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**State/Territory Name: SC**

**State Plan Amendment (SPA) #: 24-0024**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



December 17, 2024

Eunice Medina  
Acting Director  
South Carolina Department of Health & Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202

Re: South Carolina State Plan Amendment (SPA) 24-0024

Dear Acting Director Medina:

The Centers for Medicare & Medicaid Services (CMS) reviewed the proposed State Plan Amendment (SPA), and accompanying section 1135 waivers submitted on October 5, 2024, under transmittal number (TN) 24-0024. This amendment proposes to make a supplemental payment to defined rural hospitals.

On September 25, 2024, the President of the United States issued a proclamation that Hurricane Helene constitutes an emergency by the authorities vested in the President by the Constitution and the laws of the United States, including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 et seq.), and consistent with section 1135 of the Social Security Act (the Act). On September 25, 2024, pursuant to section 1135(b) of the Act, the Secretary of the United States Department of Health and Human Services (HHS) declared a public health emergency (PHE), invoking the authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act. During a PHE, the Centers for Medicare and Medicaid Services (CMS) may approve the use of section 1135 authority to help ensure that sufficient healthcare items and services are available to meet the needs of individuals enrolled in CMS programs and to ensure that healthcare providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse. This authority took effect as of September 30, 2024, with a retroactive effective date of September 25, 2024. The emergency period will terminate, and section 1135 waivers will no longer be available, upon termination of the PHE, including any extensions.

The State of South Carolina requested a waiver to modify the public notice requirements applicable to the SPA submission process. Pursuant to section 1135(b)(5) of the Act, CMS is modifying public notice requirements applicable to the SPA submission process. Public notice for SPAs is required under 42 C.F.R. §447.205 for changes in statewide methods and standards for setting Medicaid payment rates, 42 C.F.R. §447.57 for changes to premiums and cost-sharing, and 42

C.F.R. §440.386 for changes to Alternative Benefit Plans (ABPs). Pursuant to section 1135(b)(5) of the Act, CMS is approving the state's request to modify these notice requirements otherwise applicable to SPA submissions.

The State of South Carolina also requested a waiver to modify the tribal consultation timeline applicable to this SPA submission process. Pursuant to section 1135(b)(5) of the Act, CMS is also allowing states to modify the timeframes associated with tribal consultation required under section 1902(a)(73) of the Act, including shortening the number of days before submission or conducting consultation after submission of the SPA.

CMS conducted our review of your submittal according to statutory requirements in Title XIX of the Act and implementing regulations. This letter is to inform you that South Carolina's Medicaid SPA Transmittal Number 24-0024 is approved effective October 1, 2024. Enclosed is a copy of the CMS-179 summary form and the approved state plan pages.

Please contact Etta Hawkins at [Etta.Hawkins@cms.hhs.gov](mailto:Etta.Hawkins@cms.hhs.gov) if you have any questions about this approval. We appreciate your and your staff's efforts in responding to the needs of the residents and healthcare community of the State of South Carolina.

Sincerely,

Courtney Miller  
On Behalf of Anne Marie Costello, Deputy Director  
Center for Medicaid & CHIP Services

Enclosures

cc: Sheila Chavis, SC DHHS  
Margaret Alewine, SC DHHS  
Jordan Desai, SC DHHS  
Brad Livingston, SC DHHS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER 2 4 — 0 0 2 4	2. STATE S C
		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 October 1, 2024	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2025 \$ 15,121,000 b. FFY 2026 \$ 15,091,000	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Supplement 4 to Attachment 4.19-B, page 1 (new page)		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	


9. SUBJECT OF AMENDMENT

This SPA will supplement the Medicaid Outpatient Hospital fee-for-service rates paid to each SC defined rural hospital.

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 	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 15, 2024	

FOR CMS USE ONLY	
16. DATE RECEIVED October 5, 2024	17. DATE APPROVED December 17, 2024

PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2024	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Courtney Miller	21. TITLE OF APPROVING OFFICIAL On Behalf of Anne Marie Costello Deputy Director, Center for Medicaid & CHIP Services

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

MEDICAL ASSISTANCE PROGRAM

STATE: SOUTH CAROLINA

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Effective for services on or after October 1, 2024, each South Carolina defined rural hospital (as defined in the State Plan) will receive a supplemental payment from the Rural Outpatient Hospital Access Pool in the amount of \$1,500,000 annually.

Individual supplemental payments will not exceed the Medicaid hospital-specific limit for any rural hospital participating in the South Carolina Medicaid disproportionate share hospital (DSH) program.

In the event an individual supplemental payment from the Rural Outpatient Hospital Access Pool is estimated to exceed a participating hospital's projected Medicaid hospital-specific DSH limit, the individual payments will be reduced to ensure compliance with the applicable Medicaid hospital-specific DSH limit.

Total supplemental payments will not exceed the applicable Medicaid outpatient hospital upper payment limit for state government hospitals, non-state government hospitals, and private hospitals.

In the event total payments from the Rural Outpatient Hospital Access Pool would exceed the projected aggregate Medicaid outpatient hospital upper payment limits for state government hospitals, non-state government hospitals and/or private hospitals, the State will reduce payments proportionally for each hospital to ensure compliance with the applicable Medicaid upper payment limit.