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**Financial Management Group**

April 21, 2020

Joshua D. Baker, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, SC 29201

Reference: TN 20-0004

Dear Mr. Baker:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 20-0004. This amendment proposes to update the current Medicaid nursing facility rates for all private and non-state owned governmental facilities by providing for a COVID-19 4% add-on to assist and reimburse nursing facilities for the unanticipated costs incurred in their response to its coronavirus protection of residents as well as facility staff.

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 implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment SC-20-0004 is approved effective March 1, 2020. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact Anna Dubois at 850-878-0916 or [anna.dubois@cms.hhs.gov](mailto:anna.dubois@cms.hhs.gov).

Sincerely,



Kristin Fan  
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**1. TRANSMITTAL NUMBER  
20-00042. STATE  
SC3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE  
March 1, 20205. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)6. FEDERAL STATUTE/REGULATION CITATION  
42 CFR Subpart C (Part 447.250)7. FEDERAL BUDGET IMPACT  
a. FFY 2020 \$4.95 million  
b. FFY 2021 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, pages 12, 17, 17a (New Page)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-D, pages 12, 17

10. SUBJECT OF AMENDMENT: Nursing Facility Rate Update Effective March 1, 2020 for COVID-19 add-on for private and non-state owned governmental nursing facilities.

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. Baker14. TITLE  
Director15. DATE SUBMITTED  
March 31, 2020

16. RETURN TO

South Carolina Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED 04/21/20

**PLAN APPROVED - ONE COPY ATTACHED**19. EFFECTIVE DATE OF APPROVED MATERIAL  
03/01/20

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

Kristin Fan

22. TITLE

Director, FMG

23. REMARKS

PROVIDER NAME: 0  
 PROVIDER NUMBER: 0  
 REPORTING PERIOD: 10/01/17 through 09/30/18 DATE EFF. 03/01/20

	MAXIMUM BED DAYS:	0
PATIENT DAYS USED:	0 PATIENT DAYS INCURRED:	0
TOTAL PROVIDER BEDS:	0 ACTUAL OCCUPANCY %:	0.00%
% Skilled	0.000 PATIENT DAYS @	90.00%

COMPUTATION OF REIMBURSEMENT RATE - PERCENT SKILLED METHODOLOGY
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	PROFIT INCENTIVE	TOTAL ALLOW COST	COST STANDARD	COMPUTED RATE
COSTS SUBJECT TO STANDARDS:				
GENERAL SERVICE		0.00	0.00	
DIETARY		0.00	0.00	
LAUNDRY/HOUSEKEEPING/MAINT.		0.00	0.00	
SUBTOTAL	0.00	0.00	0.00	0.00
ADMIN & MED REC	0.00	0.00	0.00	0.00
SUBTOTAL	0.00	0.00	0.00	0.00
COSTS NOT SUBJECT TO STANDARDS:				
UTILITIES		0.00		0.00
SPECIAL SERVICES		0.00		0.00
MEDICAL SUPPLIES AND OXYGEN		0.00		0.00
TAXES AND INSURANCE		0.00		0.00
LEGAL COST		0.00		0.00
SUBTOTAL		0.00		0.00
GRAND TOTAL		0.00		0.00
INFLATION FACTOR	2.70%			0.00
COST OF CAPITAL				0.00
PROFIT INCENTIVE (MAX 3.5% OF ALLOWABLE COST)			3.50%	0.00
COST INCENTIVE - FOR GENERAL SERVICE, DIETARY, LHM				0.00
EFFECT OF CAP ON COST/PROFIT INCENTIVES			\$1.75	0.00
SUBTOTAL				0.00
NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) ADD-ON				0.00
CORONAVIRUS DISEASE 2019 (COVID-19) ADD-ON	4.0000%			0.00
REIMBURSEMENT RATE				0.00

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SUPERSEDES: SC 19-0010

10. Effective for services provided on or after October 1, 2019, the Medicaid Agency will determine the facility specific Non-Emergency Medical Transportation (NEMT) Add-On as follows:

- For nursing facilities that were not capped by the NEMT transport trip criteria developed by the agency to adjust for significant acuity and utilization shifts observed in the type of NEMT transports among some of the participants residing in the nursing facility and employed in the determination of the October 1, 2018 NEMT add-ons, each facility's October 1, 2019 NEMT add-on will be determined based upon nine months of allowable Medicaid reimbursable NEMT costs incurred from January 1, 2018 through September 30, 2018 divided by the number of incurred and paid January 1, 2018 through September 30, 2018 Medicaid patient days obtained from the agency's SAS reporting system.
- For nursing facilities that were capped by the NEMT transport trip criteria developed by the agency to adjust for significant acuity and utilization shifts observed in the type of NEMT transports among some of the participants residing in the nursing facility and employed in the determination of the October 1, 2018 NEMT add-ons, each facility's October 1, 2019 NEMT add-on will be determined based upon the lower of the NEMT add-on determined October 1, 2018 or nine months of allowable Medicaid reimbursable NEMT costs incurred from January 1, 2018 through September 30, 2018 divided by the number of incurred and paid January 1, 2018 through September 30, 2018 Medicaid patient days obtained from the agency's SAS reporting system.

11. On March 13, 2020, President Donald Trump signed an emergency declaration regarding the coronavirus pandemic. Therefore in order to assist and reimburse Medicaid contracting nursing facilities for the unanticipated costs incurred in its response to its coronavirus protection of residents as well as facility staff, the Medicaid Agency will provide a COVID-19 add-on to be included with each nursing facility's October 1, 2019 Medicaid per diem rate. The new rate will be effective for dates of service on and after March 1, 2020. The COVID-19 add-on will be determined as follows:

- First, the Medicaid Agency will take each nursing facility's October 1, 2019 Medicaid per diem rate and remove the following rate components - Inflation Factor Trend, Cost of Capital, Profit Incentive, Cost Incentive, Effect of Cap on Cost/Profit Incentives, and NEMT Add-On. This amount should equal the Grand Total of the Computed Rate column as reflected on page 12 of Attachment 4.19-D.

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SUPERSEDES: SC 19-0010

- Next, the Medicaid Agency will take the per diem amount as determined above and multiply this amount by 4%. This amount will become the COVID-19 add-on.
- Finally, the COVID-19 add-on will be added to each nursing facility's October 1, 2019 Medicaid per diem rate to determine the Medicaid per diem rate effective for services provided on and after March 1, 2020.

The Medicaid Agency will end the COVID-19 add-on at the end of the month in which the emergency declaration has been lifted and defer back to the October 1, 2019 Medicaid per diem rates at the first of the following month.

Once the emergency declaration has been lifted, the Medicaid Agency will accumulate and review the actual expenses incurred by each nursing facility related to the coronavirus protection effort to ensure that Medicaid does not pay more than Medicaid's share of the actual allowable reimbursable costs relating to the coronavirus protection event. In other words, if Medicaid's share of the coronavirus protection cost is equal to or greater than Medicaid's COVID-19 add-on payment amount, no additional funds will be made to the nursing facility. On the other hand, if Medicaid's share of the coronavirus protection cost is less than Medicaid's COVID-19 add-on payment amount, the SCDHHS will recover the excess. Medicaid's share of the coronavirus protection cost will be determined upon the Medicaid utilization rate incurred during the FYE September 30, 2020 cost report period. The Medicaid Agency, in conjunction with the state's major nursing home association, will develop a list of allowable expenses and/or category of expenses that will be used to determine allowable Medicaid reimbursable costs relating to the coronavirus protection event.

12. The Medicaid reimbursement rate will be the total of costs accumulated in step 5, inflation, cost of capital, cost incentive/profit, NEMT Add-On per diem, and COVID-19 add-on per diem.