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**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #: SC-24-0026**

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



**Managed Care Group**

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January 16, 2025

Eunice Medina, Interim Director  
South Carolina Department of Health and Human Services  
1801 Main Street  
Columbia, SC 29201

Re: South Carolina State Plan Amendment (SPA) 24-0026

Dear Director Medina:

The Centers for Medicare & Medicaid Services (CMS) completed review of South Carolina's 1932(a) State Plan Amendment (SPA) Transmittal Number SC-24-0026 submitted on December 27, 2024. The purpose of this SPA is to limit the number of managed care plans in the Healthy Connections managed care program to no less than two and no more than four based on analyses of projected enrollees.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that South Carolina Medicaid SPA Transmittal Number 24-0026 is approved effective November 2, 2024.

If you have any questions regarding this amendment, please contact Claudia Simonson at (312) 353-2115 or via email at [claudia.simonson@cms.hhs.gov](mailto:claudia.simonson@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is fluid and cursive, with the first letters of "Bill" and "Brooks" being capitalized and prominent.

Bill Brooks  
Director  
Division of Managed Care Operations

cc: Scott Timmons  
Sheila Chavis  
Cynthia Garraway

<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 6	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 November 2, 2024	
5. FEDERAL STATUTE/REGULATION CITATION 1902(a)(1)(A)(ii)	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY 2024 \$ 0 b FFY 2025 \$ 0	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 3.1-F, page 17	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 3.1-F, page 17	


9. SUBJECT OF AMENDMENT

This SPA will update the Section for Selective Contracting to allow the State to limit the number of entities it contracts with.

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:  
Ms. Medina 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 Eunice Medina	
13. TITLE Interim Director	
14. DATE SUBMITTED December 27, 2024	

FOR CMS USE ONLY

16. DATE RECEIVED December 27, 2024	17. DATE APPROVED January 16, 2025
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL November 2, 2024	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Bill Brooks	21. TITLE OF APPROVING OFFICIAL Director, Division of Managed Care Operations
22. REMARKS	

SCDHHS authorized the pen and ink change to this form 179 by email dated 1/10/25.

State: South Carolina

Citation	Condition or Requirement
1932(c)(1)(A)  42 CFR 438.330 42 CFR 438.340	L. <input checked="" type="checkbox"/> The state assures that all applicable requirements of 42 CFR 438.330 and 438.340, regarding a quality assessment and performance improvement program and State quality strategy, will be met.
1932(c)(2)(A)  42 CFR 438.350 42 CFR 438.354 42 CFR 438.364 1932 (a)(1)(A)(ii)	M. <input checked="" type="checkbox"/> The state assures that all applicable requirements of 42 CFR 438.350, 438.354, and 438.364 regarding an annual external independent review conducted by a qualified independent entity, will be met.  N. <u>Selective Contracting Under a 1932 State Plan Option.</u>  To respond to items #1 and #2, place a check mark. The third item requires a brief narrative.  1. The state will <input checked="" type="checkbox"/> /will not <input type="checkbox"/> intentionally limit the number of entities it contracts under a 1932 state plan option.  2. <input checked="" type="checkbox"/> The state assures that if it limits the number of contracting entities, this limitation will not substantially impair beneficiary access to services.  3. Describe the criteria the state uses to limit the number of entities it contracts under a 1932 state plan option. ( <i>Example: a limited number of providers and/or enrollees.</i> )  <i>The State limits the number of managed care organizations (MCOs) based on a quantitative analysis of the projected number of enrollees required for an MCO to manage risk and remain financially viable. Based on this analysis the State limits the number of MCOs to no less than two and no more than 4. The State periodically updates the analysis to ensure it reflects program characteristics. If the State identifies a need for an additional MCO based on the quantitative analysis, an applicant must complete all aspects of the State's MCO certification process prior to the State offering the MCO a contract.</i>  4. <input type="checkbox"/> The selective contracting provision in not applicable to this state plan