathology, and Audiology are provided and reimbursed based on the lesser of allowable Medicaid costs, charges, or the Medicaid cost limits as defined in the plan that are based upon Medicare allowable cost definitions and Medicare cost limits. At the end of each Home Health Agency's fiscal year end, an actual cost report must be submitted which is used for the purpose of completing a cost settlement based on the lesser of allowable Medicaid costs, charges, or the cost limits.