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State/Territory Name: SOUTH CAROLINA

State Plan Amendment (SPA) #: SC-24-0018

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn Street
Chicago, Illinois 60604



Financial Management Group

November 6, 2024

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

RE: TN 24-0018

Dear Interim Director Medina,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed South Carolina State Plan Amendment (SPA) to Attachment 4.19-B 24-0018, which was submitted to CMS on September 30, 2024. This plan amendment updates the reimbursement methodology for Physician Services.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. 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 Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 8

2. STATE

S C

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT



XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.30, 440.50, 440.60; 1905 Sections (a)(3), (a)(5), (a)(6)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a FFY 2024 \$ 208,590

b FFY 2025 \$ 836,040

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

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

9. SUBJECT OF AMENDMENT

This SPA updates the reimbursement methodology for Physician Services based on the 2024 Medicare Physician Fee Schedule.

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:

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

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Robert M. Kerr

13. TITLE

Director

14. DATE SUBMITTED

September 30, 2024

15. RETURN TO

South Carolina Department of Health and Human Services

Post Office Box 8206

Columbia, SC 29202-8206

FOR CMS USE ONLY

16. DATE RECEIVED

September 30, 2024

17. DATE APPROVED

November 6, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

3. Other Laboratory and X-Ray Services:

The Other Laboratory and X-Ray Services fee schedule rates are effective for services provided on or after the implementation date as outlined in the Physician Services methodology located at Attachment 4.19-B, Page 2a.2 Section 5. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. All rates are published on the agency's website at <https://www.scdhhs.gov/providers/fee-schedules>.

4.b Early and Periodic Screening, Diagnosis and Treatment Screening Services:

Medical: The SCDHHS adopted the Bright Futures/ American Academy of Pediatrics (AAP) Medical Periodicity Schedule for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Screening Services.

Reimbursement for EPSDT Screening Services is based on the Physician Services fee schedule rates effective for services provided on or after the implementation date as outlined in the Physician Section 5, Attachment 4.19-B, Page 2a.2. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. All rates are published on the agency's website at <https://www.scdhhs.gov/providers/fee-schedules>.

Dental: The SCDHHS developed the South Carolina Dental Periodicity Schedule for EPSDT Dental Services effective for services provided on April 1, 2018 or after that date. Reimbursement for EPSDT Dental Services are based on the Dental Services fee schedule rates effective for services provided on or after the implementation date as outlined in the Dental Services Section 10 of Attachment 4.19-B. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. All rates are published on the agency's website at <https://www.scdhhs.gov/providers/fee-schedules>.

Additional services: The SCDHHS allows coverage for additional services that are deemed medically necessary by the provider as outlined in the EPSDT Section 4.b, Attachment 3.1-A, Limitation Supplement, Page 2. Reimbursement for additional medically necessary services effective for services provided on April 1, 2018 or after that date are based on the Physician Services fee schedule rates as outlined in the Physician Section 5, Attachment 4.19-B, Page 2a.2. Except as otherwise noted in the plan, state-developed fee schedule rates for Physician services are the same for both governmental and private providers. All rates are published on the agency's website at <https://www.scdhhs.gov/providers/fee-schedules>.

Immunizations:

Vaccines for Children Program. The appropriate Immunization Administration for Vaccine/Toxoids Current Procedural Terminology code will be reimbursed to Medicaid providers who administer immunizations in conjunction with an EPSDT screening or other billable service, as well as, for "shots only" visits. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The reimbursement for this service can be found at the Physician Services fee schedule effective for services provided on or after the implementation date as outlined in the Physician Services methodology located at Attachment 4.19-B, Page 2a.2 Section 5. All rates are published on the agency's website at <https://www.scdhhs.gov/providers/fee-schedules>.

Payments for EPSDT Services that are not otherwise covered:

Services not listed as covered services in the state agency manuals/state plan will be provided if determined to be medically necessary by the appropriate agency staff or consultants. These are services that are not covered by South Carolina Medicaid and are not listed in any fee schedule. Several methodologies are employed to determine the appropriate reimbursement. The sequence that is employed is listed below:

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SUPERSEDES: SC 21-0011

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 4.19-B, Page 2a.2, Section 5 Physician Services and Attachment 4.19-B 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 <https://www.scdhhs.gov/providers/fee-schedules>.

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, 2024, 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 <https://www.scdhhs.gov/providers/fee-schedules>.

Basis of Physician Fee Schedule

Payments to physicians are based on the 2024 Medicare fee schedule, as follows:

- The Medicaid fee schedule rates are set at 86.6% and 82.3% of the Medicare fee schedule for certain well and sick evaluation and management (E/M) visits of an established patient respectively.
- The Medicaid fee schedule rates are set at 78% of the Medicare fee schedule for all other evaluations, including interprofessional consultation, 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, and Psychiatry providers.

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

All Anesthesiologist's services (except anesthesia services) will be reimbursed at the Medicaid Physician base rate and pediatric subspecialty rate (when applicable) as described in Section 5 of this attachment. For anesthesia services the Anesthesiologist will be reimbursed at 94.43% of the 2024 Medicare physician fee schedule rate. The Anesthesiologist will be reimbursed at 60% of the Medicaid anesthesiologist base rate for providing medical directed supervision of Certified Registered Nurse Anesthetist (CRNAs). The agency's anesthesia fee schedule rates were set as of July 1, 2024 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 <https://www.scdhhs.gov/providers/fee-schedules>.

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 <https://www.scdhhs.gov/Providers/fee-schedules>.

6.b Optometrists' Services (Vision Care 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 <https://www.scdhhs.gov/Providers/fee-schedules>.

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 <https://www.scdhhs.gov/Providers/fee-schedules>.

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 Anesthesiologist 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 <https://www.scdhhs.gov/Providers/fee-schedules>.

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 <https://www.scdhhs.gov/Providers/fee-schedules>.

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 <https://www.scdhhs.gov/Providers/fee-schedules>.

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

Licensed Registered Dietitian: Reimbursement rate for dietitian services is set at 75% of the 2022 Medicare Physician Fee schedule. 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 rates for dietitian's services were set on January 1, 2024 and are effective for services provided on or after that date. All rates are published on the agency's website at <https://www.scdhhs.gov/Providers/fee-schedules>.

Licensed Pharmacist: 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 <https://www.scdhhs.gov/Providers/fee-schedules>.