

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

December 23, 2020

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

RECEIVED

DEC 29 2020

Department of Health & Human Services
OFFICE OF THE DIRECTOR

RE: South Carolina State Plan Amendment (SPA) 20-0009

Dear Mr. Baker:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid state plan submitted under transmittal number (TN) 20-0009 effective for services on or after July 1, 2020. This plan amendment will provide an increase to the current home based private duty nursing services rates, vision services rates, and anesthesia services codes for services provided.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 20-0009 is approved effective July 1, 2020. We are enclosing the CMS-179 (HCFA-179) and the amended plan pages.

If you have any questions, please call Moe Wolf at (410)786-9291.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosure

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

1. TRANSMITTAL NUMBER:
20-0009

2. STATE
South Carolina

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

4. PROPOSED EFFECTIVE DATE
July 1, 2020

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
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
42 CFR 440.80

7. FEDERAL BUDGET IMPACT @ 70.70%:
a. FFY 2020 \$884,000
b. FFY 2021 \$3,535,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, pages 2.1, 2a.2, 2a.3, 3, 3a.4

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B, pages 2.1, 2a.2, 2a.3, 3, 3a.4

10. SUBJECT OF AMENDMENT: This plan amendment will provide an increase to the current Home Based Private Duty Nursing Services rates, Vision Services rates, and Anesthesia Services codes for services provided on or after July 1, 2020.

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:

13. TYPED NAME:
Joshua D. Baker

14. TITLE:
Director

15. DATE SUBMITTED:
September 25, 2020

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:
9/25/2020

18. DATE APPROVED:
12/23/2020

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7/1/2020

20. SIGNATURE OF REGIONAL OFFICIAL:
Todd McMillion

21. TYPED NAME:
Todd McMillion

22. TITLE:
Director, Division of Reimbursement Review

23. REMARKS:

Home Based Private Duty Nursing Services:

Home Based Private Duty Nursing reimbursement rates are separately established for Registered Nurses (RN) and Licensed Practical Nurses (LPN). Salaries, fringe benefits, limited direct, and indirect costs are considered in the development of the rates. Services are billed in 6-minute increments; therefore, ten (10) units equate to an hour of care. (In the instances of private duty nursing services to Department of Disabilities and Special Needs (DDSN) clients under 21, these services are billed in fifteen (15) minute increments.) Except as otherwise noted in the plan, the state-developed fee schedule rates are the same for both governmental and private providers of home based private duty nursing services. The agency's fee schedule rate was set as of July 1, 2020 and is effective for services provided on or after that date. The hourly rate for RN and LPN nursing services are as follows:

Registered Nurse (RN) - \$37.40
Licensed Practical Nurse (LPN) - \$28.30

Effective May 1, 2009, an additional classification of home-based private nursing services is reimbursable for services provided to children who are ventilator or respirator dependent, intubated or dependent on parenteral feeding or any combination of the above. This service has been developed to recognize the skill level that nurses caring for these children must have over and above normal home-based services. An hourly rate adjustment of \$3.00 is added to the RN or LPN home based rate for services provided to those children who are defined as High Risk/High Tech. Again, services are billed in 6-minute increments; therefore, ten (10) units equate to an hour of care. Effective for services provided on or after July 1, 2020, the following enhanced rates are reflected below:

Registered Nurse (RN) - \$40.80
Licensed Practical Nurse (LPN) - \$31.80

Personal Care Services:

The Personal Care service reimbursement rate (currently \$17.00/hour was initially established based upon projected service costs of providers. The payment rate is calculated for Personal Care services on an hourly basis. This rate does not cover room and board services provided to Medicaid recipients. Annual cost reports are reviewed on an as needed basis to ensure the appropriateness of the payment rates in accordance with allowable cost definitions as outlined in 45 CFR Part 75 and 42 CFR Part 413. Services are billed in six (6) minutes increments; therefore, ten (10) units equate to an hour of care. (In the instances of personal care services to DDSN clients under 21, these services are billed in fifteen (15) minute increments.) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Personal Care services.

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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, 2020, 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>.

Basis of Physician Fee Schedule

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.
- The Medicaid fee schedule rates are set 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.

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

- o First, SCDHHS considers 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 the SCPEBA fee schedule, but not Medicare, SCDHHS adopts the SCPEBA rate.
- o Second, if a service (code) is not covered by Medicare or SCPEBA, SCDHHS clinical staff identifies a service (code) that has a similar description/nature, intensity, and complexity to determine the reimbursement rate.
- o 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 use that cost data to establish a rate.

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

Application of Medicaid Fee Schedule to Physician Specialties

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, 2020 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,

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 100 percent of the Medicaid Physician Fee Schedule. The agency's fee schedule rates were set as of July 1, 2020 and are effective for services provided on or after that date. 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.

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The mental health clinic procedure codes and its successor codes may be subject to change in the future due to unit measurement conversions and/or elimination/replacement of procedure codes.

Injection Administration (96372) provided during a clinic setting will be reimbursed via the SC Medicaid Physician Fee schedule.

Effective for services provided on or after October 1, 2012, state owned governmental providers of community mental health clinic services will receive prospective payment rates based upon its 2010 fiscal year end Medicaid cost report. In order to trend the cost of each service to the initial payment period of October 1, 2012 through June 30 2013, the Medicaid Agency will employ the midpoint to midpoint methodology and the use of the CY 2010 Medicare Economic Index (1.2%). Effective for services provided on or after July 1, 2016, the SC Department of Mental Health providers of community mental health services will receive prospective payment rates based upon its 2015 fiscal year end Medicaid cost report. In order to trend the cost of each service to the payment period of July 1, 2016 through June 30, 2017, the Medicaid Agency will employ the midpoint to midpoint methodology and the use of the 3rd Quarter 2015 Global Insight Indexes of the CMS Medicare Economic index as well as the state of South Carolina cost of living increase provided to state employees effective July 1, 2016. State owned governmental providers of community mental health clinic services will be required to submit annual cost reports when certified public expenditures are used as the source of state matching funds.

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

Interim Rates

Medicaid interim rates for mental health services in community mental health centers are established utilizing Medicare reasonable cost principles, as well as criteria outlined under 45 CFR Part 75 and 42 CFR Part 413. Costs reimbursable in the rates for mental health clinical services include but are not limited to:

1. Personnel costs - the salary and fringe benefit costs associated with direct line staff, meeting credentialing requirements, providing the services in the community mental health centers,
2. Clinical supervision - the salary and fringe benefit cost associated with the clinical supervision of these services,
3. Supplies - material and supply costs that are required for direct services to patients,
4. Training and travel - training and associated travel expenses that directly relate to maintaining certification, qualifications, or licensure required to render contracted mental health services but not to obtain their initial certification,
5. Indirect costs - Overhead/administrative costs incurred by mental health clinics and state agencies that are allocable to the individual mental health services via approved cost allocation methodologies as allowed under 45 CFR Part 75 and 42 CFR Part 413.

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