

Table of Contents

State/Territory Name: SOUTH CAROLINA

State Plan Amendment (SPA) #: SC-23-0013

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
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 18, 2023

Robert M. Kerr, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

RE: SC-23-0013

Dear Director Kerr,

We have reviewed the proposed South Carolina Amendment (SPA) to Attachment 4.19-B and Supplement 2 to Attachment 4.19-B, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 9, 2023. This plan amendment updates the reimbursement methodology for specific physician's services, evaluation and management of established patients to 82 % of the 2019 Medicare Physician Fee Schedule.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. 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 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 <u>2 3</u> — <u>0 0 1 3</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 <p style="text-align: center;">July 1, 2023</p>	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 440.50; 42 CFR 447.405, 447.410, 447.415	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>122,456</u> b. FFY <u>2024</u> \$ <u>482,538</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 2a.2 Supplement 3 to Attachment 4.19-B, Pages 1, 2 (Pages 3 and 4 of Supplement 3 to Attachment 4.19-B will be removed from the State Plan due to deletion of language).	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 2a.2 Supplement 3 to Attachment 4.19-B, Pages 1, 2, 3 and 4	

9. SUBJECT OF AMENDMENT

This SPA will update the reimbursement methodology for Evaluation and Management (E/M) well and sick visits of an established patient.

10. GOVERNOR'S REVIEW (Check One)

<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input checked="" type="radio"/> OTHER, AS SPECIFIED: Mr. Kerr was designated by the Governor to review and approve all State Plans.
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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 August 9, 2023	

FOR CMS USE ONLY

16. DATE RECEIVED August 9, 2023	17. DATE APPROVED October 18, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2023	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
 The state of South Carolina authorizes CMS the following pen and ink changes:

Block 7: Remove the following language: (Pages 3 and 4 of Supplement 3 to Attachment 4.19 B will be removed from the State Plan due to deletion of language)

Block 8: Add pages 3 and 4 of Supplement 3 to Attachment 4.19-B

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 4.19B, Page 2a.2, Section 5 Physician Services and Attachment 4.19B 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 <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

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, 2023, 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 <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>.

Basis of Physician Fee Schedule

Payments to physicians are based on the 2019 Medicare fee schedule, as follows:

- The Medicaid fee schedule rates are set at 82% of the Medicare fee schedule for certain well and sick evaluation and management (E/M) visits of an established patient.
- The Medicaid fee schedule rates are set at 78% of the Medicare fee schedule for all other evaluations, 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, Psychiatry, and Child Psychiatry providers.

Reimbursement Template -Physician Services

Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment

- The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: _____

Method of Payment

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made: monthly quarterly semi-annually annually

Primary Care Services Affected by this Payment Methodology

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

SC 23-0013

EFFECTIVE DATE: 07/01/23

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SUPERSEDES: SC 13-001

(Primary Care Services Affected by this Payment Methodology – continued)

The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

Physician Services – Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

Medicare Physician Fee Schedule rate

State regional maximum administration fee set by the Vaccines for Children program. The agency's fee schedule rates were set as of September 1, 2021 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/resource/fee-schedules>.

Rate using the CY 2009 conversion factor

Alternative methodology to calculate the vaccine administration rate in effect 7/1/09: _____

Note: This section contains a description of the state's methodology and specifies the affected billing codes.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 20 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

SC 23-0013
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