

**Table of Contents State/**

**Territory Name: SOUTH CAROLINA**

**State Plan Amendment (SPA) #: 22-0014**

This file contains the following documents in the order

listed:1) Approval Letter

2) CMS 179 Form/Summary Form (with 179-like data)

3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



---

**Financial Management Group**

December 1, 2022

Mr. Robert M. Kerr, Director  
South Carolina Department of Health & Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: South Carolina State Plan Amendment (SPA) 22-0014

Dear Mr. Kerr:

We have reviewed the proposed South Carolina State Plan Amendment (SPA) 22-0014, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on October 28, 2022. This SPA implements a rate increase for Therapeutic Child Care Services .

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 312-886-0360 or [Deborah.Benson@cms.hhs.gov](mailto:Deborah.Benson@cms.hhs.gov).

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures


<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 2 — 0 0 1 4</u>	2. STATE <u>S C</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>October 1, 2022</b>	
5. FEDERAL STATUTE/REGULATION CITATION Title XIX of SSA, Sect. 1902(a)(13) and 42 CFR 447.201	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>1.100</u> b. FFY <u>2024</u> \$ <u>1.100</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-B pages 6.1, 6.1d	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19-B page 6.1, 6.1d	

9. SUBJECT OF AMENDMENT  
  
Amendment of the SC Title XIX State Plan to implement a rate increase for Therapeutic Child Care services.

10. 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

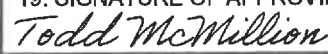
OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, SC 29202-8206
12. TYPED NAME Robert M. Kerr	
13. TITLE Director	
14. DATE SUBMITTED October 27, 2022	

**FOR CMS USE ONLY**

16. DATE RECEIVED <b>OCTOBER 28, 2022</b>	17. DATE APPROVED December 1, 2022
---	---------------------------------------

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL <b>OCTOBER 1, 2022</b>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <b>TODD MCMILLION</b>	21. TITLE OF APPROVING OFFICIAL <b>DIVISION OF REIMBURSEMENT REVIEW</b>

22. REMARKS

In accordance with federal interpretation, the disease management contracts are risk contracts. The method of payment has been developed using actuarially sound methodology per 42 CFR438.6 (c).

The State will pay the DMOs a per member per month capitated fee based on the total eligible population, and the prevalence of each disease within the total population.

The State expects a minimum, annual net cost savings of five percent (5%) in the overall medical costs of those beneficiaries with asthma, diabetes or hypertension. The guaranteed, annual net savings is defined as total savings minus SCDHHS expenditures on disease management services under the contract.

If the amount of guaranteed minimum, annual net savings is not achieved, the DMOs will pay the difference between the guaranteed minimum, annual net savings and the actual net savings to the SCDHHS. The DMOs will also be required to forfeit their fees.

13.d Rehabilitative Services

Rehabilitative behavioral health services are medical or remedial services that have been recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice, under South Carolina State Law and as may be further determined by the South Carolina Department of Health and Human Services (SCDHHS) for maximum reduction of physical or mental disability and restoration of a beneficiary to their best possible functional level. The following services are considered Medicaid Rehabilitative services:

Behavioral Health Screening, Behavior Modification, Crisis Management, Diagnostic Assessment, Family Therapy, Family Support, Group Therapy, Individual Therapy, Medication Management, Peer Support Services, Rehabilitative Psychosocial Services, Therapeutic Child Care, Service Plan Development, Substance Abuse Counseling, and Substance Abuse Examination.

In order to develop Medicaid payment rates by provider type (i.e. practitioner) for each service listed above, the Medicaid Agency employed the following reimbursement methodology:

1. First, the agency developed annual compensation amounts for each provider type:
  - Salary data was obtained from the South Carolina Office of Human Resources (SCOHR) Classifications Manual (midpoint per position salary data) as well as the May 2008 South Carolina Occupational Employment and Wage Estimates from the United States Department of Labor (mean salary data). For unclassified professional positions that are not identified within the SCOHR Classification Manual, provider compensation amounts were obtained from applicable providers.

payments for state owned and non-state owned governmental providers of rehabilitative services will be based upon the Medicaid rates previously described by practitioner level. Except as otherwise noted in the plan, state-developed fee schedule rates and unit measures are the same for both governmental and private providers of Rehabilitative Behavioral Health Services. The agency's fee schedule was set as of July 1, 2010 and is effective for services provided on or after that date. All fee schedule rates and unit measures are published at <https://www.scdhhs.gov/resource/fee-schedules>. State owned and non-state owned governmental providers will be reimbursed at one hundred percent of their allowable Medicaid costs based upon the review and reconciliation of annual cost reports.

Effective for Therapeutic Child Care services provided on or after October 1, 2022, the Medicaid Agency established reimbursement rates for Therapeutic Child Care services in accordance with the rehabilitative behavioral health services methodology previously described as well as a review of current salary data relating to Bachelor and Master's degree positions.

#### Alternative Fee Schedule for Children Receiving Rehabilitative Behavioral Health Services (RBHS) in School Settings

Effective for services provided on or after July 1, 2022, the Medicaid Agency will implement an alternative fee schedule for behavioral health services provided to students in school-based settings. The alternative rates are developed to consider the unique costs of providing services in school-based settings and with the goal of expanding access in this setting. The alternative fee schedule will include the following services defined in Attachment 3.1-A, Limitation Supplement: diagnostic assessment, service plan development, individual psychotherapy, group psychotherapy, family psychotherapy, and crisis management. The alternative fee schedule for children receiving RBHS in school settings will be uniform for governmental and private providers. The RBHS alternative fee schedule rates and unit measures are published at <https://www.scdhhs.gov/resource/fee-schedules>.

#### Therapeutic Foster Care

Effective for services provided on or after July 1, 2020, the Medicaid Agency will convert the provision of psychosocial rehabilitation services (PRS) from a fifteen-minute unit of service to a per diem basis for Child Placing Agencies serving children in Therapeutic Foster Care (TFC) placement under contract with the South Carolina Department of Social Services. Three different TFC treatment level (i.e. per diem) rates will be established to account for variances relating to the number of daily service units provided to TFC Children. The rate setting process for this service is provided as follows:

- First, the base data used represented the December 2019 historical expenditure/utilization data of TFC children receiving PRS services, which was subjected to a review of SFY 2019 as well as November 2019 historical expenditure/utilization data for consistency purposes.
- Next, a cost per PRS unit delivered was developed which reflected the average historical blend of PRS daily service units provided by master level, bachelor level, and less than bachelor level professionals.
- Next, TFC levels are established based upon service utilization only. Therefore each TFC level was established based upon a review of the most prevalent daily units billed within each assigned TFC level.
- Finally, to determine the TFC level per diem rates, the cost per PRS unit determined in bullet #2 was multiplied by the average number of daily units determined for each TFC level as defined in bullet #3. Level I = 4.6 units; Level II = 7.0 units and; Level III = 10.0 units.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rate was set as of July 1, 2020 and is effective for services provided on or after that date. All rates are published at the following SCDHHS website address: <https://www.scdhhs.gov/resource/fee-schedules>.

SC 22-0014  
EFFECTIVE DATE: 10/01/22  
APPROVAL DATE: December 1, 2022  
SUPERSEDES: SC 22-0010