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State/Territory Name: South Carolina

State Plan Amendment (SPA) #: 26-0006

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

October 29, 2026

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

Re: South Carolina State Plan Amendment (SPA) - 26-0006

Dear Director Medina:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 26-0006. This amendment formally reflects Cotiviti GOV Services as the new Recovery Audit Contractor (RAC) and establishes the methodology for determining payments to the RAC.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations, Section 1902(a)(42)(B)(ii)(I) of the Social Security Act. This letter informs you that South Carolina's Medicaid SPA TN 26-0006 was approved on October 29, 2026, with an effective date of August 7, 2026.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the South Carolina State Plan.

If you have any questions, please contact Etta Hawkins at (404) 562-7429 or via email at Etta.Hawkins@cms.hhs.gov.

Sincerely,

MEGAN K. BUCK -S
Digitally signed by MEGAN K. BUCK -S
Date: 2026.10.29 11:59:25 -05'00'

Megan K. Buck
Director, Division of Program Operations

Enclosures

cc: Sheila Chavis
Margaret Alewine
Jordan Desai

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26-0006

2. STATE: SC

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
August 7, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902(a)(42)(B)(ii)(I) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 0
b. FFY 2027 $ (3,300,000)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Basic Index, pages 36a, 36b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Basic Index, pages 36a, 36b

9. SUBJECT OF AMENDMENT

To reflect Cotiviti Gov Services as SCDHHS' Recovery Audit Contractor and the payment methodology used to pay the RAC.

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

12. TYPED NAME
Eunice Medina

13. TITLE
Director

14. DATE SUBMITTED
August 7, 2026

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
August 7, 2026

17. DATE APPROVED
October 29, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
August 7, 2026

19. SIGNATURE OF APPROVING OFFICIAL
MEGAN K. BUCK -S
Digitally signed by MEGAN K. BUCK -S
Date: 2026.10.29 11:59:41 -05'00'

20. TYPED NAME OF APPROVING OFFICIAL
Megan K. Buck

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS

Instructions on Back

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

SECTION 4 - GENERAL PROGRAM ADMINISTRATION

4.5 Medicaid Recovery Audit Contractor Program

Citation	
Section 1902(a)(42)(B)(i) of the Social Security Act	X The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
Section 1902(a)(42)(B)(ii)(I) of the Act	__ The State is seeking an exception to establishing such program for the following reasons: X The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute. *In March 2026, SCDHHS posted a request for proposal for a RAC. We obtained three proposals and through evaluation, selected and engaged Cotiviti Gov Services LLC to serve as SCDHHS' RAC. Place a check mark to provide assurance of the following: X The State will make payments to the RAC(s) only from amounts recovered.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	X The State will make payments to the RAC(s) on a contingent basis for collecting overpayments. The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee): X The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

	____The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate. ____The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act Section 1902 (a)(42)(B)(ii)(III) of the Act	_X_ The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): **A contingency fee payment of 9.75% for all recovered overpayments in Fee-for-Services (FFS) and Managed Care, and a contingency fee of 4% for all underpayments identified in FFS and Managed Care.**
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	_X_ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).
Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act	_X_ The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.
Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act	_X_ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share. _X_ Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.