MILLIMAN REPORT

SFY 2027 Medicaid Managed Care Capitation Rate Certification

South Carolina Department of Health and Human Services

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Milliman

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Background

Milliman, Inc. (Milliman) has been retained by the State of South Carolina, Department of Health and Human Services (SCDHHS) to provide actuarial and consulting services related to the development of capitation rates for its Medicaid Managed Care Program effective July 1, 2026.

This letter provides documentation for the development of the actuarially sound capitation rates. It also includes the required actuarial certification in Appendix 1.

Effective January 1, 2026, certain dual-eligible populations and non-dual Long-Term Services and Supports (LTSS) populations were carved into managed care. To distinguish between this population and the population existing in managed care prior to January 2026, we have defined the populations as follows and will refer to them as such throughout the report for ease of reference, as certain data and program adjustments are only applicable to one population or the other:

- The **Standard Population** includes Medicaid beneficiaries enrolled in managed care who are not dually eligible and who are not eligible for LTSS.
- The **Dual/LTSS Population** includes Medicaid beneficiaries enrolled in managed care who are 18 and over and either dually eligible for Medicare or non-dual populations eligible for LTSS.

Based on 42 CFR 438.7(c)(3), an amended capitation rate certification is not required for adjustments that increase or decrease capitation rates by 1.5% or less. As a result, we recognize that contracted capitation rates may differ from the information illustrated in this certification within this +/- 1.5% corridor.

To facilitate review, this document has been organized in the same manner as the 2026-2027 Medicaid Managed Care Rate Development Guide, released by the Centers for Medicare and Medicaid Services in February 2026 (CMS guide). Sections II and III of the CMS guide are not applicable to this certification as the covered services do not include long-term services and supports (Section II), nor the new adult group under 1902(a)(10)(A)(i)(VIII) of the Social Security Act (Section III).

FISCAL IMPACT ESTIMATE

The composite per member per month (PMPM) capitation rates for the Medicaid managed care program are illustrated in Figure 1. These rates are effective for state fiscal year (SFY) 2027 (July 1, 2026 through June 30, 2027). Figure 1 provides a comparison of the SFY 2027 rates relative to the rates effective January through June 2026 (Jan - Jun 2026) excluding the 438.6 Supplemental Teaching Physician (STP), Health, Access, Workforce, and Quality (HAWQ) program, Private Ambulance, and Public Ambulance state-directed payments, referred to collectively as add-ons.

The composite rates illustrated for both SFY 2027 and Jan - Jun 2026 are calculated based on an estimate of projected SFY 2027 enrollment. Projected enrollment estimates reflect observed program enrollment through April 2026 with adjustments to reflect anticipated changes in membership through June 2027. The TANF: 0-2 months old projected member months reflect annualized October 2025 membership and the SFY 2027 projected KICK payments reflect annualized October 2025 deliveries to account for the observed lag in eligibility completion for both rate cells.

FIGURE 1: COMPARISON WITH JAN-JUN 2026 RATES BY RATE CELL (PMPM RATES) - EXCLUDING ADD-ONS

		EXCLUDING ADD-ONS		
RATE CELL	PROJECTED MEMBER MONTHS	JAN-JUN 2026 RATE	SFY 2027 RATE	INCREASE/ (DECREASE)
TANF: 0-2 months old (AH3)	74,232	$ 2,371.18	$ 2,752.20	16.1%
TANF: 3-12 months old (AI3)	323,748	290.53	304.66	4.9%
TANF: Age 1-6 (AB3)	1,993,680	196.71	196.32	(0.2%)
TANF: Age 7-13 (AC3)	2,359,464	164.98	175.90	6.6%
TANF: Age 14-18, Male (AD1)	759,396	166.10	179.44	8.0%
TANF: Age 14-18, Female (AD2)	720,912	180.19	203.06	12.7%
TANF: Age 19-44, Male (AE1)	118,980	256.25	304.61	18.9%
TANF: Age 19-44, Female (AE2)	905,520	361.05	393.02	8.9%
TANF: Age 45+ (AF3)	164,076	643.94	800.75	24.4%
SSI - Children (SO3)	147,336	764.14	816.26	6.8%
SSI - Adults (SP3)	368,052	1,349.35	1,450.32	7.5%
SMI Children (VV3)	208,997	747.78	695.20	(7.0%)
SMI TANF Adults (TP3)	291,379	923.90	948.01	2.6%
SMI SSI Adults (UP3)	188,157	1,931.07	2,145.25	11.1%
OCWI (WG2)	252,480	284.05	292.83	3.1%
Foster Care - Children (FG3)	44,088	1,071.39	1,121.35	4.7%
KICK (MG2/NG2)	21,060	7,262.97	7,223.49	(0.5%)
Composite - Standard Population	**8,920,497**	**$ 385.70**	**$ 411.44**	**6.7%**
Dual Community Well 18+ (DJ3)	1,174,608	89.23	79.69	(10.7%)
Dual Nursing Facility 18+ (IJ3)	127,392	111.03	109.71	(1.2%)
Dual Waiver 18+ (EJ3)	217,704	181.58	161.18	(11.2%)
Non-Dual Nursing Facility 18+ (ZJ3)	19,020	1,930.43	1,705.60	(11.6%)
Non-Dual Waiver 18+ (XJ3)	54,168	2,519.24	2,203.94	(12.5%)
Composite – Dual/LTSS Population	**1,592,892**	**$ 208.22**	**$ 184.88**	**(11.2%)**
Composite	**10,513,389**	**$ 358.81**	**$ 377.11**	**5.1%**

Notes:
1. Jan-Jun 2026 and SFY 2027 composite rates reflect projected SFY 2027 enrollment by rate cell.
2. Excludes state-directed payment add-ons.

Figure 2 provides a comparison of SFY 2027 capitation rate PMPMs relative to the Jan – Jun 2026 PMPMs consistent with Figure 1; however, illustrated PMPMs reflect the projected total capitation payment including estimated amounts for STP, HAWQ, Private Ambulance, and Public Ambulance state-directed payments, which are anticipated to be paid through separate payment term arrangements in SFY 2027. Additional information regarding these directed payments can be found in Section I.4.D of this report.

FIGURE 2: COMPARISON WITH JAN-JUN 2026 RATES BY RATE CELL (PMPM RATES) - INCLUDING ADD-ONS

RATE CELL	PROJECTED MEMBER MONTHS	INCLUDING ADD-ONS JAN-JUN 2026 RATE	INCLUDING ADD-ONS SFY 2027 RATE	INCREASE/ (DECREASE)
TANF: 0-2 months old (AH3)	74,232	$ 5,969.51	$ 7,129.02	19.4%
TANF: 3-12 months old (AI3)	323,748	518.84	571.23	10.1%
TANF: Age 1-6 (AB3)	1,993,680	299.73	300.02	0.1%
TANF: Age 7-13 (AC3)	2,359,464	235.51	250.44	6.3%
TANF: Age 14-18, Male (AD1)	759,396	263.76	284.42	7.8%
TANF: Age 14-18, Female (AD2)	720,912	292.02	337.80	15.7%
TANF: Age 19-44, Male (AE1)	118,980	441.24	543.80	23.2%
TANF: Age 19-44, Female (AE2)	905,520	683.94	746.64	9.2%
TANF: Age 45+ (AF3)	164,076	1,079.37	1,352.13	25.3%
SSI - Children (SO3)	147,336	1,111.85	1,183.52	6.4%
SSI - Adults (SP3)	368,052	2,546.42	2,627.85	3.2%
SMI Children (VV3)	208,997	1,315.75	1,226.51	(6.8%)
SMI TANF Adults (TP3)	291,379	1,554.02	1,543.61	(0.7%)
SMI SSI Adults (UP3)	188,157	3,416.91	3,547.93	3.8%
OCWI (WG2)	252,480	888.68	962.61	8.3%
Foster Care - Children (FG3)	44,088	1,770.94	2,001.54	13.0%
KICK (MG2/NG2)	21,060	7,262.97	7,223.49	(0.5%)
Composite - Standard Population	**8,920,497**	**$ 667.14**	**$ 708.93**	**6.3%**
Dual Community Well 18+ (DJ3)	1,174,608	89.23	79.69	(10.7%)
Dual Nursing Facility 18+ (IJ3)	127,392	111.03	109.71	(1.2%)
Dual Waiver 18+ (EJ3)	217,704	181.58	161.18	(11.2%)
Non-Dual Nursing Facility 18+ (ZJ3)	19,020	6,007.24	3,620.84	(39.7%)
Non-Dual Waiver 18+ (XJ3)	54,168	5,846.17	3,709.59	(36.5%)
Composite – Dual/LTSS Population	**1,592,892**	**$ 370.03**	**$ 258.95**	**(30.0%)**
Composite	**10,513,389**	**$ 622.13**	**$ 640.75**	**3.0%**

Notes:
1. Jan-Jun 2026 and SFY 2027 composite rates reflect projected SFY 2027 enrollment by rate cell.
2. Includes state-directed payment add-ons.

Figure 3 presents the estimated aggregate annual expenditures under the managed care program, based on SFY 2027 projected membership. Total annual projected expenditures illustrated in Figure 3 include state-directed payments. Further detail by rate cell is illustrated in Appendix 3.

FIGURE 3: ESTIMATED ANNUAL FISCAL IMPACT (MILLIONS)

	PROJECTED MEMBERSHIP	SFY 2027 PROJECTED EXPENDITURES AMENDED JAN-JUN 2026	SFY 2027 PROJECTED EXPENDITURES SFY 2027	DOLLAR INCREASE/ (DECREASE)	PERCENTAGE INCREASE/ (DECREASE)
Total	10,513,389	$ 6,540.7	$ 6,736.5	$ 195.8	3.0%
Federal Share		$ 4,535.5	$ 4,671.3	$ 135.8	3.0%
State Share		$ 2,005.2	$ 2,065.2	$ 60.0	3.0%

Notes:

1. Jan – Jun 2026 and SFY 2027 aggregate annual expenditures were developed based on SFY 2027 projected enrollment and estimated SFY 2027 deliveries.
2. State expenditures based on a composite of Federal Fiscal Year 2026 FMAP (3 months) and Federal Fiscal Year 2027 FMAP (9 months) for an estimated SFY composite FMAP of 69.34%.
3. Values have been rounded.

I. Medicaid Managed Care Rates

1. General Information

This section provides information listed under the General Information section of CMS guide, Section I.

The capitation rates provided under this certification are “actuarially sound” for purposes of 42 CFR 438.4(a), according to the following criteria:

The capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the managed care plan for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

To ensure compliance with generally accepted actuarial practices and regulatory requirements, we referred to published guidance from the American Academy of Actuaries (AAA), the Actuarial Standards Board (ASB), the Centers for Medicare and Medicaid Services (CMS), and federal regulations. Specifically, the following were referenced during the rate development:

- Actuarial standards of practice applicable to Medicaid managed care rate setting which have been enacted as of the capitation rate certification date, including: ASOP 1 (Introductory Actuarial Standard of Practice); ASOP 5 (Incurred Health and Disability Claims); ASOP 12 (Risk Classification for All Practice Areas); ASOP 23 (Data Quality); ASOP 25 (Credibility Procedures); ASOP 41 (Actuarial Communications); ASOP 45 (The Use of Health Status Based Risk Adjustment Methodologies); ASOP 49 (Medicaid Managed Care Capitation Rate Development and Certification); and ASOP 56 (Modeling).
- Actuarial soundness and rate development requirements in the Medicaid and CHIP Managed Care Final Rules, including but not limited to CMS-2390-F, CMS-2408-F, and CMS-2439-F, for the provisions effective for the SFY 2027 managed care program rating period.
- 2026-2027 Medicaid Managed Care Rate Development Guide, released by the Centers for Medicare and Medicaid Services in February 2026.
- Throughout this document and consistent with the requirements under 42 CFR 438.4(a), the term “actuarially sound” will be defined as in ASOP 49:

  “Medicaid capitation rates are “actuarially sound” if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes.”[1]

A. RATE DEVELOPMENT STANDARDS

i. Application of expectations to rate ranges

Not applicable. There are no rate ranges being developed for the SFY 2027 SCDHHS Medicaid managed care capitation rates.

ii. Annual basis

The actuarial certification contained in this report is effective for the capitation rates for the one-year rate period from July 1, 2026 through June 30, 2027.

iii. Required elements

(a) Actuarial certification

The actuarial certification, signed by Marlene T. Howard, FSA, is in Appendix 1. Ms. Howard meets the qualification standards established by the American Academy of Actuaries, follows the practice standards established by the Actuarial Standards Board, and certifies that the final rates meet the applicable standards in 42 CFR 438 that are effective for the SFY 2027 managed care program rating period.

[1] http://www.actuarialstandardsboard.org/asops/medicaid-managed-care-capitation-rate-development-and-certification/

(b) Certified capitation rates for each rate cell

The certified capitation rates by rate cell are illustrated in Figure 2. Projected enrollment estimates reflect observed program enrollment through April 2026 with adjustments to reflect projected values for SFY 2027. These rates represent the anticipated contracted capitation rates prior to risk adjustment.

(c) State Directed Payments

The portion of the certified capitation rates by rate cell attributable to state directed payments paid as separate payment terms under 42 CFR § 438.6(c) is illustrated in Appendix 4. The required documentation of all state directed payments is included in Section I, Item 4.D of this report.

(d) Program information

(i) Managed care program

This certification was developed for the State of South Carolina's Medicaid managed care program.

Medicaid managed care organizations (MCOs) have been operating in South Carolina since 1996. In August 2007, SCDHHS implemented the South Carolina Healthy Connections Choices program to more effectively enroll members in MCOs. In April 2021, two MCOs merged together, and in August 2021, a new MCO entered the South Carolina (SC) managed care program. As of July 1, 2026, this program provides comprehensive services through five MCOs on a statewide basis.

Prior to January 2026, the managed care population was primarily comprised of individuals in the Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and pregnant women populations, with specific eligibility for the managed care program defined by the individual's Medicaid eligibility category as assigned by SCDHHS.

Beginning in January 2026, comprehensive services, excluding waiver and nursing facility services, were added through the five MCOs currently participating in the Medicaid managed care program for the following newly eligible managed care populations:

- Dual and non-dual individuals who are age 18 and over residing in a nursing facility who meet the state definition of nursing home level of care
- Dual and non-dual individuals who are age 18 and over and enrolled in the Community Choices Waiver, HIV/AIDS Waiver, Ventilator Dependent Waiver, or Money Follows the Person program
- All other dual-eligible individuals who are age 18 and over, except those enrolled in any waiver not listed in the bullet above

The dual-eligible managed care populations include individuals enrolled in highly integrated dual eligible special needs plans (HIDE-SNPs), coordination only D-SNPs, other Medicare Advantage plans, and Medicare FFS individuals. Benefit coverage for the dual-eligible population pays secondary to Medicare for Medicare covered services.

Note that in May 2026, the non-dual eligible waiver and nursing facility population was expanded to include individuals eligible for Medicare Part A or Part B, but not both.

Benefits covered under the Medicaid managed care program are comprehensive in nature and include physical health and behavioral health services. Certain services such as waiver services, non-emergency transportation, dental, and nursing home stays are covered on a fee-for-service basis.

This rate certification reflects SC Medicaid managed care policies and procedures anticipated to be in effect during SFY 2027.

The following table outlines the core benefits covered under the managed care capitation rate.

FIGURE 4: LIST OF CORE BENEFITS

Ambulance Transportation	Family Planning Services	Physician Services
Ancillary Medical Services	Free-Standing Inpatient Psychiatric Facilities for Under 21	Podiatry Services
Audiological Services	Home Health Services	Prescription Drugs
Autism Spectrum Disorder Services	Hysterectomies, Sterilizations and Abortions (as covered in policy guidelines)	Psychiatric, Rehabilitative Behavioral Health, and associated outpatient mental health services
Chiropractic Care	Independent Laboratory and X-Ray Services	Rehabilitative Therapies for Children - Non-Hospital Based
Communicable Disease Services	Inpatient Hospital Services	Substance Abuse
Developmental Evaluation Center (DEC) Services	Maternity Services	Tobacco Cessation Coverage
Disease Management	Medication Assisted Therapy	Transplant and Transplant-Related Services
Durable Medical Equipment	Newborn Hearing Screenings	Vaccine Services
Early & Periodic Screening, Diagnosis and Treatment (EPSDT) / Well Child	Outpatient Pediatric AIDS Clinic Services (OPAC)	Vision Care Services
Emergency and Post Stabilization Services	Outpatient Services	

Notes:

1. Free-standing Inpatient psychiatric facility coverage applies to individuals under age 21.
2. Medication assisted therapy includes treatment in Opioid Treatment Programs (OTPs).
3. Detailed benefit coverage information for all Core Benefits in this table can be found within Section 4 of the MCO Contract. Source: https://www.scdhhs.gov/sites/dhhs/files/20260101_MCOCNT_Finalized%20Blackline.pdf

(ii) Rating Period

This actuarial certification is effective for the one-year rating period July 1, 2026 through June 30, 2027.

(iii) Covered populations

Specific eligibility for the managed care program is defined by the individual's Medicaid eligibility category as assigned by SCDHHS.

The following table outlines these specific SCDHHS Medicaid eligibility categories (also referenced as "payment categories" or "PCATs") that are eligible for inclusion in the risk-based managed care program.

FIGURE 5: MANAGED CARE ELIGIBILITY PAYMENT CATEGORIES

PCAT CODE	PAYMENT CATEGORY	PCAT CODE	PAYMENT CATEGORY
10	MAO (Nursing Home)	51	Title IV-E Adoption Assistance
11	MAO (Extended/Transitional)	54	SSI Nursing Home
12	OCWI (Infants)	57	Katie Beckett/TEFRA
13	MAO (Foster care/Adoption)	59	Low Income Families
15	MAO (Waivers-Home and Community) (RSP Dependent - CLTC, HIVA, VENT, and MFPP)	60	Regular Foster Care
16	Pass Along Eligibles	61	Adult Former Foster Care
17	Early Widows/Widowers	71	Breast and Cervical Cancer
18	Disabled Widows/Widowers	80	SSI
19	Disabled Adult Children	81	SSI With Essential Spouse
20	Pass Along Children	85	Optional Supplement
31	Title IV-E Foster Care	86	Optional Supplement and SSI
32	Aged, Blind, Disabled (ABD)	87	OCWI Pregnant Women /Infants
33	ABD Nursing Home	88	OCWI Partners For Healthy Children
40	Working Disabled	91	Ribicoff Children

Individuals denoted by any of the following recipient of a special program (RSP) indicators in Figure 6 are not eligible for enrollment into the managed care program.

FIGURE 6: RSP INDICATORS NOT ELIGIBLE FOR MANAGED CARE ENROLLMENT

RSP CODE	PAYMENT CATEGORY	RSP CODE	PAYMENT CATEGORY
CSWE	Community Supports Waiver - Established	HSCE	Head & Spinal Cord Waiver - Established
CSWN	Community Supports Waiver - New	HSCN	Head & Spinal Cord Waiver - New
COVD	COVID Limited Benefits	MCCM	Primary Care Case Management (Medical Care Home)
DMRE	DMR Waiver - Established	MCSC	PACE
DMRN	DMR Waiver - New	WMCC	Medically Complex Children's Waiver

Note: All RSPs provided by SCDHHS on February 26, 2026

Dual-eligible population

The dual-eligible population is limited to full Medicare-Medicaid dual eligible individuals who are age 18+ and entitled to benefits under Medicare Parts A and B. The program is offered in all counties in the state of South Carolina and includes the following populations:

- Nursing facility population: individuals residing in a nursing facility who meet the state definition of nursing home level of care, identified by payment categories (PCATs) 10, 33, and 54.
- Waiver population: individuals enrolled in the Community Choices Waiver, HIV/AIDS Waiver, Ventilator Dependent Waiver, or Money Follows the Person program, identified by RSPs CLTC, HIVA, VENT, and MFPP, respectively.
- Community well population: all other dual-eligible individuals who are not enrolled in a waiver.

Non-dual eligible waiver and nursing facility population

The non-dual eligible waiver and nursing facility population is limited to individuals who are age 18 and over. Eligible individuals are entitled to only Part A, only Part B, or neither Part A nor Part B. They must also be enrolled in the Community Choices Waiver, HIV/AIDS Waiver, Ventilator Dependent Waiver, Money Follows the Person program or reside in a nursing facility and meet the state definition of nursing home level of care.

Excluded populations

The following populations are excluded from managed care enrollment:

- **Incarcerated individuals.** Individuals who are identified as inmates of public institutions.
- **ICF-IID individuals.** Individuals who reside in an intermediate care facility for individuals with intellectual disabilities (ICF-IID).
- **Other excluded populations.** The following populations are also excluded: non-dual LTSS and dual-eligible children under age 18, individuals enrolled in an emergency services only (non-citizen) or family planning limited benefit program, and retroactively enrolled member months.

The SFY 2027 capitation rate development covers the following capitation rate cells:

FIGURE 7: MANAGED CARE CAPITATION RATE CELLS

RATE CELL	RATE CELL INDICATOR
TANF: 0 - 2 months old	AH3
TANF: 3 - 12 months old	AI3
TANF: Age 1 - 6	AB3
TANF: Age 7 - 13	AC3
TANF: Age 14 - 18 Male	AD1
TANF: Age 14 - 18 Female	AD2
TANF: Age 19 - 44 Male	AE1
TANF: Age 19 - 44 Female	AE2
TANF: Age 45+	AF3
SSI - Children	SO3
SSI - Adult	SP3
SMI Children	VV3
SMI TANF Adults	TP3
SMI SSI Adults	UP3
OCWI	WG2
Foster Care Children	FG3
KICK	MG2/NG2
Dual Community Well 18+	DJ3
Dual Waiver 18+	EJ3
Dual Nursing Facility 18+	IJ3
Non-Dual Waiver 18+	XJ3
Non-Dual Nursing Facility 18+	ZJ3

Note: Members with characteristics of both the nursing facility and the waiver population criteria will be enrolled to the respective nursing facility rate cell.

(iv) Eligibility criteria

Most Medicaid beneficiaries are required to enroll in managed care on a mandatory basis. Beneficiaries that may enroll in Medicaid managed care on a voluntary basis include SSI children, Katie Beckett/TEFRA individuals, foster care children, express lane eligible children (ELE), and children receiving adoption assistance. Beneficiaries are covered under the fee-for-service program for an initial period as the managed care plan enrollment process occurs. Further detail and clarification on managed care eligibility criteria can be found within Section 3 (Member Eligibility and Enrollment) of the MCO contract[2].

(v) Special contract provisions

This rate certification report contains documentation of the following special contract provisions related to payment included within the rate development.

- Incentive arrangements
- Withhold arrangements
- Supplemental teaching physician program in accordance with 42 CFR §438.6(c)
- Health Access, Workforce, and Quality payment program in accordance with 42 CFR §438.6(c)
- Private Ambulance State Directed Payment in accordance with 42 CFR §438.6(c)
- Public Ambulance State Directed Payment in accordance with 42 CFR §438.6(c)
- Independent pharmacy policy minimum fee schedule in accordance with 42 CFR §438.6(c)
- Rural hospital minimum fee schedule in accordance with 42 CFR §438.6(c)
- State-owned PRTF minimum fee schedule in accordance with 42 CFR §438.6(c)
- IMDs as an in lieu of provider service
- Minimum medical loss ratio requirement

[2] MCO Contract. Source: https://www.scdhhs.gov/sites/dhhs/files/20260101_MCOCNT_Finalized%20Blackline.pdf

- Psychiatric Residential Treatment Facility (PRTF) risk pool
- Pharmacy high cost no experience program
- High cost neonatal risk pool

Please see Section I, item 4, Special Contract Provisions Related to Payment, for additional detail and documentation.

iv. Differences among capitation rates

Any proposed differences among capitation rates according to covered populations are based on valid rate development standards and are not based on the rate of federal financial participation associated with the covered populations.

v. Cross-subsidization of rate cell payment

The capitation rates were developed at the rate cell level and neither cross-subsidize nor are cross-subsidized by payments from any other rate cell.

vi. Effective dates

To the best of our knowledge, the effective dates of changes to the SCDHHS Medicaid managed care program are consistent with the assumptions used in the development of the certified SFY 2027 capitation rates.

vii. Medical loss ratio

Capitation rates were developed in such a way that the MCOs would reasonably achieve a medical loss ratio (MLR), as calculated under 42 CFR 438.8, of at least 85% for the rate year.

Financial consequences of the minimum MLR requirements are specified in Section 7.2 of the MCO contract. SCDHHS requires remittance if the MLR for the reporting year does not meet the minimum MLR requirement of 86%.

viii. Certifying rate ranges

Not applicable. The SFY 2027 SCDHHS Medicaid managed care program does not utilize rate ranges.

ix. Actuarial soundness of rate ranges

Not applicable. The SFY 2027 SCDHHS Medicaid managed care program does not utilize rate ranges.

x. Generally accepted actuarial practices and principles

(a) Reasonable, appropriate, and attainable

In our judgment, all adjustments to the capitation rates, or to any portion of the capitation rates, reflect reasonable, appropriate, and attainable costs, and have been included in the certification.

(b) Outside the rate setting process

There are no adjustments to the rates performed outside the rate setting process.

(c) Final contracted rates

The SFY 2027 capitation rates certified in this report represent the final contracted rates by rate cell prior to risk adjustment, excluding the BabyNet Individuals with Disabilities Education Act (IDEA) services which are funded through a federal grant.

xi. Rate certification for effective time periods

This actuarial certification is effective for the one-year rating period of July 1, 2026 through June 30, 2027.

xii. Changes in Federal requirements

This report does not reflect an explicit adjustment for the potential impact of changes in federal requirements. Public Law 119-21 (also known as the Working Families Tax Cut)[3] is not anticipated to have a material impact on SC's Medicaid managed care program during SFY 2027.

xiii. Two-sided risk mitigation strategies

The SFY 2027 SCDHHS Medicaid managed care program does not include a two-sided risk mitigation strategy as the base data and applicable adjustments are assumed to adequately account for expected costs.

xiv. Procedure for rate certification and amendment

In general, a new rate certification will be submitted when the rates change or changes are made for special contract provisions related to payment described in §438.6 (including incentive arrangements, withhold arrangements, state directed payments, and pass-through payments) and §438.3(e)(2) (in lieu of services). The following exceptions are allowed per §438.7 of CMS 2390-F:

1. A contract amendment that does not affect the rates or contract provisions in §438.6 and §438.3(e)(2).
2. An increase or decrease of up to 1.5% in the capitation rate per rate cell.
3. Risk adjustment, under a methodology described in the initial certification, changes the rates paid to the MCOs

In cases 1 and 2 listed above, a contract amendment must still be submitted to CMS.

This rate certification report does not include a retroactive adjustment to the SFY 2027 capitation rates.

B. APPROPRIATE DOCUMENTATION

i. Capitation rate certification

The SFY 2027 Medicaid managed care capitation rate development specifies capitation rates for each rate cell.

ii. CMS as an intended user

Per CMS requirement, we acknowledge that CMS is an intended user of this capitation rate certification report.

iii. Documentation of required elements

This report contains appropriate documentation of all elements described in the rate certification, including data used, assumptions made, and methods for analyzing data and developing assumptions and adjustments.

iv. Rate development exhibits

The SFY 2027 Medicaid managed care rate development exhibits included as appendices embedded in this report are also provided separately to SCDHHS in Excel format and may be provided to CMS and each of the MCOs participating in the SC Medicaid managed care program.

v. Minimum MLR

The SFY 2027 capitation rates and associated assumptions have been developed in accordance with actuarial soundness and rate development requirements in the Medicaid and CHIP Managed Care Final Rule and consistent with the requirements under 42 CFR §438.4(a).

The capitation rates have been developed such that the MCO would reasonably achieve a medical loss ratio (MLR) of at least 85% by using actual managed care program data as the basis for developing the benefit expense component of the rates and by including non-benefit expense costs of less than 15%, which are assumed to be reasonable, appropriate, and attainable.

SCDHHS requires a minimum MLR of 86% in the MCO contract to ensure that at least 85% of capitation expenditures are being used to provide health care services and quality improvement programs and initiatives for Medicaid managed care members. We review and monitor annual medical loss ratios (MLRs) provided by the MCOs to compare to the minimum MLR requirement. Figure 8 provides a summary of the most recent three years of MLR results for the five MCOs participating in the SC Medicaid managed care program, documenting the financial performance of the SC Medicaid program. Note that all MLR results exclude state directed payments with separate payment terms.

[3] Public Law 119-21 (Working Families Tax Cut) – https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf

FIGURE 8: COMPOSITE MEDICAL LOSS RATIOS (MLR)

MLR CALCULATION	SFY 2023	SFY 2024	SFY 2025
Numerator ($ Millions)	$ 3,297.9	$ 3,184.9	$ 3,156.0
Denominator ($ Millions)	$ 3,717.3	$ 3,600.0	$ 3,427.5
MLR	**88.7%**	**88.5%**	**92.1%**

Notes:

1. Source: SFY 2023 through SFY 2025 MCO Medical Loss Ratio Reports submitted to SCDHHS.
2. SFY 2024 and SFY 2025 MLR data is preliminary and subject to change upon final review.
3. SFY 2023, SFY 2024 and SFY 2025 MLRs reflect the revenue remitted to SCDHHS from MCOs who did not meet the minimum MLR.

vi. Certified rates (without the use of rate ranges)

This report certifies specific rates for each rate cell in accordance with 42 CFR §438.4(b)(4) and 438.7(c).

vii. Certified rates (with the use of rate ranges)

Not applicable. The SFY 2027 Medicaid managed care capitation rate development does not utilize rate ranges.

viii. Index

The index to this rate certification is the table of contents, found immediately after the title page. The index includes section numbers and related page numbers. Sections not relevant to this certification continue to be provided, with an explanation of why they are not applicable.

ix. Compliance with 42 CFR §438.4(b)(1)

The SFY 2027 Medicaid managed care capitation rate development includes assumptions, methodologies, and/or factors that are based on valid rate development standards and are consistent across covered populations in accordance with 42 CFR §438.4(b)(1) and §438.4(b)(6).

x. Different FMAP

All populations receive the regular FMAP of 69.34% for SFY 2027. The enhanced FMAP percentage for CHIP and Breast or Cervical Cancer members is 78.54%, and it is 90.00% for family planning expenditures in South Carolina. Note that the enhanced amounts for CHIP and family planning expenditures are not reflected in the values provided in Appendix 3.

xi. Comparison to previous rating period

(a) Comparison to final certified rates in the previous rate certification

The previous rate certification applied to January through June 2026 capitation rates. A comparison to January through June 2026 certified rates by rate cell is provided in Figure 2. All material changes to the capitation rates and rate development process compared to the previous rate certification are described in this report.

(b) Description of material changes to the rate development process not addressed in other sections of this rate certification

All material changes to the rate development process are outlined in this report.

(c) Application of de minimis adjustment to previous rate certification

The state did not adjust the actuarially sound January through June 2026 capitation rates by a de minimis amount.

xii. Future amendments

As of the date of this report, there are no known future amendments to the SFY 2027 capitation rates.

xiii. Rate amendments

This certification is not a rate amendment.

xiv. Approach to addressing the impact of the COVID-19 PHE and related unwinding

As part of the Consolidated Appropriations Act, 2023, continuous enrollment requirements were decoupled from the PHE on March 31, 2023, allowing eligibility reviews to begin prior to the expiration of the PHE. As such, SCDHHS began their COVID-19 unwinding period June 1, 2023, with eligibility redeterminations substantially

completed by August 1, 2024, and thus contributing an immaterial impact to the SFY 2025 base data period. Several months later, in May 2025, we observed another wave of material enrollment decreases that has continued through April 2026, with an early indication of stability as of May 2026. These enrollment declines are not assumed to be connected with the COVID-19 PHE. A description of the methodology used to estimate the impact of changes in acuity of the covered populations due to these post-unwinding disenrollments is included in section I.2.B.iii.

(a) How capitation rates account for direct and indirect COVID-19 PHE impacts

We did not make any explicit adjustments to the capitation rates for the impact of the COVID-19 PHE and related unwinding.

(b) Risk mitigation strategies utilized for COVID-19 PHE

SCDHHS has not implemented risk mitigation strategies in the SFY 2027 managed care program specifically to address the COVID-19 PHE.

2. Data

This section provides information on the SFY 2025 base data used to develop the capitation rates. The base experience data described in this section is illustrated in Appendix 6, with adjustments for incomplete data and current program reimbursement.

A. RATE DEVELOPMENT STANDARDS

In accordance with 42 CFR 438.5(c), we have followed the rate development standards related to base data. The remainder of Section I, item 2 provides documentation of the data types, sources, validation process, material adjustments and other information relevant to the documentation standards required by CMS.

B. APPROPRIATE DOCUMENTATION

i. Requested data

As the actuary contracted by the SCDHHS to provide consulting services and associated financial analyses for many aspects of the South Carolina Medicaid program (and not just limited to capitation rate development), Milliman intakes and summarizes eligibility and expenditure data on a monthly basis from Clemson, SCDHHS's data administrator. As such, there is no separate data request from Milliman to the state specifically related to the base data for the capitation rate development. The remainder of this section details the base data and validation processes utilized in the SFY 2027 capitation rate development. Additionally, Appendix 6 summarizes the unadjusted and adjusted base data.

ii. Data used to develop the capitation rates

(a) Description of the data

(i) Types of Data

The primary data sources used or referenced in the development of the capitation rates are the following:

- Encounter data submitted by the MCOs and accepted through the monthly encounter data warehousing process through January 2026;
- Supplemental encounter data submitted by the MCOs during the base data validation process
- FFS claims for dual eligible individuals and non-dual waiver individuals incurred in SFY 2025, and paid through January 2026;
- FFS claims incurred by managed care enrollees for managed care-covered services;
- SFY 2027 managed care in-rate criteria;
- FFS claims for analysis of newborn enrollment delays;
- SFY 2027 MCO Rate-Setting Survey completed by each MCO;
- SFY 2027 MCO Administrative Cost Template completed by each MCO;
- Statutory financial statement data;
- March 2019 through February 2020 Bridges invoice data for managed care enrollees;
- SFY 2025 financial summary reports provided by the MCOs (EQI reports) for base data validation analysis;
- SCDHHS fee schedules for inpatient, outpatient, and professional claims;
- Weekly preferred drug list (PDL) files through February 2026 and anticipated May 2026 Pharmacy and Therapeutics (P&T) updates provided by SCDHHS;
- Weekly NCPDP files received through February 2026;
- Supplemental eligibility data provided by SCDHHS related to foster care assignment updates and out of state member terminations;
- Data exchange files between SCDHHS and CMS implemented by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) for January 2022 through February 2026;
- 2025 and 2026 Medicare Parts A & B cost sharing information based on fact sheets published on CMS.gov;

- CY 2024-2026 SC D-SNP Plan Benefit Package (PBP) files.
- CMS Round 2 2025 and Round 1 2026 Periodic Data Matching member detail

(ii) Age of the data

The data serving as the base experience in the capitation rate development process for the Standard population was SFY 2025 encounter data adjudicated and submitted through the monthly encounter data warehousing process through January 2026.

The data serving as the base experience for the Dual/LTSS population was SFY 2025 FFS data limited to the targeted populations and adjudicated through January 2026.

For the purposes of non-pharmacy trend development, we reviewed FFS and encounter experience from July 2022 through June 2025 and paid and submitted through January 2026. In addition, we reviewed emerging experience through December 2025, to the extent it is credible by major category of service.

For pharmacy trend development, we reviewed quarterly pharmacy expenditures on an incurred basis over the period from July 2022 through April 2026.

Emerging enrollment data through May 2026 was used to develop SFY 2027 enrollment projections.

We also summarized statutory financial statement data from calendar years 2023, 2024, and 2025, collected using SNL Financial.

(iii) Data sources

The historical claims and enrollment experience used in the SFY 2027 capitation rate development was provided to Milliman by Clemson, the data administrator for SCDHHS. The sources of other data are noted in i and ii above.

(iv) Sub-contracting

The encounter data summaries have been adjusted to include estimated expenditures for sub-capitated claims. Sub-capitated expenditures were estimated by repricing each sub-capitated encounter to the Medicaid FFS fee schedules and using total submitted sub-capitated units. For claims where a Medicaid FFS rate did not exist (approximately 0.4% of sub-capitated encounters), the expenditures were estimated by assuming the average cost per unit for the non-repriced sub-capitated claims would be equal to the average cost per unit for other sub-capitated claims in the specified category of service.

(v) Base data requirement exceptions

No exception to base data requirements was requested. The data serving as the base experience in the SFY 2027 capitation rate development process was incurred July 2024 through June 2025, which follows the rate development standards related to base data in 42 CFR 438.5(c).

(b) Availability and quality of the data

(i) Steps taken to validate the data

The base experience used in the development of the Standard population capitation rates primarily relies on encounter data submitted to SCDHHS by participating MCOs. The actuary, the MCOs, and SCDHHS all play a role in validating the quality of encounter data used in the development of the capitation rates.

The base experience used in the development of the Dual/LTSS population capitation rates primarily relies on fee-for-service (FFS) data. The FFS data is provided by SCDHHS. Milliman has many years of experience working with SCDHHS's FFS data. We perform routine reconciliation of SCDHHS's financial data as part of the monthly data validation process and provide budgeting and forecasting assistance to the State, which involves aggregate claim reconciliation to SCDHHS's financial statements.

The remainder of the validation section relates to encounter data used in the rate development.

Completeness

Encounter data is summarized quarterly through the encounter quality initiative (EQI) process. Separate sets of summaries, by rate group, are prepared for each MCO. Each summary illustrates utilization, cost per service, and per member per month cost for the population, stratified by category of service. The format of each quarterly exhibit is similar to the base data exhibits that were provided as part of SFY 2027

Capitation Rate Methodology and Data Book, dated March 13, 2026, allowing most data issues to be discovered before the annual capitation rate development process.

The quarterly EQI reconciliation process allows for three months of run-out from the end of the reported calendar quarter. For example, the first report of the calendar year would include the following claims: services incurred January 1 through March 31 and paid on or before June 30.

The actuary compares the EQI summaries to summary totals submitted by the MCOs. Where the difference between the MCO's encounter data and financial data is more than 3%, the MCO is subject to a financial penalty per their contract with the state. MCOs are rarely penalized, and the discrepancy is more commonly under 1%.

We provide all the individual encounter claims back to the MCOs for analysis. This allows the MCOs to identify any claims that need to be resubmitted or research any discrepancies that may exist in the final summary.

Finally, we submitted encounter data validation letters and individual encounters to each of the MCOs to confirm that their summarized data including SFY 2025 incurred claims is appropriate for use in the development of the capitation rate.

Milliman and SCDHHS both play a role in validating FFS data for completeness. Milliman summarized the data to look for anomalies in the base data year. The data is segmented by rate cell and service category.

The SFY 2025 base encounter and FFS data used in the development of the rates was adjudicated through January 31, 2026. The seven months of claims run-out after the end of the fiscal year results in incurred but not paid (IBNP) claim liability estimates having a limited effect on the estimated incurred expenditures for SFY 2025. However, as noted in this report, claims completion is applied to the encounter data for estimated SFY 2025 claims adjudicated after January 31, 2026.

Accuracy

Checks for accuracy of the encounter data begin with the MCOs' internal auditing and review processes.

When the data is submitted to SCDHHS, it is subjected to most of the validation checks SCDHHS applies to FFS claims. For example, the data must contain a valid Medicaid recipient ID for an individual who was enrolled at the time the service was provided and assigned to the MCO.

The actuary also reviews the encounter data to ensure each claim is related to a covered individual and a covered service. A quarterly review of the EQI summaries is performed to ensure that the data for each service is consistent across the MCOs and when compared to prior historical period as applicable. Stratification by rate group facilitates this analysis, as it mitigates the impact of changes in population mix.

The actuary also compares the encounter data with financial information submitted by each MCO. To provide greater transparency to the MCOs in the data validation process for the SFY 2027 capitation rates, a summary was provided to each MCO that starts with total submitted encounter claims and identifies claims that have been removed from the base data summaries, such as voided claims, expenditures for non-state plan services, expenditures for services not covered in the capitation rate, expenditures related to members over age 21 who were in an IMD for at least 15 days in a calendar month, expenditures related to high cost no experience pharmaceutical treatments, and claims that have been removed because of unmatched eligibility records and members not eligible during the base data period, such as individuals beyond their date of death.

There were no notable inconsistencies between the FFS data sources used in developing the SFY 2027 capitation rates.

(ii) Actuary's assessment

As required by Actuarial Standard of Practice (ASOP) No. 23, Data Quality, we disclose that Milliman has relied upon certain data and information provided by SCDHHS and their vendors, primarily the MCOs. The values presented in this letter are dependent upon this reliance.

We found the encounter and FFS data to be of appropriate quality for purposes of developing actuarially sound capitation rates.

However, due to the potential under-reporting of encounter data expenditures as reported in the MCOs response to the SFY 2027 MCO Rate-Setting Survey, an adjustment has been made to increase the base data for valid encounters missing from the data submission process.

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized SFY 2025 data is appropriate for use in the development of the capitation rates. For MCOs that reported valid encounters missing from the encounter data submissions in their response to the SFY 2027 MCO Rate-Setting Survey, an adjustment has been made to increase the base data. The impact of this adjustment resulted in a net increase of approximately $3.9 million to the base data.

Additionally, an adjustment was applied for supplemental data received from the MCOs related to physician paid amounts that were truncated in the encounter data files received from SCDHHS due to data field limitations. An adjustment has been made to increase the base data by approximately $4.8 million.

(iii) Data concerns

We have not identified any material concerns with the quality or availability of the data, other than the under-reporting of encounter data as discussed in the previous section and adjusted for in the development of the actuarially sound capitation rates.

(c) Appropriate Data

(i) Use of encounter and fee-for-service data

Managed care encounter data was used to develop the capitation rates for the Standard population and represents the populations and services to be covered for this population. FFS data was used to develop the capitation rates for the Dual/LTSS population and represents the populations and services to be covered for this population.

FFS claims experience for managed care enrollees in the Standard population related to managed care covered benefits was utilized to estimate the financial impact of transitioning these expenditures to the MCOs responsibility in SFY 2027, where applicable.

(ii) Use of managed care encounter data

Managed care encounter data was the primary data source used in the development of the capitation rates for the Standard population.

(d) Reliance on a data book

Development of the capitation rates did not rely on a data book or other summarized data source. We were provided with detailed claims data for all covered services and populations. We created data books summarizing SFY 2025 encounter data (Standard population) and FFS data (Dual/LTSS population), which were shared with SCDHHS and participating MCOs.

iii. Data Adjustments

Capitation rates were developed primarily from SFY 2025 encounter and FFS data. Adjustments were made to the base experience for completion, reimbursement changes, managed care efficiencies, and other program adjustments.

(a) Credibility adjustment

The SCDHHS managed care program populations, as represented in the base experience, were fully credible. No adjustments were made for credibility.

(b) Completion adjustment

The encounter data submitted by the MCOs and the FFS data used in developing the capitation rates were analyzed separately to estimate claim completion factors. The base period encounter and FFS data reflect claims incurred during SFY 2025 and paid through January 2026. Separate sets of completion factors for the two data sources were developed by summarizing the claims data and applying traditional actuarial techniques to develop estimates of incurred but not paid (IBNP) liability.

Completion factors were developed by summarizing the data and applying traditional actuarial techniques to develop estimates of incurred but not paid (IBNP) liability, using Milliman's Robust Time-Series Analysis System (RTS)[4]. First, we stratified the data by category of service, in the population groupings illustrated in Figure 9. Claims for each of these population-service category stratifications were analyzed and formed into lag triangles by paid and incurred month. Claim completion factors were developed for each month of the base experience period, based on historical completion patterns. The monthly completion factors were applied to base data experience to estimate the remaining claims liability for the fiscal year. Results were aggregated into annual completion factors for the fiscal year.

To account for known SFY 2025 hospital claims payments occurring after January 2026 provided by the MCOs, we reviewed encounter claims payments through March 2026 to ensure the calculated completion factors appropriately account for the unusually large payments that occurred more than 7 months after the end of the base data period.

The claim completion factors applied to the base data are illustrated by population and major service category in Figure 9.

FIGURE 9: COMPLETION FACTORS APPLIED TO BASE EXPERIENCE DATA

CATEGORY OF SERVICE	TANF/ FOSTER	SSI	OCWI	SMI	KICK	DUAL (Waiver, NF, Community)	NON-DUAL (Waiver, NF)
Hospital							
Inpatient	1.0400	1.0384	1.0414	1.0323	1.0175	1.0165	1.0168
Outpatient	1.0163	1.0239	1.0177	1.0109	1.0098	1.0270	1.0177
Pharmacy	1.0000	1.0001	1.0000	1.0000	1.0000	1.0008	1.0001
Ancillary	1.0113	1.0083	1.0076	1.0063	1.0000	1.0121	1.0060
Professional	1.0075	1.0089	1.0097	1.0076	1.0078	1.0244	1.0060

Note:
1. Completion factors for the Dual (Waiver, Nursing Facility, and Community) and Non-Dual (Waiver and Nursing Facility) populations are developed from FFS source data. All other populations are developed from encounter data.

(c) Errors found in data

Encounter data validation letters were submitted to each of the MCOs to confirm that their summarized base data is appropriate for use in the development of the capitation rates. For MCOs that reported valid encounters missing from the encounter data submissions in their response to the SFY 2027 MCO Rate-Setting Survey and in supplemental data files, an adjustment has been made to increase the base data.

(d) Program change adjustments

All program and reimbursement changes that have occurred in the Medicaid managed care program on or after July 1, 2024, the beginning of the base experience period used in the capitation rates, are described below.

Retrospective Program Adjustments

Figure 10 illustrates the fiscal impact of the retrospective program adjustments based on SFY 2025 enrollment.

[4] The Robust Time Series Reserve Analysis System (RTS) is a model designed to assist an actuary in performing an Incurred But Not Paid (IBNP) reserving analysis. The RTS is unique because it contains functionality that: provides reasonable best estimates despite contaminated data, provides reasonable margins for the total reserve, independently models shock claims, and provides forecasts of future cash flows. This methodology forecasts future claim runout using time series forecasting which employs the interrelationship between claim payments during the first three months of claim payments for each incurred month.

FIGURE 10: RETROSPECTIVE PROGRAM ADJUSTMENTS – BASE DATA IMPACT ($ MILLIONS)

			Dual/LTSS Population	
Program Change	Category of Service Impacted	Standard Population	Dual Rate Cells	Non-Dual Rate Cells
IMD In Lieu Of Services	Inpatient Hospital	$ 0.4	$ 0.0	$ 0.0
Genetic Testing Laboratory Services	Outpatient Hospital, Professional	$ 1.5	$ 0.0	$ 0.0
Covid Testing Adjustment	Retail Pharmacy	($ 0.2)	($ 0.0)	($ 0.0)
Intensive In-Home Services	Professional	$ 0.5	$ 0.0	$ 0.0
Partial Hospitalization Programs (PHP) and Intensive Outpatient Programs (IOP)	Outpatient Hospital	$ 2.5	$ 0.0	$ 0.0

IMD In Lieu Of Services for Individuals Age 21 to 64

Effective July 1, 2019, SCDHHS expanded the use of IMDs to all MH/SA diagnoses as an "in lieu of" service for the 21 to 64-year old managed care population for up to 15 days per month. This program change was implemented in compliance with the conditions outlined in the final Medicaid managed care regulations. Consistent with the rate-setting guidance published by CMS, in reviewing the impact of the IMD in lieu of service, we did not use the unit cost of the IMD and instead utilized the unit cost for that of existing state plan providers.

Figure 11 provides a summary of the adjusted base data to reflect the repriced unit costs for IMD services represented in the base data. The estimated impact of this adjustment is approximately $0.4 million.

FIGURE 11: IMD IN-LIEU OF PROJECTED UTILIZATION

	BASE DATA			ADJUSTED BASE DATA		
	IP PSYCH	IMD	TOTAL	IP PSYCH	IMD	TOTAL
Utilization (Days)	13,727	13,970	27,697	13,727	13,970	27,697
Utilization per 1000	64.1	65.3	129.4	64.1	65.3	129.4
Cost per Day	$ 772.76	$ 745.70	$ 759.11	$ 772.76	$ 772.76	$ 772.76
Total Expenditures (millions)	$ 10.6	$ 10.4	$ 21.0	$ 10.6	$ 10.8	$ 21.4

Note:
1. IP psychiatric and IMD base data includes all SFY 2025 IP MH/SA expenditures for the 21- to 64-year-old managed care population.

Genetic Testing Policy, Codes, and Fee Update

Effective December 1, 2024, SCDHHS expanded the genetic testing procedure code list and updated the Independent Lab and Radiology Fee Schedule. An adjustment is being applied to July through December 2024 experience to reflect a ramp-up in service volume and increased utilization subsequent to this policy update. The estimated impact of this program change is approximately $1.5 million.

Removal of Over-the-Counter COVID-19 Diagnostic Testing

Effective October 1, 2024, Over-the-Counter (OTC) COVID-19 tests are no longer a covered service. To estimate the impact of this program change, we summarized the estimated OTC COVID-19 testing utilization and associated cost in the SFY 2025 base data from July 2024 through September 2024. An adjustment was applied to remove the OTC testing utilization and cost from the capitation rates in SFY 2027. The estimated impact of this program change on the base data is approximately ($0.2) million.

Intensive In-Home Services

Effective January 1, 2024 and July 1, 2024 respectively, SCDHHS carved in new state plan services for multisystemic therapy (H2033, MST) and Homebuilders (H2022, HB). Due to continued utilization ramp-up of the MST service during and after the base data period, an adjustment is applied to the professional MH/SA category of service in the base data and is estimated at approximately $0.5 million.

Partial Hospitalization Programs (PHP) and Intensive Outpatient Programs (IOP)

Effective October 1, 2024, SCDHHS added two new services, intensive outpatient psychiatric services (S9480) and mental health partial hospitalization treatment (H0035) as state plan covered benefits. PHP and IOP provide a time-limited service to stabilize acute symptoms and can be used as either a step down from inpatient care, or a step up from professional behavioral health treatment.

We reviewed emerging experience through December 2025 to evaluate the ramp-up of these services as additional facilities begin offering IOP and PHP services. In collaboration with SCDHHS, IOP and PHP services are projected to grow to approximately $250k per month in SFY 2027, for total annual projected expenditures of $3.0 million for the managed care program.

To develop the adjustment factor, we increased total expenditures in the SFY 2025 base period ($0.6 million) to the projected SFY 2027 total of $3.0 million, for an impact of approximately $2.5 million applied to the other outpatient category of service.

Changes in provider reimbursement

Changes in provider reimbursement were evaluated by performing repricing analyses on the individual encounter and FFS data. Figure 12 illustrates the fiscal impact of the reimbursement adjustments based on projected SFY 2027 membership.

FIGURE 12: REIMBURSEMENT ADJUSTMENTS – PROJECTED IMPACT ($MILLIONS)

			Dual/LTSS Population	
Program Change	Category of Service Impacted	Standard Population	Dual Rate Cells	Non-Dual Rate Cells
FQHC Physician Reimbursement Changes	Professional, Ancillary	$ 3.6	($ 0.2)	$ 0.0
Physician (non-FQHC) Reimbursement	Professional, Ancillary	$ 9.6	$ 0.0	$ 0.0
CY 2026 Medicare Physician Fee Schedule	Professional, Ancillary	$ 0.0	($ 4.6)	$ 0.0
Behavioral Health (BH) Fee Schedule Update	Professional	$ 11.1	$ 1.0	$ 0.1
Opioid Treatment Programs (OTP) Reimbursement Update	Professional	$ 6.7	$ 0.0	$ 0.1
Dental ASC Reimbursement	Ancillary	($ 0.9)	$ 0.0	$ 0.0
State-Owned PRTF Services	Inpatient Hospital	$ 4.3	$ 0.0	$ 0.0
APR DRG V42 Update and Base Rate Changes	Inpatient Hospital	$ 3.4	$ 0.0	($ 5.4)
Inpatient GME Removal	Inpatient Hospital	$ 0.0	$ 0.0	($ 3.1)
MUSC Florence	Inpatient Hospital	$ 3.9	$ 0.0	$ 0.7
MUSC Black River - Inpatient	Inpatient Hospital	$ 0.4	$ 0.0	$ 0.2
MUSC Black River - Outpatient	Outpatient Hospital	$ 2.2	$ 0.1	$ 0.1
Bausch Health Termination from Medicaid Drug Rebate Program	Retail Pharmacy	($ 2.2)	$ 0.0	($ 0.3)
Independent Pharmacy - State Plan Reimbursement	Retail Pharmacy	$ 9.2	$ 0.0	$ 0.0

Note:
1. Values have been rounded.

Federally Qualified Health Centers (FQHC) Physician Reimbursement Changes

To develop the adjustment factor for FQHC physician reimbursement, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid FQHC reimbursement methodology at the current Prospective Payment System (PPS) rates. This includes the application of the July 1, 2024, March 1, 2025 and July 1, 2025 PPS fee schedule updates. Additionally, effective January 1, 2026, SCDHHS updated the list of procedure codes included in the FQHC wrap methodology. The FQHC provider-specific PPS rates reflect the full payment to the FQHC, including the wrap-around payment.

We reviewed all FQHC physician claims in the base data and applied the anticipated SFY 2027 FQHC reimbursement methodology and current PPS rates. The repricing analysis captured approximately 98.6% of total FQHC claims. For claims that were unable to be repriced due to unknown provider IDs, the repricing adjustment factor was assumed to be 1.0. The estimated impact of the repricing adjustment based on SFY 2027 enrollment is $3.7 million, impacting all non-dual rate cells.

For the dual-eligible population, we repriced each claim in the base data to the updated Medicaid PPS rates and applied the Medicare claim coordination logic using the CY 2026 and estimated CY 2027 Medicare FQHC PPS rate. The CY 2027 Medicare PPS rate was estimated by applying historical trend to the CY 2026 Medicare PPS rate[5]. To estimate the impact, we then compared the repriced claims to the SFY 2025 base data. Because Medicaid FQHC rates are generally higher than 80% of the Medicare PPS rates, we have assumed that all dual-eligible FQHC utilization is captured in the Medicaid base data for repricing purposes.

While the Medicaid FQHC PPS fee schedule updates resulted in increased rates from SFY 2025 to SFY 2027, in many cases, Medicare rates have increased at a higher rate than the increases observed in the Medicaid fee schedules. Therefore, for Dual claims, the repricing impact is negative (at approximately ($0.2) million) due to Medicare paying a larger portion of the claim than what was observed in the SFY 2025 base period.

The estimated impact of all FQHC reimbursement updates is approximately $3.5 million.

Physician (non-FQHC) Reimbursement

Standard Population

To develop the adjustment factor for physician reimbursement, we performed a repricing analysis to evaluate individual encounter data claims using Medicaid FFS reimbursement methodology at the current Medicaid fee schedule. This includes application of the enhanced fee schedule for qualifying physicians providing evaluation & management services. Although the enhanced fee schedule was effective prior to July 2021, the entirety of the fee schedule change is not reflected in the SFY 2025 base data as some MCOs do not reflect the entire increase through the encounter claims. Therefore, the repricing of all qualifying physician claims to the enhanced fee schedule increases the physician expenditures reported in the encounter base data (see 'Base Physician Repricing' in Figure 13).

We reviewed the distribution of the MCO paid amount relative to the repriced value using Medicaid fee-for-service reimbursement. We established an upper and lower bound from this distribution to ensure we captured a representative sample of claims that encompassed the multimodal distribution of the repriced values relative to the MCO paid amounts. Additionally, we reviewed the upper and lower bounds to ensure we captured a representative volume of the encounter claims reflected in the SFY 2025 base data for the repricing and reimbursement adjustment analyses. Similar to SFY 2026, a more prominent mode existed in the distribution with very little unusual activity in the tails of the distribution. As such, we kept the upper and lower bounds consistent with SFY 2026 assumptions.

We began with all non-FQHC physician claims and excluded any claims where the MCO paid amount was either below 50% of the repriced value or above 150% of the repriced value, to focus the analysis within a reasonable repricing bound. The application of exclusion criteria resulted in the repricing of approximately 88.4% of total non-FQHC physician dollars.

The 'Base Physician Repricing' column in Figure 13 represents the impact of repricing to the Medicaid fee schedule effective July 1, 2024, including the enhanced fee schedule discussed above. Additionally, consistent with SFY 2026, claims provided by teaching physicians and billed by a non-teaching facility qualify for the enhanced fee schedule, while claims provided by teaching physicians and billed by a teaching facility are assumed to be reimbursed at the standard fee schedule, where appropriate. The estimated impact of the repricing adjustment based on SFY 2027 projected enrollment is approximately $9.6 million.

Aside from specific physician reimbursement updates described in sections below, SCDHHS does not anticipate additional physician fee schedule updates through SFY 2027. Thus, the July 1, 2024 fee schedule referenced above is anticipated to remain effective in SFY 2027.

Dual/LTSS Populations

Due to data limitations, we are unable to perform a comprehensive repricing analysis of all claim utilization for the dual-eligible population to estimate the impact of physician reimbursement updates. We receive monthly claim line detail from SCDHHS on all FFS claims where there is a Medicaid payment; however, we do not receive claim information on FFS claims with $0 Medicaid liability.

5 https://www.cms.gov/files/document/r12951cp.pdf

For example, for dual-eligible members where the Medicare payment exceeds the Medicaid allowed amount on the composite claim, the claim would have $0 Medicaid liability. In these cases, we do not have access to the claim line detail for repricing analyses.

For the Dual/LTSS population, the SFY 2025 base data reflects fee-for-service experience for the entire base period. As a result, the underlying physician claims in the base data were already reimbursed using the applicable Medicaid FFS fee schedule, and therefore no additional adjustment is needed for the base physician repricing component.

An additional adjustment was developed for dual members to reflect expected changes in Medicare cost sharing between the SFY 2025 base period and the SFY 2027 rating period. For dual members, Medicaid liability on many physician claims is limited to the Medicare cost-sharing amount, which is determined in part by using the applicable Medicare physician fee schedule. Because the base period spans July 2024 through June 2025, the associated Medicare cost-sharing amounts reflect a blend of CY 2024 and CY 2025 Medicare fee schedules. In contrast, the rating period of July 2026 through June 2027 is expected to reflect Medicare cost-sharing amounts based on the CY 2026 and CY 2027 Medicare fee schedules.

Due to data limitations for the dual-eligible population as described above, we estimated this adjustment using a proxy population of non-dual SSI adults age 45 and older, which was assumed to be reasonably representative of the utilization of the dual population. For this proxy population, we repriced applicable physician claims using the Medicare physician fee schedules underlying the base period and the rating period and applied claim coordination logic assuming Medicare payment at 80% of the applicable Medicare-allowed amount. The base-period estimate reflects a blend of CY 2024 and CY 2025 Medicare fee schedules. The rating-period estimate reflects CY 2026 Medicare fee schedule levels for the entire SFY 2027 projected utilization, since the CY 2027 Medicare fee schedule is not yet final. To develop the adjustment, we estimated the difference in Medicare cost-sharing amounts between the base-period and rating-period. The estimated impact of the CY 2026 Medicare adjustment based on SFY 2027 projected enrollment is approximately ($4.6) million.

Figure 13 presents the combined results of the FQHC and non-FQHC repricing analyses.

FIGURE 13: COMPOSITE PHYSICIAN AND ANCILLARIES PMPM ADJUSTMENTS BY RATE CELL

RATE CELL	FQHC FEE SCHEDULE UPDATE	BASE PHYSICIAN REPRICING	CY 2026 MEDICARE	COMPOSITE ADJUSTMENT
TANF: 0-2 months old (AH3)	$ 0.98	$ 0.22	$ 0.00	**$ 1.20**
TANF: 3-12 months old (AI3)	0.30	(0.24)	-	**0.06**
TANF: Age 1-6 (AB3)	0.14	0.95	-	**1.09**
TANF: Age 7-13 (AC3)	0.28	0.57	-	**0.85**
TANF: Age 14-18, Male (AD1)	0.19	0.58	-	**0.77**
TANF: Age 14-18, Female (AD2)	0.27	0.95	-	**1.22**
TANF: Age 19-44, Male (AE1)	0.25	0.31	-	**0.56**
TANF: Age 19-44, Female (AE2)	0.53	1.18	-	**1.71**
TANF: Age 45+ (AF3)	0.67	0.30	-	**0.97**
SSI - Children (SO3)	0.33	6.53	-	**6.86**
SSI - Adults (SP3)	1.10	2.04	-	**3.14**
SMI Children (VV3)	1.04	3.04	-	**4.08**
SMI TANF Adults (TP3)	1.15	1.59	-	**2.74**
SMI SSI Adults (UP3)	1.74	2.11	-	**3.85**
OCWI (WG2)	0.51	2.04	-	**2.55**
Foster Care - Children (FG3)	0.64	10.32	-	**10.96**
KICK (MG2/NG2)	4.02	(1.03)	-	**2.99**
Dual Community Well 18+	(0.13)	-	(3.63)	**(3.76)**
Dual Nursing Facility 18+	(0.07)	-	4.19	**4.12**
Dual Waiver 18+	(0.17)	-	(3.78)	**(3.95)**
Non-Dual Nursing Facility 18+	0.08	-	-	**0.08**
Non-Dual Waiver 18+	0.51	-	-	**0.51**

For each rate cell, more detailed PMPM adjustments are applied at the category of service level and can be found in the “program and policy” section of Appendix 6 and the “reimbursement adjustment” section of Appendix 7.

Behavioral Health (BH) Fee Schedule Update

Effective December 1, 2025, SCDHHS updated reimbursement rates for a subset of behavioral health services for Rehabilitative Behavioral Health Services (RBHS) providers, Office of Substance Use Services (OSUS) providers, and Licensed Independent Practitioners (LIP). To estimate the impact of this reimbursement change, applicable behavioral health expenditures in the SFY 2025 base data period were repriced to the December 1, 2025 fee schedule.

Due to data limitations for the dual-eligible population referenced above, we estimated the impact of the BH rate change on the dual population by applying Medicare claim coordination logic, which assumes Medicare pays at 80% of the current Medicare rate, to a proxy population consisting of non-dual SSI-Adults aged 45+. We have assumed the experience in this proxy population is representative of utilization of the dual carve-in population.

Using SFY 2025 utilization for the proxy population, we repriced all claims using Medicare claim coordination logic rules at current Medicaid and Medicare rates. To develop the adjustment factor, the repriced proxy base data was compared to repriced claims at the rates effective December 1, 2025. Note that the CY 2027 Medicare fee schedule is not yet final, so CY 2027 Medicare rates are assumed to be consistent with CY 2026 Medicare rates.

An adjustment is applied to the Professional MH/SA, Other Professional, and Office/Home Visits/Consults categories of service and is estimated at approximately $12.2 million based on SFY 2027 projected membership.

Opioid Treatment Programs (OTP) Reimbursement Update

Effective October 1, 2025, SCDHHS increased reimbursement rates for methadone and buprenorphine (procedure codes G2067 and G2068) treatment. We estimated the impact of this rate change by repricing all impacted claims to the October 1, 2025 fee schedule. Additionally, based on SCDHHS guidance, we have assumed that utilization of procedure codes G2067 and G2068 will increase by approximately 10%. An adjustment is applied to the professional MH/SA category of service and is estimated at approximately $6.7 million based on SFY 2027 projected membership.

For the dual population, the Medicaid OTP rates applicable during the SFY 2025 base period were below 80% of the CY 2024 and CY 2025 Medicare rates; therefore, there is no utilization in the SFY 2025 base data. The updated 10/1/25 Medicaid OTP rates remain below 80% of the CY 2026 Medicare rates; therefore, we are assuming $0 Medicaid liability for duals on OTP claims. As such, there is no assumed impact to the dual rate cells. Note that the CY 2027 Medicare fee schedule is not yet final, so no additional impact is assumed for CY 2027 OTP updates.

Dental ASC Reimbursement

Effective July 1, 2026, SCDHHS anticipates implementing a flat Ambulatory Surgical Center (ASC) encounter rate of $1,359 per visit, to be reimbursed using HCPCS code G0330. To develop the adjustment factor for this program change, we estimated a “representative” encounter rate by summing all ASC dental services for an individual member in a given day into a cost/visit amount and calculated the average cost/visit at ASCs in SFY 2025. The resulting ASC dental cost/visit included in the SFY 2025 base data is approximately $1,738. Repricing each visit at the updated $1,359 encounter rate results in an impact of approximately ($0.9) million based on SFY 2027 projected membership, primarily impacting the Ancillary Dental category of service.

State-Owned PRTF Services

Effective January 1, 2026, SCDHHS implemented a $1,330 per day rate for state-owned governmental PRTF providers. Based on guidance from SCDHHS, the new facility opened in mid-February 2026 and is expected to have approximately 5 beds available to MCO members at the beginning of SFY 2027, ramping up to approximately 11 beds by the end of SFY 2027. Based on SFY 2027 projected membership, this update reflects an increase of approximately $4.3 million.

APR DRG Version 42 Update and Base Rate Changes

Effective October 1, 2025, SCDHHS updated the hospital inpatient reimbursement methodology from version 32 to version 42 of the Solventum™ (formerly 3M™) All Patient Refined Diagnosis Related Groups (APR DRGs) classification system and updated hospital-specific DRG base rates and other system payment parameters.

To estimate the impact of this change, we performed a repricing analysis on SFY 2025 inpatient hospital claims using Medicaid FFS reimbursement methodology at the updated version 42 Medicaid fee schedule. The estimated impact of the October 1, 2025 update is approximately $3.4 million on the Standard population and approximately ($5.4) million on the Dual/LTSS population, based on SFY 2027 projected membership.

Inpatient GME Removal – FFS Data

For all applicable Graduate Medical Education (GME) hospitals, GME was paid within the hospital inpatient claim payment in the FFS base data, which differs from MCO inpatient payments that do not include GME.

To estimate the impact of this program change, we repriced non-dual FFS experience to the original APR-DRG version 32 effective during the base period. The experience was repriced using base rates including GME and compared to repriced experience excluding GME components. The impact is estimated at approximately ($3.1) million based on SFY 2027 projected membership, impacting the non-dual LTSS population only.

MUSC Florence – Inpatient Hospital Reimbursement Changes

Effective February 1, 2026, SCDHHS increased the inpatient hospital base rate for MUSC Health Florence hospital (provider ID: A00566) from the October 1, 2025 base rate of $10,982.66 to $14,836.96, or approximately 35%. Base data experience was repriced to estimate the impact of the change for all non-dual rate cells. An adjustment is applied to the inpatient category of service and is estimated at approximately $4.5 million based on SFY 2027 projected membership.

MUSC Black River – Inpatient and Outpatient Hospital Reimbursement Changes

Effective July 1, 2025, SCDHHS added a facility, MUSC Black River Health, to be reimbursed under the state directed rural hospital minimum fee schedule established July 1, 2023. As such, SCDHHS updated the inpatient hospital-specific base rate and outpatient multiplier for MUSC Black River Health and requires all MCOs to reimburse at no less than the applicable Medicaid fee-for-service rate. An adjustment is applied to the inpatient and outpatient categories of service and is estimated at approximately $0.5 million and $2.4 million, respectively, based on SFY 2027 projected membership.

Bausch Health Termination from Medicaid Drug Rebate Program

Effective October 1, 2025, the drug manufacturer Bausch Health terminated their enrollment in the Medicaid Drug Rebate Program (MDRP), resulting in Medicaid programs no longer being able to reimburse for drugs manufactured by Bausch Health or their subsidiaries. Members taking prescription drugs (brand and generic) manufactured by Bausch Health or their subsidiaries will have to consider alternative treatments. We reviewed MCO pharmacy claims for Bausch Health drugs to determine the anticipated impact to pharmacy expenditures.

Bausch Health manufactures the drug Xifaxan which is indicated for the treatment of hepatic disease. There are very few therapeutic alternatives for this drug. Bausch Health announced a patient assistance program (PAP) designated for Medicaid members who would lose access to Xifaxan because of their withdrawal from the MDRP. It is anticipated that the Xifaxan financial responsibility would transition from the MCO pharmacy benefit to the Bausch PAP leading to a reduction in pharmacy expenditures. The removal of Xifaxan expenditures accounts for the vast majority of the fiscal impact of the Bausch Health adjustment. Shifting assumptions based on clinical review were applied for other Bausch Health drugs, resulting in minor increases and decreases for each impacted drug class. An adjustment is applied to the Retail Pharmacy category of service and is estimated at approximately ($2.6) million based on SFY 2027 projected membership.

Independent Pharmacy – State Plan Reimbursement

Effective January 1, 2026, SCDHHS requires all MCOs to reimburse independent pharmacy providers at the Medicaid FFS rate for all therapeutic treatments, excluding 340B and vaccine claims. To estimate the impact of this reimbursement change, we performed a repricing analysis on the SFY 2025 pharmacy base data. The repricing analysis was performed by comparing independent pharmacy reimbursement at MCO contracting levels during the SFY 2025 base data period to the Medicaid FFS fee schedule effective January 1, 2026. The estimated impact of this state directed payment based on SFY 2027 projected membership is an increase of approximately $9.2 million.

Prospective Program Change Review

Figure 14 illustrates the fiscal impact of the prospective program adjustments based on projected SFY 2027 membership.

FIGURE 14: PROSPECTIVE PROGRAM ADJUSTMENTS – PROJECTED IMPACT ($ MILLIONS)

			Dual/LTSS Population	
Program Change	Category of Service Impacted	Standard Population	Dual Rate Cells	Non-Dual Rate Cells
Autism Utilization	Professional	$ 8.0	$ 0.0	$ 0.1
Removal of GLP-1 Drugs for Obesity	Retail Pharmacy	($ 2.5)	($ 0.0)	($ 0.1)
Removal of Nursing Facility Coverage for First 90 Days	Inpatient Hospital	($ 7.6)	$ 0.0	$ 0.0
Crisis Stabilization Units	Outpatient Hospital	$ 1.3	$ 0.0	$ 0.0
PDL Adjustments	Retail Pharmacy	($ 38.0)	($ 0.0)	($ 1.3)
Part A Adjustment	Inpatient Hospital	$ 0.0	$ 1.0	$ 0.0
Part B Adjustment	Ancillary, Outpatient Hospital, Professional	$ 0.0	$ 1.3	$ 0.0

Autism Spectrum Disorder (ASD) Services

Effective July 1, 2026, SCDHHS is implementing updates to the ASD provider manual “that are designed to proactively address the utilization concerns with the ABA-specific service lines that have been highlighted by recent and ongoing federal OIG audits into ABA services in multiple states, as well as those highlighted through [SCDHHS's] own member and provider case escalations.” Some of the key policy changes impacting projected ASD utilization include the elimination of telehealth for behavior identification assessments (97151), a requirement for functional behavioral assessments when more than 15 hours per week of direct treatment is requested or when treatment is requested in a school-based setting, and stricter guidelines for protocol modification under treatment code 97155, among other updates to provider enrollment, credentialing, caregiver involvement, and treatment documentation requirements.

To estimate the financial impact of these policy changes, we used emerging ASD experience PMPM costs from July through December 2025 as the starting point for the adjustment. A 4% annualized trend was applied from the midpoint of the emerging experience period to the policy effective date of July 1, 2026 to estimate the rating period starting point.

In consultation with SCDHHS to reflect the anticipated impacts of the policy changes, the following adjustments were applied to the projected ASD expenditures:

An aggregate 45% dampening factor was applied to procedure code 97153 treatment hours exceeding 15 hours per week, reflecting lower expected treatment hours per member under the new policy. This reduction is assumed to be phased in uniformly over the first six months of the rating period to account for the anticipated transition period as existing treatment plans are modified to align with the new policy requirements. A 15% dampening factor was applied to non-97153 ASD services, also phased in uniformly over the first six months of the rating period. No additional trend was applied beyond July 1, 2026, reflecting anticipated slowed growth in the number of members receiving ASD services due to policy changes such as the elimination of telehealth assessments and stricter guidelines for protocol modification. An adjustment is applied to the ASD Services category of service and is estimated at approximately $8.0 million based on SFY 2027 projected membership.

Removal of GLP-1 Weight Management Agents

Effective January 1, 2026, SCDHHS terminated coverage of GLP-1s for weight management. Wegovy was the primary treatment utilized for this benefit and totaled approximately $6.1 million in the SFY 2025 base data period. Based on emerging experience after the benefit change and consideration for an increase in utilization related to covered indications such as cardiovascular and metabolic-associated steatohepatitis (MASH), an adjustment is being applied to the pharmacy category of service. The estimated impact of this program change is an adjustment of approximately ($2.6) million based on SFY 2027 projected membership.

Removal of Nursing Facility Coverage for First 90 Days

Effective January 1, 2026, SCDHHS implemented a policy change to remove the coverage of the first 90 days for all claims at a nursing facility provider from managed care. For managed care members, beginning January 1, 2026, all nursing facility claims are covered by FFS. To account for this change, an adjustment was made to remove the nursing facility claims from the SFY 2025 base data period. The estimated impact of this adjustment for the inpatient hospital category of service is approximately ($7.6) million.

Crisis Stabilization Units (CSUs)

Effective January 1, 2024, SCDHHS added two new crisis stabilization state plan services, procedure codes S9484 (crisis intervention, hourly) and S9485 (crisis intervention, daily), for individuals in mental health crisis or suffering from substance use with or without co-occurring mental health disorders. These services are available to hospitals that have both constructed separate behavioral health emergency units (EmPATH units) and have enrolled in the EmPATH program for reimbursement. To develop the adjustment impact, we estimated SFY 2027 utilization based on facility-specific chair (S9484) and bed (S9485) capacity assumptions provided by SCDHHS, as well as emerging experience and updated effective dates for facilities that are anticipated to offer crisis stabilization services in SFY 2027.

The estimated utilization for each service was multiplied by the reimbursement rates[6] established January 1, 2024 to determine the projected CSU expenditures in SFY 2027. In addition to the crisis stabilization unit experience in the base data, an adjustment of approximately $1.4 million is applied to the Other Outpatient category of service to reach the projected SFY 2027 expenditures.

Single Preferred Drug List (PDL)

Effective July 1, 2024, SCDHHS implemented a single PDL for the managed care program, based on SCDHHS's formulary. A utilization shifting methodology was applied to estimate the pharmacy products that are expected to be utilized during the SFY 2027 contract period based on the PDL anticipated to be effective on July 1, 2026.

The formulary file relied upon is the April 2026 SCDHHS PDL received from SCDHHS. Additionally, SCDHHS has provided anticipated PDL changes that will occur prior to and during SFY 2027 that were considered in the adjustment development.

Our evaluation of the single PDL transition followed the methodology outlined below.

(1) **Create PDL groupings.** The PDL file provided by SCDHHS contains a field called Market Basket, which is a grouping of products intended to be used for similar indications. This is the base level we used to develop PDL groupings, with further delineation of the Market Baskets as clinically appropriate. For example, we stratified the "Hypoglycemics, Insulin and Related Agents" Market Basket further to recognize the type of insulin (e.g., long-acting vs rapid-acting) and formulation (e.g., vials vs pens).

(2) **Utilization shifting.** Within each PDL grouping, the utilization shifting methodology can be viewed as a two-step process:

1. *General shifting*. This step reflects anticipated utilization shifts within PDL groupings based on emerging experience. Generally, this step assumes shifting of non-preferred agents to preferred agents within the same PDL grouping, based on the observed distribution of utilization within the grouping during the base period and emerging experience.

[6] Medicaid Bulletin (December 7, 2023) "Addition of hospital-based Crisis Stabilization Services": https://www.scdhhs.gov/sites/dhhs/files/documents/(2023-12-7)%20Addition%20of%20Hospital-based%20Crisis%20Stabilization%20Services%20v7.pdf, Accessed April 30, 2026

2. *Clinical review*. The default shifting assumptions from step 1 were reviewed and, where appropriate, overridden based on clinical review. This review included consideration of the current utilization distribution, market conditions, anticipated PDL changes during the rating period, and other clinical factors. For PDL groupings where a brand product is preferred over a generic alternative, the brand market share assumption was developed as part of this clinical review based on the current brand-over-generic (B/G) PDL list and known upcoming PDL changes. In general, a brand market share of 98% was applied to products on the B/G list, reflecting achievability and consistency with SCDHHS's 95% compliance requirement. Exceptions were made for classes where multiple preferred agents exist within the grouping and full shifting to a single brand product was not anticipated.

   The assumed preferred market share considers whether the product is a specialty drug. We understand that most specialty drugs require prior authorization and, in many cases, members may have tried and failed other preferred first-line therapy. Because of this, we assumed minimal shifting for specialty drugs except in cases where there is a preferred biosimilar product which are noted below.

   In some instances, the clinical review validated the model shift from step 1; in others, selections were made to reflect a more appropriate shifting assumption.

(3) **Cost per script assumption.** The total impact of the shifting is calculated by multiplying the shifted utilization by product by its cost per script.

1. Generally, the MCO composite cost per script included in the base data for a product is applied as the assumed cost per script for the shifted SFY 2025 utilization.

2. The final cost per script assumptions reflect price reductions to a number of brand name drugs occurring in January and February 2026. The impacts of these price changes were material in some PDL groupings, especially those that have a preferred brand over generic strategy in place. The cost per script adjustment impact on assumed SFY 2027 shifted utilization is estimated at approximately ($3.9) million based on SFY 2027 projected enrollment. The following products had the largest impacts due to the price reductions:

   - Hypoglycemics, insulin and related agents – Jardiance, Farxiga, Tresiba FlexTouch, Humalog U200
   - Anticoagulants - Oral – Eliquis

- **Clinical Review: Key Drivers**

(1) Cytokine and CAM Antagonists –

a. **Humira biosimilars** – We assume that utilization will shift from the brand Humira to the biosimilars adalimumab-adaz and Hadlima, based on anticipated PDL changes provided by SCDHHS. Specifically, Hadlima and adalimumab-adaz are anticipated to be added as preferred treatments effective June 1, 2026 and Humira is anticipated to be moved from preferred to non-preferred effective August 1, 2026. The projected SFY 2027 utilization distribution for all biosimilars and Humira is approximately 67% and 33%, respectively.

b. **Stelara biosimilar** – We assume that utilization will shift from the brand Stelara to the biosimilar Starjemza, based on anticipated PDL changes provided by SCDHHS. Specifically, Starjemza is anticipated to be added as a preferred treatment effective June 1, 2026 while Stelara will remain non-preferred. The projected SFY 2027 utilization distribution for Starjemza and Stelara is 80% and 20%, respectively.

(2) Angiotensin Modulators – We assume that utilization will shift from Entresto to the preferred generic sacubitril/valsartan based on the PDL change 4/1/2026. Generic utilization is assumed at 98% for projected SFY 2027 utilization.

(3) Opiate Dependence Treatments – We assume that utilization for brand Suboxone film will shift to generic Suboxone film based on anticipated PDL changes effective August 1, 2026. Brand Suboxone Film is anticipated to shift from preferred to non-preferred, while the generic becomes preferred.

(4) ADHD - Methylphenidate ER – Starting in the second half of the base period and continuing through emerging experience, utilization has shifted from Concerta, which was preferred on the

initial 7/1/2024 PDL but became non-preferred 1/1/2025. Utilization has shifted towards the preferred generics and the SFY 2027 projected utilization reflects that.

An adjustment is applied to the prescription drug category of service and is estimated at approximately ($39.3) million based on SFY 2027 projected membership. Figure 15 below shows the top 10 classes in terms of absolute impact. Note that the total ingredient cost impact of ($44.2) million illustrated in the table is based on SFY 2025 base data utilization.

FIGURE 15: SINGLE PDL UTILIZATION SHIFTING IMPACTS

PDL GROUPING	[A] ORIGINAL INGREDIENT COST	[B] SHIFTED INGREDIENT COST	[C] = [B] - [A] UTILIZATION SHIFTING IMPACT	[D] COST PER SCRIPT REDUCTION IMPACT	[E] = [C] + [D] TOTAL INGREDIENT COST IMPACT
CYTOKINE AND CAM ANTAGONISTS - HUMIRA	$ 39.5	$ 23.3	($ 16.2)	$ 0.0	($ 16.2)
CYTOKINE AND CAM ANTAGONISTS - STELARA	$ 16.6	$ 3.9	($ 12.7)	$ 0.0	($ 12.7)
ANGIOTENSIN MODULATORS - ENTRESTO	$ 6.9	$ 0.5	($ 6.4)	$ 0.0	($ 6.4)
ADHD - METHYLPHENIDATES ER	$ 14.8	$ 11.7	($ 3.1)	$ 0.0	($ 3.1)
OPIATE DEPENDENCE TREATMENTS	$ 7.4	$ 5.3	($ 2.0)	$ 0.0	($ 2.0)
ADHD - AMPHETAMINES ER	$ 19.5	$ 18.2	($ 1.3)	$ 0.0	($ 1.3)
MULTIPLE SCLEROSIS AGENTS	$ 9.0	$ 10.3	$ 1.3	$ 0.0	$ 1.3
HEPATITIS C AGENTS - DAA	$ 4.2	$ 5.4	$ 1.2	$ 0.0	$ 1.2
INSULIN - LONG ACTING - PEN - LANTUS	$ 4.4	$ 3.3	($ 1.1)	$ 0.0	($ 1.1)
ANTICONVULSANTS - CARBAMAZEPINE DERIVATIVES	$ 3.0	$ 2.4	($ 0.6)	$ 0.0	($ 0.6)
ALL OTHER PDL GROUPINGS	$ 752.1	$ 753.3	$ 1.1	($ 4.5)	($ 3.4)
Total	**$ 877.4**	**$ 837.7**	**($ 39.7)**	**($ 4.5)**	**($ 44.2)**

Part A Deductible Increases

Effective January 1, 2025, the Medicare Part A deductible increased from the CY 2024 amount of $1,632 to $1,676 based on a 2025 Medicare Cost Sharing fact sheet published by CMS on November 8, 2024. Effective January 1, 2026, the Medicare Part A deductible increased from the CY 2025 amount of $1,676 to $1,736 based on a 2026 Medicare Cost Sharing fact sheet published by CMS on November 14, 2025. All inpatient claims in the SFY 2025 base data that were paid at the CY 2024 Medicare deductible (for dates of service from July through December 2024) or the CY 2025 deductible (for dates of service from January through June 2025) were repriced to the CY 2026 Part A deductible level.

In addition to the Medicare Part A deductible increases, we also reviewed inpatient cost sharing information provided to us in 2024, 2025, and 2026 SC D-SNP Plan Benefit Packages (PBPs) to evaluate changes between the SFY 2025 base period and SFY 2027 contract year. As the D-SNP population comprises a material portion of the base data and some plans have deductibles that vary from the standard Part A deductibles, this enabled us to reprice a greater proportion of inpatient claims to the anticipated SFY 2027 reimbursement levels.

Note that we did not assume any changes for CY 2027 deductible levels and plan to evaluate any potential rate impacts when that information becomes available.

An adjustment is applied to the Inpatient Hospital category of service and is estimated at approximately $1.0 million based on SFY 2027 projected membership, impacting only the dual carve-in population.

Part B Deductible Increases

Effective January 1, 2026, the Medicare Part B deductible increased to $283 based on a 2026 Medicare Cost Sharing fact sheet published by CMS on November 14, 2025. To estimate the impact of this change, Medicaid reimbursement for all services covered under Medicare Part B was accumulated for each half of the base period for each individual, wherein the Part B deductible was $240 for the first half of the base period (CY 2024), and $257 for the second half of the base period (CY 2025). To account for the differing Part B deductible periods in the base, individuals were stratified into groups for each half of the base period, with the impact to the Medicaid cost-sharing assumed to change as follows:

First half of the base period

(1) **Individuals with total CY 2024 Medicaid paid amount less than the CY 2024 Part B deductible ($240).** Because total Part B-eligible claims for these individuals in CY 2024 are below $240, the claim payments are also assumed to be below $283, which is the part B deductible amount for 2026. Therefore, we assume no impact to the Medicaid paid amount for these claims as they would not be impacted by the Part B deductible update.
(2) **Individuals with total CY 2024 Medicaid paid amount greater than or equal to the CY 2024 Part B deductible ($240) prior to the start of the base period.** Because total Part B-eligible claims for these individuals exceed the CY 2024 Part B deductible prior to the start of the base period, we assume the individual has reached the coinsurance phase during the base period. We assume the individual will meet the CY 2026 Medicare Part B deductible in 2026 prior to the start of the SFY 2027 rating period. Therefore, we assume no impact to the Medicaid paid amount for these claims as they would not be impacted by the Part B deductible update.
(3) **Individuals who meet the CY 2024 Part B deductible ($240) during the base period.** The total Medicare allowed amount was estimated by assuming the Medicaid paid amount reflected the CY 2024 Medicare Part B deductible plus 20% coinsurance of the Medicare allowed amount less the deductible. For individuals in this category, any amount up to $283 of the Medicare allowed amount is assumed to be fully paid by Medicaid as the CY 2026 Part B deductible, with 20% of the remainder allocated to Medicaid as the Medicare Part B coinsurance amount.

Second half of the base period

(1) **Individuals with total Medicaid paid amount less than or equal to the CY 2025 Part B deductible ($257).** Because total Part B-eligible claims for these individuals in CY 2025 are below $257, the claim payments are also assumed to be below $283, which is the Part B deductible amount for 2026. Therefore, we assume no impact to the Medicaid paid amount for these claims as they would not be impacted by the Part B deductible update.
(2) **Individuals with total Medicaid paid amount greater than the CY 2025 Part B deductible ($257).** The total Medicare allowed amount was estimated by assuming the Medicaid paid amount reflected the CY 2025 Medicare Part B deductible plus 20% coinsurance of the Medicare allowed amount less the deductible. For individuals in this category, any amount up to $283 of the Medicare allowed amount is assumed to be fully paid by Medicaid as the CY 2026 Part B deductible, with 20% of the remainder allocated to Medicaid as the Medicare Part B coinsurance amount.

Note that we did not assume any changes for CY 2027 deductible levels and plan to evaluate any potential rate impacts when that information becomes available. An adjustment is applied to the Professional, Outpatient Hospital, and Ancillary categories of services (excluding Incontinence Supplies, Dental, and "Other Ancillary" services) and is estimated at approximately $1.3 million based on SFY 2027 projected membership, impacting only the dual carve-in population.

Changes in Covered Population

Figure 16 illustrates the fiscal impact of the adjustments made to reflect changes in the covered population based on projected SFY 2027 membership.

FIGURE 16: POPULATION ADJUSTMENTS – PROJECTED IMPACT ($ MILLIONS)

			Dual/LTSS Population	
Population Adjustment	Category of Service Impacted	Standard Population	Dual Rate Cells	Non-Dual Rate Cells
Population Acuity Adjustment	All	$ 103.6	$ 0.0	$ 0.0
Out of State Member Removal Adjustment	All	$ 31.0	$ 0.2	$ 0.0
Foster Care Adjustment	All	$ 4.2	$ 0.0	$ 0.0

Population Acuity Adjustment – Post-PHE Continued Disenrollments and Periodic Data Matching Impacts

Following the completion of the PHE unwinding and anticipated reenrollment period, we observed material declines in membership for the TANF Adult and TANF Children populations, beginning in May 2025 and

continuing through April 2026. Review of May and preliminary June 2026 enrollment provides an indication that enrollment is stabilizing, which informed our SFY 2027 membership projection.

In addition to membership changes between SFY 2025 and SFY 2027, a subset of members were impacted by CMS's Periodic Data Matching (PDM) process beginning in August 2025, which identified members enrolled in both Marketplace coverage and Medicaid. SCDHHS provided us with CMS' list of the 2025 Round 2 and 2026 Round 1 PDM members. We have assumed that after disenrolling from their Marketplace coverage, these PDM-identified members would experience costs similar to non-PDM members.

The population acuity adjustment for the TANF Adult and Children populations estimates the difference in acuity between actual SFY 2025 experience and a projected stable market. In a stable membership environment, the population is comprised of a subset of members who are anticipated to stay in the program and another subset of members who are expected to leave the program (both by death or other disenrollment) and be replaced by new members, contributing to steady enrollment patterns throughout the period. To project the anticipated acuity of a stable environment relative to the SFY 2025 base period which included a greater number of members who disenrolled from the program, we applied the following methodology:

- Summarize SFY 2025 experience by rate cell into the following segments to estimate the cost profiles of each population:
    - **Persistent population**. Members who remained enrolled in Medicaid from July 2024 through April 2026, split between PDM and non-PDM populations. The PMPMs for the non-PDM population were assumed to be more representative of the expected cost profile of the population in SFY 2027; therefore, the PMPM of all PDM-identified members was increased to the average cost of non-PDM members in the SFY 2025 base period to estimate the cost profile of the persistent population.
        - Note that we did not receive information from CMS for the 2025 Round 1 PDM impacts; therefore, an explicit adjustment was not made for these members in the acuity factor development. However, the 2025 Round 1 PDM impacts were assumed to be reflected in emerging experience beginning in August 2025. As such, we relied on our review of emerging medical and pharmacy experience from August through October 2025 and adjusted trend factors, where appropriate, to account for the estimated impact of the initial round of CMS' PDM process.
    - **Churn population.** All other members. In a stable program environment, the proportions of persistent members, disenrollees, and new joiners are assumed to remain relatively consistent over time. Because the SFY 2025 base period reflects elevated transitional disenrollment activity, the observed cost profile of base period disenrollees was not considered representative of stable-state churn. Instead, the composite cost profiles of joiners and deceased members, both reflecting recurring program dynamics expected to persist into SFY 2027, were used as proxies for the PMPM cost of the churn population in the projection period.
- Estimate an assumed "stable" composition of persistent vs churn member months by rate cell to reflect anticipated SFY 2027 program membership.
    - Persistent member months were estimated by summing total member months for all individuals who remained enrolled in Medicaid from July 2024 through April 2026 by rate cell.
    - To estimate the churn member months, we first summed total disenrollments by rate cell from July 2024 through April 2026 to identify the total members leaving the program. The net disenrollments (total disenrollments less joiners) from the SFY 2025 base data to the SFY 2027 projection period were then subtracted from this total to arrive at the estimated "stable" churn population.
- Develop a weighted average PMPM of an assumed "stable" population using the cost profiles and membership weightings described above.
- Compare the "stable" population PMPM to the SFY 2025 PMPM (adjusted to remove out of state experience) to develop the acuity factor applied to each rate cell in the capitation rate development.

The detailed calculation of the acuity factors for the TANF rate cells is illustrated in Figure 17 below.

FIGURE 17 – ACUITY ADJUSTMENT DEVELOPMENT – TANF POPULATION

		Stable Population					
		Persistent		Net Churn			
RATE CELL	SFY 2025 Base PMPM* [A]	Member Months [B]	PMPM [C]	Member Months [D]	PMPM [E]	Composite PMPM [F]=(BxC)+(DxE)	Adjustment Factor [G] = [F] / [A]
TANF Children							
TANF - Age 1 - 6, Male & Female	$ 153.38	86.3%	$ 161.68	13.7%	$ 117.14	$ 155.59	1.014
TANF - Age 7 - 13, Male & Female	131.09	88.1%	141.43	11.9%	127.04	139.72	1.066
TANF - Age 14 - 18, Male	140.99	75.1%	153.65	24.9%	127.31	147.09	1.043
TANF - Age 14 - 18, Female	153.68	76.6%	163.04	23.4%	184.22	168.00	1.093
TANF Children Subtotal	**$ 142.79**	**84.4%**	**$ 152.35**	**15.6%**	**$ 134.71**	**$ 149.60**	**1.048**
TANF Adult							
TANF - Age 19 - 44, Male	$ 207.07	62.7%	$ 280.83	37.3%	$ 193.10	$ 248.07	1.198
TANF - Age 19 - 44, Female	294.81	77.6%	337.36	22.4%	298.70	328.69	1.115
TANF - Age 45+, Male & Female	580.17	67.5%	695.15	32.5%	643.97	678.51	1.170
TANF Adult Subtotal	**$ 325.42**	**74.7%**	**$ 377.25**	**25.3%**	**$ 344.30**	**$ 368.91**	**1.134**
Total	**$ 173.70**	**82.7%**	**$ 186.72**	**17.3%**	**$ 186.72**	**$ 186.72**	**1.075**

Notes:

1. * Excludes OOS Members
2. Persistent PMPMs reflect the impact of PDM
3. While the acuity adjustment was developed at the service category level, adjustment factors in column [G] reflect composite factors across all service categories

Figure 18 illustrates the resulting assumed relative acuity impact by rate cell and service category between the SFY 2025 base data period and the anticipated SFY 2027 rating period. Note that the SSI – Adult, SMI TANF Adult, and SMI SSI Adult rate cells are only impacted by changes related to PDM membership.

FIGURE 18 – ACUITY ADJUSTMENT FACTORS

RATE CELL	INPATIENT	OUTPATIENT	PHARMACY	PROFESSIONAL	ANCILLARY	COMPOSITE
TANF Rate Cells						
TANF - Age 1 - 6, M & F	0.933	1.027	1.049	1.014	0.997	**1.014**
TANF - Age 7 - 13, M & F	1.079	1.060	1.067	1.065	1.072	**1.066**
TANF - Age 14 - 18, M	0.945	1.036	1.064	1.070	1.001	**1.043**
TANF - Age 14 - 18, F	1.414	1.025	1.047	1.076	1.076	**1.093**
TANF - Age 19 - 44, M	1.297	1.286	1.035	1.287	1.272	**1.198**
TANF - Age 19 - 44, F	1.133	1.130	1.072	1.135	1.173	**1.115**
TANF - Age 45+, M & F	1.142	1.226	1.120	1.222	1.241	**1.170**
Rate Cells Impacted by PDM Only						
SSI - Adults	1.003	1.006	1.006	1.004	1.004	**1.005**
SMI TANF Adults	0.997	1.002	1.003	1.001	1.000	**1.001**

Out of State Members Adjustment

SCDHHS identified Medicaid membership assumed to be out of state during the SFY 2025 base period and subsequently disenrolled from the program as of May 2025. An adjustment was made to reflect the removal of the Medicaid managed care member months from the base data, along with associated expenditures. The composite impact of this adjustment is an increase of 1.0% to the SFY 2027 capitation rates.

Foster Care Member Determinations

Per SCDHHS guidance, experience for approximately 7,000 member months included in the Foster Care rate cell in the base data period was shifted to other rate cells to reflect the appropriate rate cell assignment. Figure 19 illustrates the PMPM experience shift to all impacted rate cells.

FIGURE 19: FOSTER CARE EXPERIENCE SHIFT

RATE CELL	BASE PMPM	ADJUSTED PMPM	PERCENT CHANGE
TANF - 0 - 2 Months, Male & Female	$ 2,301.92	$2,301.94	0.0%
TANF - 3 - 12 Months, Male & Female	247.29	247.17	(0.0%)
TANF - Age 1 - 6, Male & Female	153.09	153.17	0.1%
TANF - Age 7 - 13, Male & Female	130.22	130.23	0.0%
TANF - Age 14 - 18, Female	152.47	152.42	(0.0%)
TANF - Age 14 - 18, Male	139.80	139.74	(0.0%)
TANF - Age 19 - 44, Female	289.24	289.26	0.0%
TANF - Age 19 - 44, Male	205.53	205.37	(0.1%)
TANF - Age 45+, Male & Female	574.80	574.80	0.0%
SSI - Adults	1,184.97	1,184.73	(0.0%)
SSI - Children	669.66	669.42	(0.0%)
SMI Children	516.63	516.47	(0.0%)
SMI TANF Adults	752.82	752.68	(0.0%)
SMI SSI Adults	1,734.36	1,734.29	(0.0%)
Foster Care Children	771.56	865.54	12.2%
OCWI	241.80	241.82	0.0%

Program changes deemed immaterial to benefit expenses in the rate period

Adjustment factors were developed for policy and program changes estimated to ***materially*** affect the managed care program during SFY 2027 that are not fully reflected in the base experience.

Program adjustments were made in the rate development process to the extent a policy or reimbursement change is deemed to have a material cost impact to the MCOs. In general, we defined a program adjustment to be 'material' if the total benefit expense for any individual rate cell is impacted by more than 0.1%. The following is a list of program adjustments deemed immaterial based on our review of the experience data and policy change.

- **Collaborative Care Management.** Effective October 1, 2024, SCDHHS added collaborative care model services for treating behavioral health conditions in primary care through the integration of care managers and psychiatric consultants.
- **Pediatric HIV Clinic Reimbursement Update.** Effective July 1, 2025, SCDHHS updated the reimbursement methodology for Pediatric HIV Clinics (PHC), previously known as Outpatient Pediatric AIDS Clinics. Services are reimbursed at a rate of $99 per unit for procedure code T1015 and $1,031 per unit for procedure code T1025.

(e) Exclusion of payments or services from the data

The following section documents exclusions and adjustments made to the base experience data: non-state plan services as identified by the in-rate criteria included in Appendix 5, IMD stays greater than 15 days for individuals aged 21 to 64, third-party liability recoveries, non-encounter claims payments, state plan services not covered by the capitation rate, pharmaceutical treatments covered by the anticipated SFY 2027 HCNE program, and claims attributed to the BabyNet program.

Services excluded from initial base data summaries

The FFS base experience data reflects application of the in-rate criteria for managed care covered services. There are no further exclusions applied to the FFS base data used in the development of the Dual/LTSS population. The base data exclusions described below apply to the managed care encounter data.

- ***Non-State Plan Services.*** We excluded all services included in the encounter data that do not reflect approved state plan services (nor are an approved in lieu of service). All claims for non-state plan services, totaling approximately $0.7 million, were excluded from the base experience data included in Appendix 6.
- ***State Plan Services Not Covered by the Capitation Rate.*** We excluded all services included in the encounter data that do not reflect covered benefits in the managed care program.

These services were identified through the application of in-rate criteria provided by SCDHHS and included in Appendix 5. All claims for non-covered services, totaling approximately $0.3 million, were excluded from the base experience data included in Appendix 6.

- ***Institution for Mental Disease (IMD) Stays Greater than 15 Days.*** We excluded all costs and associated member months for enrollees aged 21 to 64 associated with an IMD stay of more than 15 days in a calendar month. This exclusion included any other costs outside of the IMD for any services delivered during the time an enrollee was in the IMD for more than 15 days.

  All claims and associated member months associated with IMD stays greater than 15 days for the age 21 to 64 population, totaling approximately $2.0 million and 153 member months, respectively, were excluded from the base experience data included in Appendix 6.

- ***High Cost No Experience (HCNE) Exclusions.*** We excluded all expenditures included in the SFY 2025 encounter base data for pharmacy treatments that are anticipated to be included in the HCNE program during the SFY 2027 contract period. Note that there were no HCNE claims identified or excluded from the base experience data in Appendix 6.

- ***Exclusions for Members Past Date of Death.*** We excluded member months and associated claims incurred during the SFY 2025 experience period for all individuals in months following their date of death.

Adjustments made to base data

- ***Newborn Enrollment.*** Disruptions in processing eligibility for newborns caused a delay in newborn enrollment into the managed care program. We reviewed FFS data for all MCO-enrolled newborns to quantify the impact of the delayed enrollment into the managed care program. We reviewed FFS expenditures for MCO-enrolled individuals in the 0-2 month capitation rate cell. An adjustment was made to increase the encounter base data by $0.4 million, an increase of 0.2% to the 0-2 month rate cell, to include these expenditures that are expected to be covered by the MCOs during the SFY 2027 contract year.

- ***Vaccines for Children (VFC) Exclusions.*** Providers are required to provide vaccinations for Medicaid-eligible children under the age of 19 through the federal VFC program. Medicaid is only responsible for expenditures related to the administration of these vaccines. An adjustment was made to remove approximately $1.2 million in VFC claims from the SFY 2025 base data experience, impacting the professional and pharmacy categories of service.

- ***ICF-IID Adjustment.*** Individuals receiving ICF-IID institutional care were included in the development of the SFY 2025 base data cost models. Based on guidance from SCDHHS, these members are not anticipated to be carved in to managed care in SFY 2027. We summarized the claims and enrollment related to members receiving ICF-IID institutional care during the base period and quantified the impact of removing these higher cost members from the base data. The resulting adjustment was a ($0.3) million impact to the Dual/LTSS population.

- ***Third-Party Liability/Fraud and Abuse.*** In addition to actual cost avoidance reflected in the encounter data, we estimated additional third-party liability (TPL) and fraud recoveries based on an analysis of information submitted by the MCOs.

  These data sources indicated that approximately 0.17% of total claims were recovered and not reflected in the baseline experience data. The estimated adjustment factor of 0.9983 was uniformly applied to each service category and rate cell, excluding the Dual/LTSS populations, in Appendix 6.

- ***Non-encounter Claims Payment.*** We made an adjustment to the encounter base data period to reflect non-claim payments made to providers for items such as shared savings payments, quality incentives, and other similar provider incentive payments that are not reflected in the base data or in other components of the capitation rate. We have reviewed the information provided by the MCOs and included approximately $15.3 million in payments in the benefit cost component of the capitation rate development. This is reflected by an adjustment factor of 1.005, uniformly applied to each service category and rate cell, excluding the Dual/LTSS populations, in Appendix 6.

- ***BabyNet Adjustment.*** Effective July 1, 2019, SCDHHS carved-in BabyNet services for infants and toddlers under age 3 to the Medicaid managed care program. Because the BabyNet program is funded through a federal grant, expenditures related to this program are not subject to the Federal Medical Assistance Percentage (FMAP). As such, all estimated expenditures related to BabyNet are excluded from the SFY 2027 base capitation rate development and included as a separate BabyNet component to recognize the difference in funding sources.

  To estimate the BabyNet claims to be removed from the base data, we utilized SFY 2019 historical experience from Bridges invoice data provided by SCDHHS to estimate the percentage of MCO members accessing BabyNet services through Bridges and the estimated cost per month for those services. Based on this review and identification of BabyNet recipients in the SFY 2025 base period, we removed approximately $1.5 million from the base data that is assumed to be related to BabyNet expenditures.

3. Projected benefit cost and trends

This section provides information on the development of projected benefit costs in the capitation rates.

A. RATE DEVELOPMENT STANDARDS

i. Final capitation rate compliance

The final capitation rates are in compliance with 42 CFR 438.4(b)(6) and are only based on services outlined in 42 CFR 438.3(c)(1)(ii) and 438.3(e). Non-state plan services as identified by the in-rate criteria included in Appendix 5 have been excluded from the capitation rate development process. Effective July 1, 2019, SCDHHS expanded the use of IMDs as an in lieu of service for MH/SUD treatments for the 21 to 64-year old population for up to 15 days per month.

ii. Benefit cost trend assumptions

Projected benefit cost trend assumptions are developed in accordance with generally accepted actuarial principles and practices. The primary data used to develop benefit cost trends is historical claims and enrollment from the covered populations. Additionally, consideration of other factors and data sources appropriate for benefit cost trend development is further documented in Section I, item 3.B.iii.

iii. In Lieu of Services

SCDHHS began permitting the use of IMDs as an in lieu of service provider for substance use disorders effective July 1, 2018. Effective July 1, 2019, SCDHHS expanded the use of IMDs to provide in lieu of services for mental health and substance use disorder treatments for up to 15 days per month. Consistent with the rate-setting guidance published by CMS, in reviewing the impact of this program adjustment, we did not use the unit cost of the IMD, and instead utilized the unit cost for that of existing state plan providers. The adjustment factor applied to the base data to account for the unit cost impact described above is further documented in Section I, item 2.B.iii.(d).

In addition, we reviewed benefit costs for enrollees aged 21 to 64 during the base experience period to identify costs associated with an IMD stay of more than 15 days in a month and any other MCO costs for services delivered in a month when an enrollee had an IMD stay of more than 15 days. These costs and associated enrollment were identified and removed from the encounter data.

iv. In lieu of service cost percentages

Not applicable. SCDHHS has indicated that there are no ILOSs anticipated for SFY 2027, except for short term stays in an IMD.

v. IMDs as an in lieu of service provider

Effective July 1, 2019, SCDHHS began permitting the use of IMDs as an in lieu of service for all MH/SUD services for the 21 to 64-year-old population for up to 15 days per month.

(a) Costs associated with an IMD stay of more than 15 days

We excluded all costs and associated enrollment for enrollees aged 21 to 64 associated with an IMD stay of more than 15 days in a calendar month. This exclusion included any other costs outside of the IMD for any services delivered during the time an enrollee was in the IMD for more than 15 days. All claims associated with IMD stays greater than 15 days for the age 21 to 64 population, approximately $2.0 million, were excluded from the base data experience included in Appendix 6.

(b) Other costs for services during the time an enrollee is in an IMD for more than 15 days

All costs for services delivered during the time an enrollee was in the IMD for more than 15 days in a calendar month were excluded from the base data.

B. APPROPRIATE DOCUMENTATION

i. Projected benefit costs

This section provides the documentation of the methodology utilized to develop the benefit cost component of the capitation rates at the rate cell level.

ii. Development of projected benefit costs

(a) Description of the data, assumptions, and methodologies

This section of the report outlines the data, assumptions, and methodology used to project the benefit costs to the rating period. The baseline benefit costs were developed using the following steps:

- **Step 1: Create unadjusted cost model summaries for the managed care population**

  The capitation rates were primarily developed from historical claims and enrollment data from the Standard and Dual/LTSS populations. The data utilized to prepare the base period cost models for the Standard population consisted of SFY 2025 incurred encounter data that has been submitted by the MCOs. The data utilized to prepare the base period cost models for the Dual/LTSS population consisted of SFY 2025 incurred FFS data provided by SCDHHS. The information is summarized in Appendix 6 and is stratified by capitation rate cell and by major category of service. With the exception of removing the items outlined in the "Services excluded from initial base data summaries" section above, the exhibits in Appendix 6 reflect unadjusted summaries of the base period data. Note that the SFY 2025 base data in Appendix 6 for the Standard population is the aggregation of the MCO-specific encounter data summaries that were validated by each MCO.

- **Step 2: Apply historical and other adjustments to cost model summaries**

  As documented in section I.2.B.iii, utilization and cost per service rates from the base experience period were adjusted for a number of items, including, but not limited to, incomplete data adjustments, TPL, non-encounter claims payments, and retrospective program adjustments.

- **Step 3: Adjust for prospective program and policy changes**

  We adjusted the SFY 2025 base experience for known policy and program changes that have occurred or are expected to be implemented between the base period and the end of the SFY 2027 rate period. In Section I.2.B.iii.(d) of this report, we documented these items and the adjustment factors for each covered population.

- **Step 4: Adjust for prospective acuity changes**

  The SFY 2025 base experience was adjusted for differences in the estimated acuity relativity between population enrolled during the SFY 2025 base data period and the population anticipated to be enrolled during the SFY 2027 period as described in Section I.2.B.iii.(d).

- **Step 5: Trend to SFY 2027**

  Assumed trend factors were applied for 24 months to the adjusted utilization and unit cost values, or per member per month (PMPM) values, as appropriate, from the midpoint of the base experience period (January 1, 2025) to the midpoint of the rate period (January 1, 2027).

As described later in this section, further adjustments were applied to the base data experience to reflect targeted improvements in managed care efficiency for specific rate cells and service categories that are estimated to impact the projected SFY 2027 benefit expense. The PMPMs resulting from the application of these adjustments established the adjusted benefit expense by population rate cell for the rating period.

Other material adjustments – managed care efficiency

We calculated percentage adjustments to the experience data to reflect the utilization and cost per unit differential between the base experience and the levels targeted for the projection period managed care environment. We developed the targeted managed care efficiency adjustments through a review and analysis of the following:

- SFY 2025 base period utilization and contracting level achieved by each MCO
- Agency for Healthcare Research and Quality (AHRQ) prevention quality indicators (PQI) for inpatient admissions

- Mix of vaginal and cesarean section deliveries in the SFY 2025 base period utilization.

Inpatient Hospital Services – We applied managed care adjustments to reflect higher levels of care management relative to the SFY 2025 base experience period. We identified potentially avoidable admissions using the AHRQ PQIs. The table below outlines the PQIs included in our analysis.

FIGURE 20: AHRQ PREVENTION QUALITY INDICATORS

PQI NUMBER	DESCRIPTION
PQI #01	Diabetes Short-term Complications Admission Rate
PQI #03	Diabetes Long-term Complications Admission Rate
PQI #05	Chronic Obstructive Pulmonary Disease (COPD) Admission Rate
PQI #07	Hypertension Admission Rate
PQI #08	Congestive Heart Failure (CHF) Admission Rate
PQI #11	Bacterial Pneumonia Admission Rate
PQI #12	Urinary Tract Infection Admission Rate
PQI #14	Uncontrolled Diabetes Admission Rate
PQI #15	Adult Asthma Admission Rate
PQI #16	Rate of Lower-extremity Amputation among Patients with Diabetes

For the Standard population, inpatient hospital managed care adjustments were developed by applying a 10% reduction to readmissions for the same DRG within 30 days and a 10% reduction to potentially avoidable inpatient admissions for select PQIs. For the Dual/LTSS population, 20% reductions were applied to the same categories, reflecting a higher assumed avoidable utilization rate based on the non-managed FFS environment reflected in the base data. Corresponding reductions were applied for both populations to the Professional - Inpatient Visits category of service consistent with the inpatient hospital admission reductions.

This resulted in a 0.9% managed care savings to the inpatient hospital category of service, or an impact of approximately ($9.2) million across all populations.

In addition, we evaluated inpatient hospital contracting by repricing MCO encounters to FFS base rates for all SCDHHS contracted providers. MCOs were ranked by their ratio of paid expenditures to FFS repriced amounts. For total applicable inpatient hospital services, the aggregate MCO contracting value for the lowest-performing MCO was targeted at the second-lowest performing MCO. This resulted in a 0.2% managed care savings to the inpatient hospital category of service (excluding inpatient MH/SA), or an impact of approximately ($1.2) million, impacting the Standard population only.

Pharmacy Services – Our review of historical pharmacy experience for managed care efficiencies included a review of MCO contracting of discounts for generic and brand drugs, as well as 340B drugs.

For non-340B pharmacy expenditures, we evaluated pharmacy contracting by repricing MCO brand and generic drug claims to average wholesale price (AWP). MCOs were ranked by their ratio of paid expenditures to AWP for both brand and generic drugs. For each drug type, the aggregate MCO AWP contract value for the lowest-performing MCO was targeted at the AWP contract value of the second lowest-performing MCO. For the Standard population, this resulted in a 0.6% managed care savings to the prescription drug category of service, or an impact of approximately ($5.0) million.

For 340B expenditures, consistent with SFY 2026 capitation rate development assumptions, we have applied a 23% contracting efficiency adjustment to base experience for the Standard population based on SCDHHS discussion with MCOs and 340B pharmacy providers. This resulted in a 4.2% managed care savings to the prescription drug category of service, or an impact of approximately ($34.1) million to the base data for the Standard population.

For the non-dual LTSS population, to reflect that base 340B claims were paid at FFS levels, reimbursement was increased to reflect targeted MCO contracting levels. This resulted in a $0.8 million increase to the non-dual LTSS pharmacy base data.

Delivery Services – Delivery managed care efficiency adjustments were developed by analyzing the percent of cesarean and vaginal deliveries by hospital.

Vaginal delivery percentages were adjusted to target 69% of all deliveries in the managed care program, consistent with SFY 2027 expectations. This assumption was based on review and consideration of the following:

- SFY 2025 vaginal/cesarean section delivery mix for the top performing hospitals that collectively perform at least 40% of deliveries in the encounter data; and,
- The birth outcomes initiative implemented by SCDHHS to reduce elective induction and cesarean section deliveries prior to 39 weeks gestation.

Managed care savings were estimated by evaluating the cost per delivery difference between cesarean and vaginal deliveries for facility and physician services. No adjustments were made to the total number of deliveries. The overall impact to the KICK rate cell is approximately (0.2%), or ($0.2) million.

Outpatient Hospital – We evaluated outpatient hospital contracting by repricing MCO encounters using FFS reimbursement methodology and multipliers for all SCDHHS contracted providers. MCOs were ranked by their ratio of paid expenditures to FFS repriced amounts. For total applicable outpatient hospital services, the aggregate MCO contracting value for the lowest-performing MCO was targeted at the second-lowest performing MCO. This resulted in a 0.3% managed care savings to the outpatient hospital category of service, or an impact of approximately ($1.5) million, impacting the Standard population only.

Emergency Room – For the outpatient hospital emergency room service category, multiple potentially avoidable diagnosis groups were clinically developed using the primary diagnosis of each claim. The potentially avoidable diagnosis groups were stratified by severity to target potentially avoidable emergency room visits in the three lowest severity groups.

Additionally, potentially avoidable outpatient hospital emergency room visits were summarized by rate cell. Target utilization levels were developed for each diagnosis grouping and rate cell. The following illustrates the adjustments by population group:

- Disabled Children and Adults, TANF Children and OCWI – 5% reduction of potentially avoidable
- TANF Adults – 10% reduction of potentially avoidable

When applying the adjustments listed above, reductions were taken from level 1 emergency room claims first, followed by level 2 and level 3 claims if applicable. No adjustments were made to level 4 or level 5 emergency room claims. In coordination with determination of the managed care adjustments for hospital outpatient emergency room services, we assumed that 95% of emergency room visits reduced would be replaced with an office visit. Additionally, we reviewed historical data, along with data from other Medicaid states, to develop assumptions for additional services that may also be included with an office visit. Based on this review, additional services related to pathology/lab, office administered drugs, and radiology were included with the replacement office visit. The overall impact of the emergency room service efficiency adjustment is an adjustment of ($1.1) million, impacting only the Standard population.

(b) Material changes to the data, assumptions, and methodologies

All rate development data and material assumptions are documented in this rate certification report and the overall methodology utilized to develop the capitation rates is consistent with the prior rate-setting analysis.

(c) Overpayments to providers

Consistent with 42 CFR 438.608(d), SCDHHS outlines the program integrity guidelines and reporting requirements related to overpayments, recoveries, and refunds in Section 11.7 of the MCO contract. Overpayments to providers as a result of fraud, waste, and abuse and TPL activity are reported by the MCOs in the MCO Survey and discussed in greater detail in Section 2.B.iii, adjustments to base data.

(d) High-cost drugs

High-cost drugs (defined as annual wholesale acquisition costs greater than $500,000) with FDA approval dates after the beginning of the SFY 2025 base data period (i.e. July 1, 2024), with the exception of drugs on CMS's Cell and Gene Therapy Access Model list, which will remain in the HCNE program for one additional year, are accounted for in a non-risk high cost no experience (HCNE) program which is further defined in Section I.4.C.ii in this certification.

A list of the drugs included in the HCNE non-risk arrangement is reviewed quarterly by SCDHHS and included in Section 4.2 of the MCO Report Companion Guide[7]. Other high-cost drugs not included in the HCNE program are included in program adjustments as applicable and reviewed separately during pharmacy and office administered drug trend development.

iii. Projected benefit cost trends

This section discusses the data, assumptions, and methodologies used to develop the benefit cost trends, i.e., the annualized projected change in benefit costs from the historical base period (SFY 2025) to the rating period of this certification (SFY 2027).

We evaluated prospective trend rates using historical experience for the South Carolina Medicaid managed care program, as well as external data sources.

(a) Required Elements

(i) Data

The primary data used to develop benefit cost trends is South Carolina Medicaid historical claims and encounter data from the covered populations. Our non-pharmacy trend analysis included a review of July 2022 through June 2025 experience, as well as emerging July through December 2025 experience, as appropriate. Our pharmacy trend analysis included a review of July 2022 through December 2025 experience, as well as emerging CY 2026 experience, as appropriate.

External data sources that were reviewed for evaluating trend rates developed from SCDHHS data include:

- *National Health Expenditure (NHE) projections* developed by the CMS office of the actuary, specifically those related to Medicaid. Please note that as these are expenditure projections, projected growth reflects not only unit cost and utilization, but also aggregate enrollment changes and enrollment mix changes such as aging. NHE tables and documentation may be found in the location listed below:
  - https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nationalhealthaccountsprojected.html
- *Prime Therapeutics* – Medicaid Pharmacy Trend Report 2025 tenth Edition found in the location listed below:
  - https://issuu.com/primetherapeutics/docs/2025_medicaid_pharmacy_trend_report?fr=sNDdkNDg4MjY2NDg
- *Other sources:* We also reviewed internal sources that are not publicly available, such as historical experience from other programs and trends used by other Milliman actuaries.

While we reviewed the external data sources noted above, we primarily relied on South Carolina Medicaid historical experience because we were able to normalize for South Carolina specific acuity impacts related to the COVID-19 unwinding and continuous enrollment provisions to evaluate prospective trends.

(ii) Methodology

Non-pharmacy trends

Using internal SCDHHS data, historical utilization, and per member per month cost, data was stratified by month, population, and category of service. The data was adjusted for completion and normalized for historical program changes, reimbursement changes, and acuity. We developed trend rates to adjust the base experience data (midpoint of January 1, 2025) forward 24 months to the midpoint of the contract period, January 1, 2027. Rolling 12-month, 6-month, and 3-month trends were calculated to identify changes in the underlying patterns over time, and two-year annualized trends were utilized to smooth out significant fluctuations from year to year.

Consistent with the prior year, the TANF Children and TANF Infants populations were reviewed at the rate cell level of detail to apply appropriate trends based on differing emerging patterns within the populations at the category of service level. For example, the TANF - Age 1 - 6, Male & Female rate cell continues to

[7] MCO Report Companion Guide: https://www.scdhhs.gov/sites/dhhs/files/20260101_RCG_Blackline.pdf (accessed May 2, 2026)

exhibit higher Outpatient trends than other rate cells within TANF Children, and the selected trend factor for this rate cell reflects that.

The annual non-pharmacy trend rates selected for each population and service category included a review of projected impacts on utilization related to changes in population acuity in the emerging data.

For all non-pharmacy service categories, the trend rates were applied to utilization only, while reimbursement was explicitly addressed in Section I.2.B.iii.(d) of this certification report. Note that trend for ASD Services has been set to 0%, as projected ASD utilization increases were applied through a separate adjustment.

Trend rates were developed by population (TANF 0 - 2 Months, TANF 3 - 12 Months, TANF Age 1 - 6, TANF Age 7 - 18, TANF Adult, SSI Adult, SSI Children, OCWI, Foster, Dual Community Well 18+, Dual LTSS, Non-Dual LTSS, and Kick) and by service category (Inpatient Excluding MH/SA, Inpatient MH/SA, Outpatient Excluding ER, Outpatient Non-Surgical ER, and Professional (including ancillary and excluding ASD Services which were modeled in a separate adjustment)).

In development of non-pharmacy trends for the SMI populations, differences in trends were reviewed at the rate cell and service category level between SMI and non-SMI populations. Generally, SSI Adult trend factors were applied to the SMI SSI Adult population, TANF Adult trend factors were applied to the SMI TANF Adult population, and TANF Age 7 - 18 trend factors were applied to the SMI Children population. However, based on emerging experience, SMI SSI Adult trends were reduced by approximately 0.5% compared to the selected SSI Adult trend.

Historical trends should not be used in a simple formulaic manner to determine future trends; actuarial judgment is also required. We also referred to alternative sources, both publicly available and internal Milliman information. We also considered shifting population mix, acuity, and the impact of reimbursement changes on utilization in each specific population.

Pharmacy trends

Using internal SCDHHS data, historical utilization and per member per month cost data was stratified by quarter and population and normalized for acuity. The data was also normalized for the historical cost per script reductions including those related to the average manufacturer price (AMP) cap removal as well as the January and February 2026 WAC changes described in the Single PDL adjustment description. We developed cost per unit and utilization trend rates to adjust the base experience data (midpoint of January 1, 2025) forward 24 months to the midpoint of the contract period, January 1, 2027.

The underlying data was further stratified by therapeutic class and drug type (brand/generic/specialty) as appropriate, which provided the level of granularity necessary to select appropriate trends in conjunction with the single PDL program adjustment. To account for changes in underlying trend patterns, we reviewed emerging incurred data through April 2026 by population. To the extent any emerging utilization is not indicative of expected experience under the single PDL, it was not relied upon. Pharmacy trends were developed by population (TANF 0 - 2 Months, TANF 3 - 12 Months, TANF Age 1 - 6, TANF Age 7 - 13, TANF Age 14 - 18, TANF Adult, SSI Adult, SSI Children, OCWI, Foster, Dual, Non-Dual Waiver 18+, and Non-Dual Nursing Facility 18+). The annual pharmacy trend rates selected for each population included a review of emerging utilization patterns and trends, as well as projected impacts on utilization related to changes in population acuity.

In development of pharmacy trends for the SMI populations, differences in trends were reviewed at the rate cell and drug type level between SMI and non-SMI populations. Generally, SSI Adult trend factors were applied to the SMI SSI Adult population, TANF Adult trend factors were applied to the SMI TANF Adult population, and TANF Age 14 - 18 trend factors were applied to the SMI Children population. However, based on emerging experience, an additional 1% cost trend was applied to SMI TANF Adult compared to the selected TANF Adult trend, and a 1% reduction was applied to SMI SSI Adult compared to the selected SSI Adult trend.

We did not make any adjustments for upcoming brand drug patent expirations through the rating period because the single PDL will not necessarily designate the new generic alternatives as preferred. Changes to the single PDL are evaluated separately and a program change adjustment is made, if warranted.

Trend selections reflect the presumed mix of drugs by drug type under the single PDL anticipated to be effective in SFY 2027.

Pharmacy high cost no experience program

Effective July 1, 2020, SCDHHS implemented a pharmacy HCNE program for newly-approved high cost pharmacy treatments that are not fully reflected in the base data. The program is anticipated to continue through the SFY 2027 contract year. Projected pharmacy trends reflect the impact of this program, which is described in greater detail in Section I.4.C.

(iii) Comparisons

As noted above, we did not explicitly rely on the historical MCO encounter data trend projections due to anomalies observed in the historical trend data. In addition to referencing external data sources and emerging experience in the encounter data, we also reviewed the trends assumed in the SFY 2025 and SFY 2026 capitation rate development.

Explicit adjustments were made outside of trend to reflect all recent or planned changes in medical reimbursement and anticipated acuity changes from the base period to the rating period.

(iv) Chosen trend rates

Figure 21 illustrates the utilization component of the medical trend by rate cell and category of service grouping for the SFY 2027 capitation rate development. The utilization component includes both the trend in number of units as well as the mix or intensity of services provided for non-pharmacy trend. Pharmacy trend has been split between utilization and cost per script to better reflect anticipated changes in script counts and corresponding costs by population.

FIGURE 21: ANNUAL TREND RATES

RATE CELL	Inpatient Hospital (non MH/SA)	Inpatient Hospital (MH/SA)	Outpatient Hospital (non ER)	Outpatient Hospital (ER)	Professional & Ancillary (excluding ASD Services)	Autism Spectrum Disorder Services	**Total Medical**	Pharmacy - Cost	Pharmacy - Utilization	**Composite**
TANF - 0 - 2 Months, Male & Female	1.00%	0.00%	2.25%	2.25%	1.00%	0.00%	**1.00%**	2.00%	3.50%	**1.00%**
TANF - 3 - 12 Months, Male & Female	3.00%	0.00%	2.00%	2.00%	2.00%	0.00%	**2.25%**	2.00%	3.50%	**2.25%**
TANF - Age 1 - 6, Male & Female	2.50%	0.00%	3.50%	3.50%	2.00%	0.00%	**2.25%**	5.00%	4.00%	**3.00%**
TANF - Age 7 - 13, Male & Female	1.00%	2.00%	2.00%	2.00%	2.00%	0.00%	**2.00%**	5.50%	5.50%	**4.25%**
TANF - Age 14 - 18, Male	1.00%	2.00%	2.00%	2.00%	2.00%	0.00%	**1.75%**	3.00%	5.00%	**3.50%**
TANF - Age 14 - 18, Female	1.00%	2.00%	2.00%	2.00%	2.00%	0.00%	**2.00%**	3.00%	5.00%	**3.50%**
TANF - Age 19 - 44, Male	1.50%	1.50%	1.75%	1.75%	1.00%	0.00%	**1.25%**	6.50%	4.00%	**4.50%**
TANF - Age 19 - 44, Female	1.50%	1.50%	1.75%	1.75%	1.00%	0.00%	**1.25%**	6.50%	4.00%	**4.00%**
TANF - Age 45+, Male & Female	1.50%	1.50%	1.75%	1.75%	1.00%	0.00%	**1.25%**	6.50%	4.00%	**4.75%**
SSI - Children	1.50%	2.00%	3.50%	3.50%	3.50%	0.00%	**2.50%**	3.00%	5.00%	**4.25%**
SSI - Adults	3.00%	1.00%	3.25%	3.25%	3.25%	0.00%	**3.25%**	7.00%	4.50%	**6.25%**
SMI Children	1.00%	2.00%	2.00%	2.00%	2.00%	0.00%	**2.00%**	3.00%	5.00%	**3.00%**
SMI TANF Adults	1.50%	1.50%	1.75%	1.75%	1.00%	0.00%	**1.25%**	7.50%	4.00%	**5.25%**
SMI SSI Adults	2.50%	1.00%	2.75%	2.75%	3.00%	0.00%	**2.75%**	6.00%	4.50%	**6.00%**
OCWI	2.00%	1.00%	2.00%	2.00%	1.00%	0.00%	**1.50%**	5.00%	3.00%	**2.50%**
Foster Care Children	2.00%	2.00%	2.50%	3.00%	1.25%	0.00%	**1.50%**	6.00%	6.50%	**2.25%**
KICK	0.25%	0.00%	2.00%	0.00%	1.00%	0.00%	**0.50%**	0.00%	0.00%	**0.50%**
Dual Community Well 18+	0.50%	0.00%	2.00%	2.00%	2.00%	0.00%	**1.75%**	0.00%	5.00%	**1.75%**
Dual Nursing Facility 18+	0.75%	0.00%	2.25%	2.25%	2.25%	0.00%	**1.50%**	0.00%	5.00%	**1.50%**
Dual Waiver 18+	0.75%	0.00%	2.25%	2.25%	2.25%	0.00%	**2.00%**	0.00%	5.00%	**2.00%**
Non-Dual Nursing Facility 18+	1.00%	1.00%	1.00%	1.00%	0.50%	0.00%	**0.75%**	4.00%	5.00%	**2.75%**
Non-Dual Waiver 18+	1.00%	1.00%	1.00%	1.00%	0.50%	0.00%	**0.75%**	4.50%	5.50%	**4.50%**

Notes:

1. Pharmacy trend was selected for both utilization and cost.
2. Note that trend for ASD Services has been set to 0%, as projected ASD utilization changes were applied through a separate adjustment.
3. 'Total Medical' and 'Composite' trends are rounded to the nearest 0.25% for display purposes.

(b) Benefit cost trend components

The utilization component of trend illustrated in Figure 21 includes both the trend in number of units as well as the mix or intensity of services provided for medical trend. For pharmacy trend, the mix and intensity component is captured in the cost trend assumption.

For the medical trend components, unit cost trends are not applied as a trend adjustment; instead each claim is repriced and adjusted based on reimbursement updates that have occurred or are anticipated to be implemented after the end of the base period. The repricing and reimbursement update analyses are described further in Section I.2.B.iii.(d).

(c) Variation

To limit the variation in benefit cost that is present across the Medicaid population as a whole, we developed trends by population category and service category, with exceptions noted above. We further reviewed experience for specialty, brand and generic drugs, and combined this review with consideration of brand name drugs that have had or are anticipated to have generic launches during the experience period. Additionally, all pharmacy therapies expected to be included in the pharmacy HCNE program have been excluded from this analysis.

The variation that occurs between these high-level prescription drug stratifications and further within each major population category contributes to the variation in the pharmacy trend assumptions applied across the managed care program in the SFY 2027 capitation rate development.

(i) Medicaid populations

Trends were developed by population category and category of service grouping. Trend variations between populations and service categories reflect observed variation in the underlying historical experience and actuarial judgement based on the sources listed in the section above. All trend values have been rounded to the nearest 0.25%.

(ii) Rate cells

Benefit cost trends are evaluated by population category and category of service grouping. For population categories comprised of multiple rate cells, the benefit cost trends are consistent across all rate cells, with the exception of TANF Children and the SMI population as described above.

(iii) Subsets of benefits within a category of service

For the pharmacy trend assumption development, we considered experience and projected changes for specialty, brand, and generic drugs during the base period (SFY 2025) through the projection period (SFY 2027), particularly as it relates to the anticipated implementation of the single PDL effective July 1, 2024 and the continuity of care period through December 31, 2024.

(d) Material adjustments

We made explicit adjustments to the historical data analyzed for trends in an effort to normalize the data for historical reimbursement adjustments, changing populations, and acuity, to extract underlying trend information; however, as noted above, there were still anomalies that were present in the data and contributed to unreasonable trend patterns.

As a result, we used actuarial judgment to adjust the trends derived from historical experience in cases where the resulting trends did not appear reasonable, sustainable or were not within consensus parameters derived from other sources.

For rate cells and categories of services where the raw model output was outside of a range of reasonable results, we relied on the sources identified to develop prospective trend.

Additionally, we considered the cost impact of recently released drugs on the pharmacy trend rates in coordination with the pharmacy HCNE program implemented on July 1, 2020 and anticipated to continue for SFY 2027.

(e) Any other adjustments

(i) Impact of managed care

We did not adjust the trend rates to reflect a managed care impact on utilization or unit cost. The capitation rates have an explicit adjustment for the managed care adjustments.

(ii) Trend changes other than utilization and cost

We did not adjust the benefit cost trend for changes other than utilization or unit cost.

iv. Mental Health Parity and Addiction Equity Act Service Adjustment

SCDHHS has implemented a Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) compliance review through the External Quality Review (EQR) process for all MCOs to demonstrate compliance with MHPAEA requirements in 42 CFR 438, subpart K and defined in Section 4.2.6.2 of the MCO Contract.

In addition, we reviewed MCO Survey results and MCO-submitted data to evaluate compliance with MHPAEA financial requirements. Based on the SCDHHS decision to remove all member cost-sharing (i.e., copays) in the Medicaid program effective July 1, 2024, there are no MHP financial requirements to evaluate for the SFY 2027 time period. Based on this, we believe the certified SFY 2027 capitation rates are adequate to allow MCOs to efficiently deliver covered services in compliance with MHPAEA and contractual requirements. Therefore, we have not made any explicit rating adjustments for MHPAEA.

v. In Lieu Of Services

(a) Categories of covered service

Effective July 1, 2019, SCDHHS expanded the use of IMDs as an in lieu of service for the 21 to 64-year-old population for all inpatient psychiatric or substance use disorders for up to 15 days per month. This

program change was implemented in compliance with the conditions outlined in the final Medicaid managed care regulations.

(b) ILOS cost percentage

IMD as an in lieu of service represents approximately $10.8 million of estimated annualized expenditures in the adjusted base data expenditures, or 14.6% of the “Inpatient MH/SA” service category and is not included in any other service categories.

SCDHHS has indicated that there are no other ILOSs anticipated for SFY 2027 apart from short term stays in an IMD; therefore, ILOS cost percentage is not applicable to this rate certification.

(c) Development of projected benefit costs

Consistent with the rate-setting guidance published by CMS, in reviewing the impact of this program adjustment we did not use the unit cost of the IMD and instead utilized the unit cost for that of existing state plan providers.

(d) IMDs as an in lieu of service

The rate development complies with the requirements of 42 CFR 438.6(e). In reviewing the impact of this program adjustment, we did not use the unit cost of the IMD and instead utilized the unit cost for that of existing state plan providers.

vi. Retrospective Eligibility Periods

At the time of this report, MCOs are not responsible for paying claims incurred during the retrospective eligibility period and, therefore, enrollment and claims for retrospective eligibility periods are not reflected in the base data for the Standard population. As such, no adjustment has been applied to the capitation rates for the Standard population to reflect the retroactive eligibility period.

The base data for the Dual/LTSS population reflects FFS experience. As such, retrospective eligibility present in the FFS data was removed in the development of the SFY 2025 base data for capitation rate setting. The removal of retrospective eligibility reflects that MCOs are not responsible for paying claims incurred during the retrospective eligibility period in managed care.

vii. Impact of Material Changes

This section relates to material changes to covered benefits or services since the last rate certification. The last rate certification was for the January through June 2026 rating period.

(a) Change to covered benefits

There were no material changes to covered benefits compared to the previous certification.

(b) Recoveries of overpayments

To the best of our knowledge, all information related to any payment recoveries not reflected in the base period encounter data was provided to us by the MCOs in their survey responses and an adjustment factor was applied to reflect any such recoveries.

(c) Change to payment requirements

There were no material changes to provider payments compared to the previous certification.

(d) Change to waiver requirements

There were no material changes related to waiver requirements or conditions.

(e) Change due to litigation

There were no material changes due to litigation.

viii. Documentation of Material Changes

Material changes to covered benefits and provider payments have been described in Section I, item 2.B.iii.4. This information includes the data, assumptions, and methodology used in developing the adjustment, and aggregate impact on the managed care program’s benefit expense. Non-material changes to covered benefits or provider payments have also been described in that section of the report.

4. Special contract provisions related to payment

A. INCENTIVE ARRANGEMENTS

i. Rate Development Standards

This section provides documentation of the incentive payment structure in the South Carolina Medicaid managed care program.

ii. Appropriate Documentation

Incentive payments under this plan are below 105% of the certified capitation rates paid under the contract.

The following incentive arrangements are included in the SFY 2027 managed care program in accordance with 42 CFR §438.6(b)(2), and excluded from the certified capitation rate:

- **Bonus pool distributions from quality withhold program.** An incentive pool is determined by the portion of the quality withhold that is not returned to the MCOs after a first pass review. Please see Section I, item 4.B.ii for additional discussion on the first pass review.
- **Incentive payments for Patient-Centered Medical Homes (PCMH).** These incentives are paid by SCDHHS to the MCOs through gross level adjustments (GLAs). Additional details about the separate PCMH incentive payment program can be found in Section 15.7.1.2 of the MCO Contract. Approximate historical and anticipated incentive payments for the PCMH program are as follows:
    - SFY 2024: $11.0 million, approximately 0.2% of projected SFY 2027 capitation premium
    - SFY 2025 (estimated): $8.8 million, approximately 0.1% of projected SFY 2027 capitation premium
    - SFY 2026 (anticipated): $8.1 million, approximately 0.1% of projected SFY 2027 capitation premium
    - SFY 2027 (anticipated): $8.1 million, approximately 0.1% of projected SFY 2027 capitation premium
- **Incentive payments for the South Carolina Quality Achievement Program (QAP).** These incentives are applicable to the SFY 2027 contract period. Based on information provided by SCDHHS, the QAP incentive will be paid by SCDHHS to the MCOs based on achievement of quality metrics that support program initiatives specified in the State's quality strategy. These QAP quality metrics will be evaluated on inpatient and outpatient hospital services performed at South Carolina's in-state acute care hospitals. Approximate historical and anticipated incentive payments for the QAP program are as follows:
    - SFY 2024: $249.3 million, approximately 3.7% of projected SFY 2027 capitation premium
    - SFY 2025: $257.7 million, approximately 3.8% of projected SFY 2027 capitation premium
    - SFY 2026 (anticipated): $284.0 million, approximately 4.2% of projected SFY 2027 capitation premium
    - SFY 2027 (anticipated): $284.0 million, approximately 4.2% of projected SFY 2027 capitation premium

SCDHHS will complete a reconciliation prior to finalizing SFY 2027 incentive arrangement payments to ensure total incentive payments for each MCO are below 105% of the certified rates paid under the contract. All incentive arrangements described above are excluded from the certified capitation rates and therefore have no effect on the certified capitation rate development.

B. WITHHOLD ARRANGEMENTS

i. Rate Development Standards

This section provides documentation of the withhold arrangement in the South Carolina Medicaid managed care program.

ii. Appropriate Documentation

(a) Description of the Withhold Arrangement

(i) Time period

The withhold arrangement is measured on a calendar year basis.

(ii) Enrollees, services, and providers covered

All enrollees, services, and providers that are part of the Medicaid managed care program are covered by the withhold arrangement.

(iii) Purpose

The withhold measure evaluates quality-based performance using a weighted average of all measures included in the composites of Patient Experience, Prevention, and Treatment as reported in each MCOs NCQA HEDIS data submission.

(iv) Description of total percentage withheld

SCDHHS has established a quality withhold of 1.5% of the capitation rate net of state-directed payments and will determine the first pass return of the withhold based on review of each MCO's HEDIS data and the MCO's compliance with the quality measures established in each MCO's contract with SCDHHS.

The capitation rates shown in this letter are illustrated before application of the withhold amount; however, we consider the full amount of the withhold to be reasonably achievable.

(v) Estimate of percent to be returned

SCDHHS evaluates the quality withhold results through a first pass withhold return and a bonus pool distribution. Withholds and incentives are treated separately for federal regulations; therefore, we reviewed the first pass and bonus pool distribution as separate components.

The MCO quality withhold and bonus program was updated for measurement year 2023 to incorporate the following three indices: Consumer Assessment of Healthcare Providers and Systems (CAHPS), Prevention HEDIS, and Treatment HEDIS and is anticipated to remain unchanged through the CY 2027 reporting period based on guidance from SCDHHS.

- In measurement year 2023 (reporting year 2024), the MCOs in aggregate received 73.1% of available withhold funds from SCDHHS through first pass evaluation in the first year of updated quality withhold indices, with at least one MCO achieving 100% return of the withhold for each of the three individual indices.
- In measurement year 2024 (reporting year 2025), the MCOs in aggregate received 96.3% of available withhold funds from SCDHHS through first pass evaluation in the second year of updated quality withhold indices, with three MCOs achieving 100% return of the withhold for each of the three individual indices.

Based on our review, we believe it is reasonably achievable in the context of the SFY 2027 capitation rate development for the MCOs to meet the quality withhold targets for 100% return of the withhold for CY 2027.

(vi) Reasonableness of withhold arrangement

Our review of the total withhold percentage of 1.5% of capitation revenue, net of state-directed payments related to supplemental teaching physicians, the HAWQ program, private ambulance, and public ambulance payments, indicates that it is reasonable within the context of the capitation rate development and the magnitude of the withhold does not have a detrimental impact on the health plan's financial operating needs and capital reserves. Our interpretation of financial operating needs relates to cash flow needs for the health plan to pay claims and administer benefits for its covered population. We evaluated the reasonableness of the withhold within this context by reviewing the health plan's cash available to cover operating expenses, as well as the capitation rate payment mechanism utilized by SCDHHS.

To evaluate the reasonableness of the withhold in relation to capital reserves, we reviewed each health plan's risk-based capital ratio. The data source utilized to calculate these metrics was each plan's calendar year 2025 NAIC annual statement.

Risk-Based Capital (RBC) Levels: RBC levels were reviewed to assess surplus levels and financial stability of each MCO to pay all policyholder obligations. Based on CY 2025 audited financial statements, RBC-levels for each MCO are at or greater than 288%.

Although 100% of the withhold is assumed to be reasonably achieved, stress-testing the capital levels for each MCO with the full amount of the 1.5% withhold does not reduce the RBC ratio to a level that would trigger regulatory action.

FIGURE 22: MCO FINANCIAL REVIEW

HEALTH PLAN	REPORTED RBC LEVEL	STRESS-TESTED RBC LEVEL
Absolute Total Care	451%	404%
BlueChoice	1282%	1257%
Humana	481%	442%
Molina	288%	243%
Select Health	420%	342%

Source: CY 2025 NAIC Annual Statement ('Five-Year Historical Data', Page 29)

Cash available for operating expenses: We reviewed cash and cash equivalent levels in relation to the withhold arrangement. We believe the withhold arrangement is reasonable based on current cash levels and the following withhold level and SCDHHS payment timing:

A 1.5% withhold over the SFY is equivalent to approximately 5.5 days of revenue.

SCDHHS makes capitation payments to MCOs at the beginning of each month (which essentially "pre-pays" the expected claims for the month), contributing favorably to monthly cash flow needs.

(vii) Effect on the capitation rates

The SFY 2027 certified capitation rates reflect the expectation that 100% of the withhold is reasonably achievable.

(b) Rate certification considerations of withhold

The SFY 2027 certified capitation rates reflect the expectation that 100% of the withhold is reasonably achievable, and the capitation rates are certified as actuarially sound.

C. RISK SHARING MECHANISMS

i. Rate Development Standards

This section provides documentation of the risk-sharing mechanisms in the South Carolina managed care program.

ii. Appropriate Documentation

(a) Description of Risk-sharing Mechanism

(i) Rationale for use of risk-sharing arrangement

Pharmacy High Cost No Experience (HCNE) program

The pharmacy HCNE program has been established to address the financial risk associated with recent FDA approved high cost pharmaceutical treatments, as well as the potential for the prevalence of individuals utilizing the high cost pharmacy treatments to vary between MCOs given the relatively low volume of anticipated recipients.

PRTF Risk Pool

The PRTF risk pool will continue in SFY 2027 to address the higher costs associated with PRTF services and the potential for the prevalence of individuals utilizing PRTF services to vary between MCOs. The total PRTF risk pool is established and evaluated by rate cell and distributions across MCOs are calculated accordingly.

To the extent an MCO's proportion of PRTF expenditures is greater than the MCO's proportion of PRTF benefit received through capitation payments at the rate cell level, the MCO will receive additional reimbursement from the risk pool. Conversely, an MCO with a lower proportion of PRTF expenditures relative to the MCO's proportion of PRTF benefit received through capitation payments at the rate cell level will be required to pay into the risk pool.

High Cost Neonatal Risk Pool

Effective July 1, 2026, SCDHHS is implementing a high cost neonatal risk pool, to address the potential for the prevalence of high cost neonatal claims to vary between MCOs. "High cost" is defined for the SCDHHS neonatal risk pool as a claim of $500,000 or greater for certain inpatient APR-DRGs, and the risk pool includes only the claim costs in excess of $500,000 for each individual claim. The applicable neonatal claims are identified by the following APR DRGs:

• 583	• 588	• 589	• 591	• 593	• 602
• 603	• 607	• 608	• 609	• 611	• 612
• 613	• 614	• 621	• 622	• 623	• 625
• 626	• 630	• 631	• 633	• 634	• 636
• 639	• 640				

The total risk pool is established and evaluated by rate cell and distributions across MCOs are calculated accordingly. Note that the risk pool impacts only the TANF 0-2 months old rate cell.

To the extent an MCO's proportion of high cost neonatal expenditures is greater than the MCO's proportion of high cost neonatal benefit received through TANF 0-2 months old capitation payments, the MCO will receive additional reimbursement from the risk pool. Conversely, an MCO with a lower proportion of high cost neonatal expenditures relative to the MCO's proportion of high cost neonatal benefit received through TANF 0-2 months old capitation payments will be required to pay into the risk pool.

(ii) **Description**

Pharmacy High Cost No Experience (HCNE) program

Effective July 1, 2020, SCDHHS implemented a pharmacy HCNE program as a risk mitigation mechanism to limit the MCO's exposure to new high-cost pharmacy therapies.

The HCNE program will continue in SFY 2027 and will include covered pharmacy therapies approved after the beginning of the base period (July 1, 2024) that are expected to exceed $500,000 per member per year, based on annual estimated cost from the WAC fee schedule.

Effective, July 1, 2026, newly approved drug therapies will be removed from the pharmacy HCNE program when their FDA approval date is on or before the start of the base data period (i.e. July 1, 2024), with the exception of drugs on CMS's Cell and Gene Therapy Access Model list, which will remain in the HCNE program for one additional year. The estimated costs of the pharmacy therapies included in the pharmacy risk mitigation program are not part of the base capitation rate.

SCDHHS is anticipated to reimburse the MCOs for the total cost of the pharmaceutical therapy that is equal to the lesser of MCO claim payment and the FFS fee schedule. All claims requested for reimbursement through the pharmacy HCNE program are subject to SCDHHS review and approval. The pharmacy therapies approved for inclusion in the risk mitigation program for SFY 2027 are included in Section 4.2 of the MCO Report Companion Guide and are anticipated to be monitored on a quarterly basis throughout the contract year and updated as appropriate.

The specific language from the provider agreement between SCDHHS and the MCOs should be referenced for final contract specifications and definitions.

PRTF Risk Pool

The SFY 2027 PRTF risk pool aggregate amounts will be developed using the estimated SFY 2027 PRTF benefit expense PMPM by rate cell included in the SFY 2027 capitation rates, multiplied by the actual SFY 2027 membership by rate cell.

The estimated SFY 2027 PRTF PMPM is developed on a prospective basis and is based on a review of historical PRTF expenditures during the SFY 2025 base period. Program and policy changes developed for the SFY 2027 managed care capitation rates impacting PRTF expenditures were applied to the base experience.

Please note that the estimated SFY 2027 PRTF PMPM is based on the historical PRTF expenditures and applicable prospective adjustments, with no smoothing adjustment across rate cells.

Figures 23 and 24 illustrate a sample calculation of MCO payment/receipt of PRTF risk pool funds under two scenarios. The first scenario illustrates the payment/receipt of funds in the event total PRTF expenditures are greater than the risk pool funds, while the second scenario illustrates payment/receipt of funds in the event total PRTF expenditures are less than the risk pool funds. Additionally, it should be noted that when developing MCO payment/receipt amounts, the estimated PRTF PMPMs will be adjusted by rate cell for the relative risk scores applied to the SFY 2027 capitation rates.

FIGURE 23: TOTAL PRTF EXPERIENCE GREATER THAN POOL FUNDS

MCO	ACTUAL SFY 2027 MEMBER MONTHS	ESTIMATED SFY 2027 PRTF PMPM	MCO RISK-ADJUSTED SFY 2027 PRTF PMPM	ESTIMATED SFY 2027 PRTF EXPENDITURES	ACTUAL SFY 2027 PRTF EXPENDITURES	DISTRIBUTION OF ACTUAL PRTF COSTS	DISTRIBUTION APPLIED TO ESTIMATED COSTS	ADDITIONAL (PAYMENT)/ RECOUPMENT
Plan A	10,000	$ 5.00	$ 4.95	$ 49,500	$ 80,000	14.5%	$ 72,727	$ 23,227
Plan B	30,000	5.00	5.10	153,000	180,000	32.7%	163,636	10,636
Plan C	20,000	5.00	5.00	100,000	80,000	14.5%	72,727	(27,273)
Plan D	15,000	5.00	5.00	75,000	90,000	16.4%	81,818	6,818
Plan E	25,000	5.00	4.90	122,500	120,000	21.8%	109,091	(13,409)
All Plans	**100,000**	**$ 5.00**	**$ 5.00**	**$ 500,000**	**$ 550,000**	**100.0%**	**$ 500,000**	**$ 0**

FIGURE 24: TOTAL PRTF EXPERIENCE LESS THAN POOL FUNDS

MCO	ACTUAL SFY 2027 MEMBER MONTHS	ESTIMATED SFY 2027 PRTF PMPM	MCO RISK-ADJUSTED SFY 2027 PRTF PMPM	ESTIMATED SFY 2027 PRTF EXPENDITURES	ACTUAL SFY 2027 PRTF EXPENDITURES	DISTRIBUTION OF ACTUAL PRTF COSTS	DISTRIBUTION APPLIED TO ESTIMATED COSTS	ADDITIONAL (PAYMENT)/ RECOUPMENT
Plan A	10,000	$ 5.00	$ 4.95	$ 49,500	$ 60,000	12.5%	$ 62,500	$ 13,000
Plan B	30,000	5.00	5.10	153,000	145,000	30.2%	151,042	(1,958)
Plan C	20,000	5.00	5.00	100,000	90,000	18.8%	93,750	(6,250)
Plan D	15,000	5.00	5.00	75,000	80,000	16.7%	83,333	8,333
Plan E	25,000	5.00	4.90	122,500	105,000	21.9%	109,375	(13,125)
All Plans	**100,000**	**$ 5.00**	**$ 5.00**	**$ 500,000**	**$ 480,000**	**100.0%**	**$ 500,000**	**$ 0**

Figure 25 illustrates the estimated SFY 2027 member months, PRTF PMPM, and risk pool expenditures by rate cell.

FIGURE 25: PRTF RISK POOL - SFY 2027 PROJECTED PMPM

RATE CELL	ESTIMATED SFY 2027 MEMBER MONTHS	ESTIMATED SFY 2027 PRTF PMPM	ESTIMATED EXPENDITURES
TANF: 0-2 months old (AH3)	74,232	$ 0.00	$ 0
TANF: 3-12 months old (AI3)	323,748	-	-
TANF: Age 1-6 (AB3)	1,993,680	-	-
TANF: Age 7-13 (AC3)	2,359,464	0.70	1,656,495
TANF: Age 14-18, Male (AD1)	759,396	1.14	865,895
TANF: Age 14-18, Female (AD2)	720,912	1.09	784,979
TANF: Age 19-44, Male (AE1)	118,980	-	-
TANF: Age 19-44, Female (AE2)	905,520	-	-
TANF: Age 45+ (AF3)	164,076	-	-
SSI - Children (SO3)	147,336	4.08	600,691
SSI - Adults (SP3)	368,052	0.45	164,918
SMI Children (VV3)	208,997	75.91	15,864,729
SMI TANF Adults (TP3)	291,379	0.26	75,972
SMI SSI Adults (UP3)	188,157	0.73	136,816
OCWI (WG2)	252,480	-	-
Foster Care - Children (FG3)	44,088	266.25	11,738,471
KICK (MG2/NG2)	21,060	-	-
Dual Community Well 18+ (DJ3)	1,174,608	0.17	$ 203,483
Dual Nursing Facility 18+ (IJ3)	127,392	-	-
Dual Waiver 18+ (EJ3)	217,704	-	-
Non-Dual Nursing Facility 18+ (ZJ3)	19,020	-	-
Non-Dual Waiver 18+ (XJ3)	54,168	-	-
Composite	**10,513,389**	**$ 3.05**	**$ 32,092,450**

Please note that the “Estimated expenditures” column in Figure 25 is a projection based on estimated SFY 2027 membership. The estimated SFY 2027 PRTF PMPMs by rate cell will not change as actual SFY 2027 PRTF experience emerges; however the aggregate PRTF risk pool amounts by rate cell may vary to the extent that actual SFY 2027 member months vary from the estimated membership.

Additionally, if capitation rates are amended during the SFY 2027 contract year related to PRTF program changes, the PRTF risk pool PMPMs will be reviewed and updated, as necessary.

High Cost Neonatal Risk Pool

The SFY 2027 high cost neonatal risk pool aggregate amounts will be developed using the estimated SFY 2027 high cost neonatal benefit expense PMPM included in the TANF 0-2 months old rate cell in the SFY 2027 capitation rates, multiplied by the actual SFY 2027 TANF 0-2 months old membership.

The estimated SFY 2027 high cost neonatal PMPM is developed on a prospective basis and is based on a review of historical high cost neonatal expenditures during the SFY 2025 base period. Program and policy changes developed for the SFY 2027 managed care capitation rates impacting inpatient expenditures for the TANF 0-2 months old rate cell were applied to the base experience.

Please note that the estimated SFY 2027 high cost neonatal PMPM is based on the historical high cost neonatal expenditures, which are all included in the TANF 0-2 months old rate cell, and applicable prospective adjustments.

Please refer to Figures 23 and 24 in the PRTF risk pool description above for a sample calculation of MCO payment/receipt of risk pool funds under two scenarios, as the variation of projections to actual experience will be treated consistently in the high cost neonatal risk pool. Note that relative risk scores by health plan will not be applied to the high cost neonatal PMPMs as the TANF 0-2 months old rate cell is not risk-adjusted.

Figure 26 illustrates the estimated SFY 2027 member months, high cost neonatal PMPM, and risk pool expenditures by rate cell. Note that the high cost neonatal PMPM in the table contains only the portion of neonatal claim costs in excess of $500,000 for each individual claim.

FIGURE 26: HIGH COST NEONATAL RISK POOL - SFY 2027 PROJECTED PMPM

RATE CELL	ESTIMATED SFY 2027 MEMBER MONTHS	ESTIMATED SFY 2027 HIGH COST NEONATAL PMPM	ESTIMATED EXPENDITURES
TANF: 0-2 months old (AH3)	74,232	$ 125.01	$ 9,279,585

Please note that the “Estimated expenditures” column in Figure 26 is a projection based on estimated SFY 2027 membership. The estimated SFY 2027 high cost neonatal PMPM will not change as actual SFY 2027 experience emerges; however the aggregate high cost neonatal risk pool amount may vary to the extent that actual SFY 2027 member months vary from the estimated membership.

Additionally, if capitation rates are amended during the SFY 2027 contract year and impact TANF 0-2 months old inpatient claims, the high cost neonatal risk pool PMPM will be reviewed and updated, as necessary.

(iii) **Effect on capitation rate development**

The development of the pharmacy HCNE program, PRTF risk pool, and high cost neonatal risk pool do not impact the capitation rate development process.

(iv) **Attestation of the use of generally accepted actuarial principles and practices**

The SFY 2027 pharmacy HCNE program, PRTF risk pool, and high cost neonatal risk pool have been developed in accordance with generally accepted actuarial principles and practices.

(v) **Consistency with pricing assumptions used in capitation rate development**

The SFY 2027 pharmacy HCNE program, PRTF risk pool, and high cost neonatal risk pool are consistent with pricing assumptions used in capitation rate development. Note that the development of these arrangements do not impact the capitation rate development process.

(vi) **Demonstration of remittance/payment requirement**

The SFY 2027 pharmacy HCNE program is a non-risk arrangement with the State. As documented in Section 4.2 of the MCO Report Companion Guide, SCDHHS is anticipated to reimburse the MCOs for the total cost of the pharmaceutical therapy that is equal to the lesser of MCO claim payment and the FFS fee schedule.

The SFY 2027 PRTF risk pool is a cost-neutral risk pool arrangement to redistribute assumed PRTF benefit costs between the MCOs and will not result in a remittance/payment between the MCOs and the State.

The SFY 2027 high cost neonatal risk pool is a cost-neutral risk pool arrangement to redistribute assumed high cost neonatal benefit costs between the MCOs and will not result in a remittance/payment between the MCOs and the State.

(b) Medical Loss Ratio

Description

SCDHHS’s provider agreement establishes a minimum medical loss ratio (MLR) of 86.0% for the Medicaid managed care population. The specific language from the provider agreement between SCDHHS and the

MCOs should be referenced for final contract specifications and definitions. The MLR is calculated in accordance with guidance presented in the final Medicaid and Children's Health Insurance Program rule, released on May 6, 2016.

Financial consequences

Financial consequences of the minimum MLR requirements are specified in the provider agreement. However, in general, the MCO will be required to repay any revenue amounts below the 86.0% minimum MLR.

(c) Reinsurance Requirements and Effect on Capitation Rates

There are no reinsurance requirements for MCOs contracted with SCDHHS for the Medicaid managed care program.

D. STATE DIRECTED PAYMENTS

i. Rate Development Standards

(a) Description of Managed Care Plan Requirement

Consistent with guidance in 42 CFR §438.2 and §438.6(c), the South Carolina managed care capitation rates reflect the following delivery system and provider payment initiatives:

- **Supplemental Teaching Physician (STP) Program.** Physician state directed payment providing a uniform percentage increase for all services performed by qualifying rendering teaching physicians billing through a qualified teaching academic facility (control name: SC_Fee_AMC_Renewal_20260701-20270630).
- **Health Access, Workforce, and Quality (HAWQ) Program**. Hospital inpatient and outpatient state directed payment program providing a uniform percentage increase for all in-state contracted hospitals (control name: SC_Fee_IPH.OPH_Renewal_20260701-20270630).
- **Public Ambulance State Directed Payment**. Emergency medical transport state directed payment program providing a uniform dollar increase per trip for all ground public and government owned or operated ambulance service providers enrolled as an active Medicaid provider with SCDHHS (control name: SC_Fee_Oth2_Renewal_20260701-20270630).
- **Private Ambulance State Directed Payment Program**. Emergency medical transport state directed payment program providing a uniform percentage increase for ground non-governmental owned or operated ambulance service providers enrolled as an active Medicaid provider with SCDHHS (control name: SC_Fee_Oth3_Renewal_20260701-20270630).
- **Rural Hospital Minimum Fee Schedule**. State directed minimum fee schedule for all in-network South Carolina rural hospitals defined under the Medicaid State plan at no less than the Medicaid fee-for-service approved rate for inpatient and outpatient services
- **Independent Pharmacy Policy (IPP) Minimum Fee Schedule**. State directed minimum fee schedule for all in-state independent pharmacies, excluding 340B pharmacies, at no less than the Medicaid fee-for-service approved rate for pharmacy services.
- **State-Owned Psychiatric Residential Treatment Facility (PRTF) Minimum Fee Schedule.** State directed minimum fee schedule for all state-owned PRTFs at no less than the Medicaid fee-for-service approved reimbursement rate.

(b) Prior written approval

All state-directed payments included in this rate certification are consistent with preprints currently under review by CMS. At the time of this report, SCDHHS has submitted, but not yet received approval for any of the applicable state directed payments mentioned above.

The rural hospital, IPP, and state-owned PRTF minimum fee schedules are based on rates established in SC's approved state plan and do not require a preprint in accordance with 42 CFR §438.6(c).

(c) Generally accepted actuarial principles

The contract arrangements that direct MCO expenditures were developed in accordance with guidance in 42 CFR §438.4 and the standards in §438.5, §438.7, and §438.8 and generally accepted actuarial principles and practices.

(d) State directed payment documentation

In Section I.4.D.ii, documentation is provided in accordance with 42 CFR §438.7(b)(6) illustrating the portion of the certified capitation rates attributable to each state directed payment arrangement under 42 CFR § 438.6(c).

This state directed payment documentation will be updated with each rate amendment, providing documentation of any change to the state directed payments or applicable explanation of why no change occurred as a result of the amendment.

(e) How Payment Arrangement is reflected in managed care rates

The rural hospital, IPP, and state-owned PRTF minimum fee schedules are reflected as adjustments to the monthly capitation rates paid to the plans. STP, HAWQ, and private and public ambulance programs are reflected as separate payment terms.

(f) Documentation requirements for new or revised state directed payments

This report represents the initial SFY 2027 rate certification. For any new or revised state directed payments following submission of the initial rate certification, a rate amendment will be submitted in accordance with 42 CFR §§438.4(c)(2)(iii)(C) and 438.7(c)(2).

ii. Appropriate Documentation

(a) Description of State-Directed Payments

Figure 27 provides a description of each state directed payment included in the SFY 2027 Medicaid managed care program.

FIGURE 27: DESCRIPTION OF STATE DIRECTED PAYMENTS

CONTROL NAME OF THE STATE DIRECTED PAYMENT	TYPE OF PAYMENT	BRIEF DESCRIPTION	RATE ADJUSTMENT OR SEPARATE PAYMENT TERM	SECTION NUMBER OF OTHER REFERENCES TO THE STATE DIRECTED PAYMENT
SC_Fee_AMC_Renewal_20260701-20270630 (Supplemental Teaching Physician Program)	Uniform percentage increase	Uniform increase to physician reimbursement for teaching physicians	Separate payment term	All contained within Section I.4.D
SC_Fee_IPH.OPH_Renewal_20260701-20270630 (Health, Access, Workforce, and Quality Program)	Uniform percentage increase	Uniform percentage increase to in-state inpatient and outpatient hospital payments	Separate payment term	All contained within Section I.4.D
SC_Fee_Oth2_Renewal_20260701-20270630 (Public Ambulance)	Uniform dollar increase	Uniform increase to public and government owned Emergency Medical Transport providers to cover increased cost	Separate payment term	All contained within Section I.4.D
SC_Fee_Oth3_Renewal_20260701-20270630 (Private Ambulance)	Uniform percentage increase	Uniform increase to non-governmental owned Emergency Medical Transport providers to help cover the difference between commercial reimbursement and Medicaid reimbursement	Separate payment term	All contained within Section I.4.D
Rural Hospital Minimum Fee Schedule	Minimum Fee Schedule	Minimum fee schedule as approved in the Medicaid State Plan for all rural hospitals	Rate adjustment	I.2.B.iii
Independent Pharmacy Program Minimum Fee Schedule	Minimum Fee Schedule	Minimum fee schedule as approved in the Medicaid State Plan for all independent pharmacies, excluding 340B pharmacies	Rate adjustment	I.2.B.iii
State-Owned PRTF Minimum Fee Schedule	Minimum Fee Schedule	Minimum fee schedule as approved in the Medicaid State Plan for all state-owned PRTFs	Rate adjustment	I.2.B.iii

(i) Description of delivery system and provider payment Initiatives

Supplemental Teaching Physician Program

Effective July 1, 2026, the STP state directed payment program utilizes a uniform percentage increase methodology to increase provider reimbursement for Medicaid physicians performed by qualified rendering teaching physicians billing through a qualified teaching facility up to 96.6% of average commercial rate (ACR) payment. SCDHHS believes that by utilizing these dollars through a directed payment, the agency can impact Medicaid member access to pediatric subspecialty care and materially impact its quality strategy around access to care for all Medicaid participants.[8]

Provider Class Defined

Based on documentation provided in the SCDHHS-submitted preprint, the STP program establishes one provider class for all teaching physicians with faculty appointment or a teaching physician agreement with one of the following entities:

- The Medical University of South Carolina (MUSC);
- The University of South Carolina School of Medicine (USC); or,
- A SC Area Health Education Consortium (AHEC) Teaching Health System.

[8] Supplemental Teaching Physician submitted preprint (SC_Fee_AMC_Renewal_20250701-20260630) Question 19d

Only professional services billed by a SC academic medical center, its component units, or an SC AHEC Teaching Health System are eligible for state-directed payments. Teaching physicians must involve residents and/or medical students in the care of his or her patients or directly supervise residents in the care of patients.

Application of Uniform Methodology

The STP state directed payment applies a uniform methodology to the provider class, which brings qualified rendering teaching physician payments at a qualified academic teaching facility up to 96.6% of ACR.

Upon final reconciliation of the SFY 2027 contract year utilization and resulting state directed payments, the uniform payments may be adjusted as described further in the SCDHHS submitted preprint

Total SFY 2027 payments for the STP program are projected at $160,028,404, consistent with the total dollar amount included in the preprint submitted to CMS and currently under review.

Health, Access, Workforce, and Quality Program

Effective July 1, 2026, the HAWQ program is developed to provide additional financial stability for hospitals across South Carolina to ensure access to care for MCO enrollees and promote investment in quality initiatives and the healthcare workforce.[9] SCDHHS believes that by utilizing these dollars through a directed payment, the agency can improve hospital quality and significantly impact its quality strategy for all Medicaid participants. These payments are anticipated to bring greater accountability to hospital quality across the provider class.

Provider Class Defined

Based on documentation provided in the SCDHHS-submitted preprint, all licensed South Carolina general acute care hospitals (including any that convert to a rural emergency hospital) that participate in the State's quality and workforce development programs are eligible for the uniform percentage increase.[10]

Application of Uniform Methodology

The HAWQ program will provide a uniform percentage increase for Medicaid managed care inpatient and outpatient hospital claims incurred by managed care enrollees covered under the Medicaid managed care program at in-network South Carolina hospitals during the SFY 2027 contract year.

The uniform percentage increase applied to each hospital inpatient claim during the SFY 2027 contract year is 236% and the uniform percentage increase applied to each hospital outpatient claim during the SFY 2027 contract year is 222%.[11] The uniform percentage increase applied in the state-directed payment brings eligible hospitals up to 98.1% of ACR for inpatient payments and 98.1% of ACR for outpatient payments during the SFY 2027 contract period.[12]

Upon final reconciliation of the SFY 2027 contract year utilization and resulting state directed payments, the uniform percentage increases may be adjusted as described further in the SCDHHS submitted preprint.

Total SFY 2027 payments for the HAWQ program are projected at $2,575,731,483, consistent with the total dollar amount currently under review by CMS.

Public Ambulance State Directed Payment Program

Effective July 1, 2026, the public ambulance state directed payment program utilizes a uniform dollar increase methodology to increase reimbursement for public and government owned emergency transportation providers by applying a $558 add-on per trip[13]. The increase was developed to cover increased costs incurred related to emergency medical transport services for these providers.[14]

[9] HAWQ submitted preprint (SC_Fee_IPH.OPH_Renewal_20260701-20270630), Question 43

[10] HAWQ submitted preprint (SC_Fee_IPH.OPH_Renewal_20260701-20270630), Question 20b

[11] HAWQ submitted preprint (SC_Fee_IPH.OPH_Renewal_20260701-20270630), Question 19b

[12] HAWQ submitted preprint (SC_Fee_IPH.OPH_Renewal_20260701-20270630), Table 2

[13] Public Ambulance State Directed Payment submitted preprint (SC_Fee_Oth2_Renewal_20260701-20270630) – Question 19b

[14] Public Ambulance State Directed Payment submitted preprint (SC_Fee_Oth2_Renewal_20260701-20270630) – Question 19d

Provider Class Defined

Based on documentation provided in the SCDHHS-submitted preprint, the Public Ambulance State Directed Payment Program establishes one provider class for emergency medical transport services provided by public and government owned or operated ambulance service providers enrolled as an active Medicaid provider with SCDHHS and provided to eligible Medicaid Managed Care enrollees.

Application of Uniform Methodology

The state directed payment applies a uniform methodology to the provider class. The uniform increase is paid in five disbursements, four quarterly payments and a reconciliation payment. The first four payments will be made at the end of each quarter in equal amounts calculated as one fourth of the payment pool less a 10% reserve amount. The reconciliation will be based on actual utilization of services paid during the period (dates of service July 1, 2026 – June 30, 2027) and will be calculated six-months after the end of the rating period to allow for runout and ensure no overpayments are made.[15]

Total SFY 2027 payments for the program are projected at $21,534,245, consistent with the total dollar amount included in the preprint submitted on 4/1/2026.

Private Ambulance State Directed Payment Program

Effective July 1, 2026, the Private ambulance state directed payment program utilizes a uniform percentage increase methodology to increase reimbursement for non-governmentally owned ground emergency transportation providers by applying a percentage increase of 413.86% per claim[16]. "The percentage increase was developed through the determination of the average commercial reimbursement for ground non-governmental emergency ambulance services utilizing the top five commercial payers for each individual provider less the Medicaid base reimbursement for each individual provider to ensure payment does not exceed the average commercial reimbursement. The increase appropriately recognizes the shortfall in Medicaid reimbursement, the increase is equal to the difference between commercial reimbursement and Medicaid reimbursement paid for the same services. The State believes that by utilizing these dollars through a directed payment, the agency can impact Medicaid member access to ground non-governmental emergency ambulance services and materially impact its quality strategy around access to care for all Medicaid participants, improving equitable access to care for beneficiaries across the state."[17]

Provider Class Defined

Based on documentation provided in the SCDHHS-submitted preprint, the Private Ambulance State Directed Payment Program establishes one provider class for emergency medical transport provided by ground non-governmental ambulance service providers enrolled as an active Medicaid provider with SCDHHS and provided to eligible Medicaid Managed Care enrollees.

Application of Uniform Methodology

The state directed payment applies a uniform methodology to the provider class. The uniform increase is paid in five disbursements, four quarterly interim payments and a reconciliation payment. The first four interim payments will be made at the end of each quarter in equal amounts calculated as one fourth of the payment pool less a 10% reserve amount. The reconciliation will be based on actual utilization of services paid during the period (dates of service July 1, 2026 – June 30, 2027) and will be calculated six months after the end of the rating period to allow for runout and ensure no overpayments are made.[18]

Total SFY 2027 payments for the program are projected at $14,434,025, consistent with the total dollar amount included in the preprint and approved submitted on 4/1/2026.

(ii) Description of payment arrangements if incorporated as a rate adjustment

The figure below illustrates the effect of each state directed payment incorporated as a rate adjustment on the SFY 2026 capitation rates.

[15] Public Ambulance State Directed Payment submitted preprint (SC_Fee_Oth2_Renewal_20260701-20270630) – Question 19c

[16] Private Ambulance State Directed Payment submitted preprint (SC_Fee_Oth3_Renewal_20260701-20270630) – Question 19b

[17] Private Ambulance State Directed Payment submitted preprint (SC_Fee_Oth3_Renewal_20260701-20270630) – Question 19d

[18] Private Ambulance State Directed Payment submitted preprint (SC_Fee_Oth3_Renewal_20260701-20270630) – Question 19c

FIGURE 28: EFFECT OF STATE DIRECTED PAYMENTS AS RATE ADJUSTMENTS

CONTROL NAME OF THE STATE DIRECTED PAYMENT	RATE CELLS AFFECTED	MAGNITUDE OF THE ADJUSTMENT	DESCRIPTION OF THE ADJUSTMENT	CONFIRMATION THE RATES ARE CONSISTENT WITH THE PREPRINT	FOR MAXIMUM FEE SCEHDULES, CONFIRMATION THAT MCOS CAN ACHIEVE MAXIMUM FEE SCHEDULE REQUIREMENTS
Rural Hospital Minimum Fee Schedule	All rate cells utilizing rural hospitals	Approximately $2.9 million (MUSC Black River)	Minimum fee schedule at no less than 100% of Medicaid fee-for-service reimbursement for all in-network SC rural hospitals defined under the Medicaid State Plan	N/A	N/A
Independent Pharmacy Program Minimum Fee Schedule	All non-dual rate cells utilizing independent pharmacies	Approximately $9.2 million	Minimum fee schedule at no less than 100% of Medicaid fee-for-service reimbursement for all independent pharmacies, excluding 340B pharmacies	N/A	N/A
State-Owned PRTF Minimum Fee Schedule	All rate cells utilizing state-owned PRTF services	Approximately $4.3 million	Minimum fee schedule at no less than 100% of Medicaid fee-for-service reimbursement for all state-owned PRTFs	N/A	N/A

The estimated PMPMs for each state directed payment applied as a rate adjustment are provided by rate cell in the figure below.

FIGURE 29: RATE ADJUSTMENT STATE DIRECTED PAYMENT IMPACT BY RATE CELL

RATE CELL	RURAL HOSPITAL PMPM	IPP PMPM	STATE-OWNED PRTF PMPM
TANF: 0-2 months old (AH3)	$ 0.12	$ 0.13	$ 0.00
TANF: 3-12 months old (AI3)	0.15	0.24	-
TANF: Age 1-6 (AB3)	0.14	0.29	-
TANF: Age 7-13 (AC3)	0.12	0.34	0.09
TANF: Age 14-18, Male (AD1)	0.13	0.35	0.16
TANF: Age 14-18, Female (AD2)	0.19	0.44	0.10
TANF: Age 19-44, Male (AE1)	0.21	0.74	0.01
TANF: Age 19-44, Female (AE2)	0.42	1.08	-
TANF: Age 45+ (AF3)	0.56	2.97	0.01
SSI - Children (SO3)	0.17	0.97	0.54
SSI - Adults (SP3)	1.58	5.54	0.07
SMI Children (VV3)	0.39	1.15	10.10
SMI TANF Adults (TP3)	0.54	3.72	0.12
SMI SSI Adults (UP3)	1.27	9.80	0.36
OCWI (WG2)	0.33	0.57	0.01
Foster Care - Children (FG3)	0.72	1.41	35.44
KICK (MG2/NG2)	0.05	-	-
Dual Community Well 18+ (DJ3)	0.05	-	0.03
Dual Nursing Facility 18+ (IJ3)	0.03	-	-
Dual Waiver 18+ (EJ3)	0.06	-	-
Non-Dual Nursing Facility 18+ (ZJ3)	2.22	-	-
Non-Dual Waiver 18+ (XJ3)	4.33	-	-

(iii) Description of payment arrangement if incorporated as a separate payment term

The figure below illustrates the effect on the capitation rates of payments incorporated as a separate payment term.

FIGURE 30: EFFECT OF STATE DIRECTED PAYMENTS AS SEPARATE PAYMENT TERMS

CONTROL NAME OF THE STATE DIRECTED PAYMENT	AGGREGATE AMOUNT INCLUDED IN THE RATE CERTIFICATION	STATEMENT THAT THE ACTUARY IS CERTIFYING THE SEPARATE PAYMENT TERM	THE MAGNITUDE ON A PMPM BASIS	CONFIRMATION THE RATE DEVELOPMENT IS CONSISTENT WITH THE PREPRINT	CONFIRMATION THAT THE STATE ACTUARY WILL SUBMIT REQUIRED DOCUMENTATION AT THE END OF THE RATE PERIOD
SC_Fee_AMC_Renewal_20260701-20270630 (Supplemental Teaching Physician Program)	$ 160,028,404	The actuary certifies the amount of the separate payment term disclosed in this certification	Approx $15.22 PMPM	Consistent with submitted preprint	Confirmed
SC_Fee_IPH.OPH_Renewal_20260701-20270630 (Health, Access, Workforce, and Quality Program)	$ 2,575,731,483	The actuary certifies the amount of the separate payment term disclosed in this certification	Approx $245.00 PMPM	Consistent with submitted preprint	Confirmed
SC_Fee_Oth2_Renewal_20260701-20270630 (Public Ambulance)	$ 21,534,245	The actuary certifies the amount of the separate payment term disclosed in this certification	Approx $2.05 PMPM	Consistent with submitted preprint	Confirmed
SC_Fee_Oth3_Renewal_20260701-20270630 (Private Ambulance)	$ 14,434,025	The actuary certifies the amount of the separate payment term disclosed in this certification	Approx $1.37 PMPM	Consistent with submitted preprint	Confirmed

The estimated PMPMs for each state directed payment program incorporated as a separate payment term during the SFY 2027 rating period are provided by rate cell in the figure below.

FIGURE 31: STATE DIRECTED PAYMENT PMPM BY RATE CELL

RATE CELL	STP	HAWQ	PUBLIC AMBULANCE	PRIVATE AMBULANCE
TANF: 0-2 months old (AH3)	$ 173.75	$ 4,196.84	$ 1.75	$ 4.48
TANF: 3-12 months old (AI3)	$ 34.49	$ 230.01	$ 1.05	$ 1.02
TANF: Age 1-6 (AB3)	$ 8.70	$ 93.85	$ 0.59	$ 0.56
TANF: Age 7-13 (AC3)	$ 6.10	$ 67.47	$ 0.48	$ 0.49
TANF: Age 14-18, Male (AD1)	$ 8.37	$ 94.76	$ 1.00	$ 0.85
TANF: Age 14-18, Female (AD2)	$ 8.76	$ 123.81	$ 1.24	$ 0.93
TANF: Age 19-44, Male (AE1)	$ 11.01	$ 225.01	$ 1.99	$ 1.18
TANF: Age 19-44, Female (AE2)	$ 19.98	$ 329.35	$ 2.84	$ 1.45
TANF: Age 45+ (AF3)	$ 31.01	$ 516.11	$ 2.66	$ 1.60
SSI - Children (SO3)	$ 25.13	$ 338.65	$ 1.75	$ 1.73
SSI - Adults (SP3)	$ 52.93	$ 1,107.97	$ 10.31	$ 6.32
SMI Children (VV3)	$ 18.26	$ 502.88	$ 4.36	$ 5.81
SMI TANF Adults (TP3)	$ 38.66	$ 548.18	$ 5.85	$ 2.91
SMI SSI Adults (UP3)	$ 65.09	$ 1,304.66	$ 21.59	$ 11.34
OCWI (WG2)	$ 35.98	$ 629.33	$ 2.60	$ 1.87
Foster Care - Children (FG3)	$ 17.01	$ 851.54	$ 6.57	$ 5.07
KICK (MG2/NG2)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Dual Community Well 18+ (DJ3)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Dual Nursing Facility 18+ (IJ3)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Dual Waiver 18+ (EJ3)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Non-Dual Nursing Facility 18+ (ZJ3)	$ 92.38	$ 1,759.58	$ 42.90	$ 20.38
Non-Dual Waiver 18+ (XJ3)	$ 91.41	$ 1,377.93	$ 25.11	$ 11.20

(iv) Portion of capitation rates that is attributable to each state directed payment

Appendix 8 illustrates the PMPM impact on the certified capitation rates attributable to each state directed payment, as well as the aggregate PMPM impact of all state directed payments. We assumed that without the implementation of the SFY 2027 state directed payments, the MCOs would contract with providers at the state plan fee schedule.

(v) Additional State Directed Payments Not Addressed in the Certification

There are no additional state directed payments in the managed care program that are not addressed in this rate certification.

(vi) Confirmation of Reimbursement Rates that Plans Must Pay Providers

There are no additional requirements regarding the reimbursement rates the plans must pay to any providers unless specified in this certification as a state directed payment or authorized under applicable law, regulation, or waiver.

(vii) Other references to state directed payments within the rate certification

In addition to section I.4.D, the state directed payments in the SFY 2027 capitation rates are referenced in section I.2.B.iii.

E. PASS-THROUGH PAYMENTS

i. Rate Development Standards

There are no pass-through payments reflected in the SFY 2027 capitation rates.

ii. Appropriate Documentation

There are no pass-through payments reflected in the SFY 2027 capitation rates.

5. Projected non-benefit costs

A. RATE DEVELOPMENT STANDARDS

i. Overview

In accordance with 42 CFR §438.5(e), the non-benefit component of the capitation rate includes reasonable, appropriate and attainable expenses related to MCO operation of the South Carolina Medicaid managed care program.

The remainder of Section I, item 5 provides documentation of the data, assumptions and methodology that we utilized to develop the non-benefit cost component of the capitation rate.

ii. PMPM versus percentage

The non-benefit cost assumption was developed as follows:

- The administrative expense was developed as a percentage of the benefit expense portion of the capitation rate;
- Intensive case management (ICM) was developed as a PMPM; and,
- The risk margin component was developed as a percentage of the capitation rate.

iii. Basis for variation in assumptions

Any assumption variation between covered populations is the result of program differences and is in no way based on the rate of federal financial participation associated with the population.

B. APPROPRIATE DOCUMENTATION

i. Development of non-benefit costs

(a) Description of the data, assumptions, and methodologies

Data

The primary data sources used in the development of the state fiscal year 2027 non-benefit costs are listed below:

- Calendar Year 2023, 2024, and 2025 administrative costs as reported in the Managed Care Survey completed by each MCO.
- Calendar Year 2024 and 2025 administrative costs by category and function as reported in the MCO Administrative Cost template completed by each MCO
- MCO administrative requirements as specified in the MCO contract
- Statutory financial statement data for each of the MCOs
- Base claims costs
- Average non-benefit costs from the financial statements of Medicaid MCOs nationally, as summarized by Palmer, Pettit, McCulla, and Kinnick. A link to the 2024 report published in June 2025 (Medicaid managed care financial results for 2024) is provided here: https://www.milliman.com/en/insight/medicaid-managed-care-financial-results-2024
- Estimated ICM member counts from SCDHHS, caseload ratio requirements as outlined in the MCO contract, and Bureau of Labor and Statistics (BLS) wages for case managers and operational staff.

Assumptions and methodology

To develop non-benefit costs for the Standard population, we reviewed historical administrative expenses for the managed care program along with national Medicaid MCO administrative expenses. We considered the size of participating MCOs and the resulting economies of scale that could be achieved, along with the benefits covered and the demographics of the population. Historical reported administrative expenses by MCO were compared to statutory financial statements for consistency.

Our review of the non-benefit cost component of the capitation rate for the Standard population (excluding risk margin) in comparison to Appendix 1 of the Medicaid managed care financial results for 2024 referenced above indicates that the allowance reflected in the South Carolina Medicaid managed care rates is reasonable in comparison to the national benchmark for states that have not expanded Medicaid to cover the new adult group defined by section 1902(a)(10)(A)(i)(VIII) of the Social Security Act.

In addition, we reviewed the resulting composite non-benefit cost PMPMs for the SC Medicaid managed care program in the context of historical PMPMs included in the capitation rates, as well as MCO-reported non-benefit costs (care management and administrative expenses). We believe the non-benefit cost allowance continues to be a reasonable, appropriate and attainable assumption based on our review of historical financial results and administrative expenses reported by the MCOs, projected SFY 2027 enrollment, and continued review of the program contractual requirements.

To develop non-benefit costs for the dual population, we reviewed historical administrative expenses as reported in the Prime MLR reports, along with MCO administrative requirements as outlined in the MCO contract. Adjustments were made to historical expenditures to consider the covered benefits in the program (i.e., waiver and nursing facility services carved out of the managed care program). In addition, the final administrative expense load was informed by considering the portion of expenses allocated to Medicaid based on benchmarking data by functional area. This review, in combination with actuarial judgement, was used to validate the reasonableness of the composite administrative cost load and the rate cell administrative load relativities. To develop non-benefit costs for the non-dual waiver and nursing facility population, we reviewed administrative expense loads for populations with similar health cost profiles and overall acuity in the SFY 2027 Medicaid managed care program.

In addition, SCDHHS added ICM requirements to the MCO contract effective January 1, 2025, requiring MCOs to apply specified criteria outlined in the MCO contract to members identified with a serious mental illness. Consistent with SFY 2026, the SFY 2027 capitation rate development includes approximately $15 million in non-benefit costs to provide intensive case management services consistent with SCDHHS program requirements and expectations. The total costs are applied to the SMI rate cells, which represents the populations primarily impacted by the ICM requirements.

(b) Material changes

The data, assumptions, and methodology used to develop the projected non-benefit costs are generally consistent with the SFY 2026 rate development. The SFY 2027 administrative expense percentages decreased from the prior capitation rate setting analysis for all TANF children and adult rate cells, as well as the SSI adult and all SMI rate cells based on the analysis previously described. Additionally, the ICM costs are only spread over the SMI rate cells in SFY 2027 based on ICM enrollment files provided by SCDHHS. Risk margin percentages are consistent with the prior capitation rate setting analysis for all rate cells.

(c) Other material adjustments

There are no material adjustments applied to non-benefit costs for SFY 2027.

ii. Non-benefit costs, by cost category

With the exception of the ICM PMPM load, administrative expenses have not been developed from the ground up (based on individual components). However, individual components were reviewed within MCO-reported survey information and financial statement data for reasonableness.

Consistent with the prior rate certification, the SFY 2027 non-benefit cost allowance is calculated as follows:

- The administrative expense component is applied as a percentage load on the benefit expense portion of capitation rate, excluding ICM and state-directed payments
- ICM is applied as a PMPM add-on
- Risk margin is applied as a percentage of the capitation rate, excluding state-directed payments

The SFY 2027 non-benefit costs allowance assumptions by rate cell are illustrated in Figure 32 below.

FIGURE 32: NON-BENEFIT COST ALLOWANCE ASSUMPTIONS BY RATE CELL

RATE CELL	ADMINISTRATIVE EXPENSES	INTENSIVE CASE MANAGEMENT	RISK MARGIN
TANF: 0-2 months old (AH3)	5.50%	$ 0.00	1.00%
TANF: 3-12 months old (AI3)	11.00%	$ 0.00	1.00%
TANF: Age 1-6 (AB3)	11.80%	$ 0.00	1.00%
TANF: Age 7-13 (AC3)	11.70%	$ 0.00	1.00%
TANF: Age 14-18, Male (AD1)	11.70%	$ 0.00	1.00%
TANF: Age 14-18, Female (AD2)	11.35%	$ 0.00	1.00%
TANF: Age 19-44, Male (AE1)	9.65%	$ 0.00	1.00%
TANF: Age 19-44, Female (AE2)	9.25%	$ 0.00	1.00%
TANF: Age 45+ (AF3)	8.95%	$ 0.00	1.00%
SSI - Children (SO3)	7.40%	$ 0.00	1.00%
SSI - Adults (SP3)	7.35%	$ 0.00	1.00%
SMI Children (VV3)	11.55%	$ 31.93	1.00%
SMI TANF Adults (TP3)	10.00%	$ 12.59	1.00%
SMI SSI Adults (UP3)	6.95%	$ 25.82	1.00%
OCWI (WG2)	10.25%	$ 0.00	1.00%
Foster Care - Children (FG3)	10.25%	$ 0.00	1.00%
KICK (MG2/NG2)	2.25%	$ 0.00	1.00%
Dual Community Well 18+	13.50%	$ 0.00	1.00%
Dual Nursing Facility 18+	13.50%	$ 0.00	1.00%
Dual Waiver 18+	13.50%	$ 0.00	1.00%
Non-Dual Nursing Facility 18+	6.25%	$ 0.00	1.00%
Non-Dual Waiver 18+	5.75%	$ 0.00	1.00%

Notes:
1. There are no taxes, licensing or regulatory fees attributed to the South Carolina Medicaid managed care program.

The benefit expense and non-benefit cost allowance components of the SFY 2027 capitation rates are illustrated by rate cell in Appendix 4.

iii. Historical non-benefit costs

Historical MCO-reported non-benefit cost data net of taxes for CY 2023, CY 2024, and CY 2025 are illustrated in Figure 33. In addition to the average non-benefit cost PMPM reported across all MCOs, we provided the minimum and maximum MCO non-benefit cost PMPM.

FIGURE 33: MCO REPORTED NON-BENEFIT COST PMPM

CALENDAR YEAR	AVERAGE REPORTED NON-BENEFIT COSTS PMPM	MINIMUM REPORTED NON-BENEFIT COSTS PMPM	MAXIMUM REPORTED NON-BENEFIT COSTS PMPM
CY 2023	$ 28.63	$ 25.92	$ 35.52
CY 2024	$ 31.79	$ 29.46	$ 37.32
CY 2025	$ 34.55	$ 30.15	$ 39.82

Note: Due to low volume of Medicaid membership during the first four years of managed care activity and PMPMs that are more than 100% higher than the average program-wide reported administrative expenses, the new MCO entrant during 2021 has been excluded from the results.

Information related to the manner in which the historical non-benefit cost data was considered in the non-benefit cost assumptions used in the rate development is described in section I, item 5.B.i above. Appendix 4 includes administrative expense and ICM amounts on a PMPM basis, comparable to the values in Figure 33.

6. Risk adjustment

This section provides information on the risk adjustment included in the contract.

A. RATE DEVELOPMENT STANDARDS

i. Overview

In accordance with 42 CFR §438.5(g), we will follow the rate development standards related to budget-neutral risk adjustment for the Medicaid managed care program. The composite rates for TANF Children, TANF Adult, SSI Children, SSI Adult, SMI TANF Adult, SMI SSI Adult, and SMI Children populations are expected to be prospectively risk adjusted by MCO to reflect estimated prospective morbidity differences in the underlying population enrolling with each MCO.

ii. Risk adjustment model

Detail regarding the risk adjustment model is provided in Section I, item 6.B.i.(b) below.

B. APPROPRIATE DOCUMENTATION

i. Prospective risk adjustment

(a) Data and adjustments

The risk adjustment analysis will use historical FFS and encounter data in the development of South Carolina-specific weights. The Combined Chronic Illness and Pharmacy Payment System (CDPS+Rx) risk adjustment model and the South Carolina-specific weights will be applied to SFY 2025 FFS and encounter data for the population enrolled in managed care as of April 2026 as the underlying data source for the development of the July through December 2026 risk scores. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete. This is anticipated to be completed in June 2026.

(b) Risk adjustment model

The July through December 2026 risk scores for each of the seven populations will be prospectively risk-adjusted using CDPS+Rx risk scoring models, calibrated to South Carolina-specific experience. In addition, a custom variable representing individual member's MH/SA treatment prevalence will be included in the risk score development. Risk adjustment is anticipated to be updated semi-annually for each of the seven defined populations. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete. The analysis uses generally accepted actuarial principles and practices.

(c) Risk adjustment methodology

The SCDHHS risk adjustment is designed to be cost neutral for each of the seven defined populations. Relative risk scores will be normalized to result in a composite risk score of 1.000 for each population group, across all MCOs. The risk adjustment methodology uses generally accepted actuarial principles and practices.

(d) Magnitude of the adjustment

The magnitude of the adjustment per MCO is not known at this time. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete.

(e) Assessment of predictive value

We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete.

(f) Any concerns the actuary has with the risk adjustment process

At this time, we have no concerns with the risk adjustment process.

ii. Retrospective risk adjustment

Not applicable. The risk adjustment analysis will utilize a prospective methodology.

iii. Changes to risk adjustment model since last rating period

We used the CDPS+Rx risk adjustment model version 7.2, including an additional MH/SA treatment prevalence variable, calibrated to South Carolina-specific weights for the last rating period. The most recent CDPS+Rx risk adjustment model, version 7.3, along with a MH/SA treatment prevalence variable, calibrated to South Carolina-specific weights is anticipated to be used for the SFY 2027 rating period.

7. Acuity adjustment

This section provides information on the acuity adjustment incorporated into the SFY 2027 capitation rates.

A. RATE DEVELOPMENT STANDARDS

i. Overview

Assumptions related to anticipated changes in population acuity during SFY 2027 are applied as prospective acuity adjustments and are discussed in Section 2.B.iii.(d).

B. APPROPRIATE DOCUMENTATION

i. Description

Documentation of the prospective acuity adjustment included in the SFY 2027 capitation rate development is discussed in Section 2.B.iii.(d).

ii. Documentation

Documentation of the prospective acuity adjustment included in the SFY 2027 capitation rate development is discussed in Section 2.B.iii.(d).

II. Medicaid Managed care rates with long-term services and supports

Section II of the CMS Guide is not applicable to the SCDHHS Medicaid managed care program. Individuals who have been approved for long term institutional care, waiver services, or institutional hospice care and are otherwise eligible for the program will be enrolled into the applicable capitation rate cell in the managed care program; however, managed long-term services and supports (MLTSS) and nursing facility ***services*** will be carved out of managed care and administered through the FFS delivery system.

III. New adult group capitation rates

Section III of the CMS Guide is not applicable to the SCDHHS Medicaid managed care program.

Limitations

The information contained in this letter was prepared as documentation of the actuarially sound capitation rates for the Medicaid managed care program in the State of South Carolina. The information may not be appropriate for any other purpose.

The information contained in this letter, including the enclosures, has been prepared for SCDHHS and their consultants and advisors. It is our understanding that the information contained in this letter will be distributed to CMS and each of the MCOs participating in the SC Medicaid managed care program. These results may not be distributed to any other party without the prior consent of Milliman. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for SCDHHS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter must rely upon their own experts in drawing conclusions about the capitation rates, assumptions, and trends.

Milliman has developed certain models to estimate the values included in this presentation. The intent of the models was to develop the SFY 2027 Medicaid managed care capitation rates. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

The models rely on data and information as input to the models. We have relied upon certain data and information provided by SCDHHS and the participating MCOs for this purpose and accepted it without audit. To the extent that the data and information provided is not accurate, or is not complete, the values provided in this report may likewise be inaccurate or incomplete. Although the capitation rates have been certified as actuarially sound, the capitation rates may not be appropriate for any individual MCO. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses contained herein.

Appendix 1: Actuarial Certification

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
Capitation Rates Effective July 1, 2026 through June 30, 2027

Actuarial Certification

I, Marlene T. Howard, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. I meet the qualification standards established by the American Academy of Actuaries and have followed the standards of practice established by the Actuarial Standards Board. I have been contracted by the State of South Carolina and am generally familiar with the state-specific Medicaid program, eligibility rules, and benefit provisions.

The capitation rates provided with this certification are considered "actuarially sound" for purposes of 42 CFR 438.4(a), according to the following criteria:

- the capitation rates provide for all reasonable, appropriate, and attainable costs that are required under terms of the contract and for the operation of the MCO for the time period and population covered under the terms of the contract, and such capitation rates were developed in accordance with the requirements under 42 CFR 438.4(b).

For the purposes of this certification and consistent with the requirements under 42 CFR 438.4(a), "actuarial soundness" is defined as in ASOP 49:

"Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates and other revenue sources provide for all reasonable, appropriate, and attainable costs. For purposes of this definition, other revenue sources include, but are not limited to, expected reinsurance and governmental stop-loss cash flows, governmental risk-adjustment cash flows, and investment income. For purposes of this definition, costs include, but are not limited to, expected health benefits; health benefit settlement expenses; administrative expenses; the cost of capital, and government-mandated assessments, fees, and taxes."

The assumptions used in the development of the "actuarially sound" capitation rates have been documented in my correspondence with the State of South Carolina. The "actuarially sound" capitation rates that are associated with this certification are effective for the rate period July 1, 2026 through June 30, 2027. I acknowledge that the State may elect to increase or decrease the capitation rates up to 1.5% per rate cell as allowed under 42 CFR 438.7(c)(3) of CMS 2390-F.

The capitation rates are considered actuarially sound after adjustment for the amount of the withhold not expected to be earned. The "actuarially sound" capitation rates are based on a projection of future events. Actual experience may be expected to vary from the experience assumed in the rates. In developing the "actuarially sound" capitation rates, I have relied upon data and information provided by the State. I have relied upon the State for audit of the data. However, I did review the data for reasonableness and consistency.

The capitation rates developed may not be appropriate for any specific health plan. An individual health plan will need to review the rates in relation to the benefits that it will be obligated to provide. The health plan should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to contract with the State. The health plan may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.

Marlene T. Howard
Electronic Signature

Marlene T. Howard, FSA
Member, American Academy of Actuaries

June 19, 2026
Date

Appendix 2: Certified Capitation Rates

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Comparison to January - June 2026 Capitation Rates

Rate Cell Description	Rate Cell Code	SFY 2027 Projected Exposure	Excluding Add-Ons			Including Add-Ons		
			Jan-Jun 2026 Rates	SFY 2027 Rates	Total Rate Change	Jan-Jun 2026 Rates	SFY 2027 Rates	Total Rate Change
TANF Children								
TANF - 0 - 2 Months, Male & Female	**AH3**	74,232	$ 2,371.18	$ 2,752.20	16.1%	$ 5,969.51	$ 7,129.02	19.4%
TANF - 3 - 12 Months, Male & Female	**AI3**	323,748	290.53	304.66	4.9%	518.84	571.23	10.1%
TANF - Age 1 - 6, Male & Female	**AB3**	1,993,680	196.71	196.32	(0.2%)	299.73	300.02	0.1%
TANF - Age 7 - 13, Male & Female	**AC3**	2,359,464	164.98	175.90	6.6%	235.51	250.44	6.3%
TANF - Age 14 - 18, Male	**AD1**	759,396	166.10	179.44	8.0%	263.76	284.42	7.8%
TANF - Age 14 - 18, Female	**AD2**	720,912	180.19	203.06	12.7%	292.02	337.80	15.7%
Subtotal TANF Children		**6,231,432**	**$ 209.83**	**$ 223.39**	**6.5%**	**$ 349.06**	**$ 379.16**	**8.6%**
TANF Adult								
TANF - Age 19 - 44, Male	**AE1**	118,980	$ 256.25	$ 304.61	18.9%	$ 441.24	$ 543.80	23.2%
TANF - Age 19 - 44, Female	**AE2**	905,520	361.05	393.02	8.9%	683.94	746.64	9.2%
TANF - Age 45+, Male & Female	**AF3**	164,076	643.94	800.75	24.4%	1,079.37	1,352.13	25.3%
Subtotal TANF Adult		**1,188,576**	**$ 389.61**	**$ 440.45**	**13.0%**	**$ 714.23**	**$ 809.92**	**13.4%**
Disabled								
SSI - Children	**SO3**	147,336	$ 764.14	$ 816.26	6.8%	$ 1,111.85	$ 1,183.52	6.4%
SSI - Adults	**SP3**	368,052	1,349.35	1,450.32	7.5%	2,546.42	2,627.85	3.2%
Subtotal Disabled		**515,388**	**$ 1,182.05**	**$ 1,269.06**	**7.4%**	**$ 2,136.31**	**$ 2,214.95**	**3.7%**
SMI								
SMI Children	**VV3**	208,997	$ 747.78	$ 695.20	(7.0%)	$ 1,315.75	$ 1,226.51	(6.8%)
SMI TANF Adults	**TP3**	291,379	923.90	948.01	2.6%	1,554.02	1,543.61	(0.7%)
SMI SSI Adults	**UP3**	188,157	1,931.07	2,145.25	11.1%	3,416.91	3,547.93	3.8%
Subtotal SMI		**688,533**	**$ 1,145.67**	**$ 1,198.44**	**4.6%**	**$ 1,990.77**	**$ 1,995.08**	**0.2%**
OCWI	**WG2**	**252,480**	**$ 284.05**	**$ 292.83**	**3.1%**	**$ 888.68**	**$ 962.61**	**8.3%**
Foster Care Children	**FG3**	**44,088**	**$ 1,071.39**	**$ 1,121.35**	**4.7%**	**$ 1,770.94**	**$ 2,001.54**	**13.0%**
KICK	**MG2/NG2**	**21,060**	**$ 7,262.97**	**$ 7,223.49**	**(0.5%)**	**$ 7,262.97**	**$ 7,223.49**	**(0.5%)**
Standard Population Subtotal		**8,920,497**	**$ 385.70**	**$ 411.44**	**6.7%**	**$ 667.14**	**$ 708.93**	**6.3%**
Dual								
Dual Community Well 18+	**DJ3**	1,174,608	$ 89.23	$ 79.69	(10.7%)	$ 89.23	$ 79.69	(10.7%)
Dual Nursing Facility 18+	**IJ3**	127,392	111.03	109.71	(1.2%)	111.03	109.71	(1.2%)
Dual Waiver 18+	**EJ3**	217,704	181.58	161.18	(11.2%)	181.58	161.18	(11.2%)
Subtotal Dual		**1,519,704**	**$ 104.29**	**$ 93.88**	**(10.0%)**	**$ 104.29**	**$ 93.88**	**(10.0%)**
Non-Dual LTSS								
Non-Dual Nursing Facility 18+	**ZJ3**	19,020	$ 1,930.43	$ 1,705.60	(11.6%)	$ 6,007.24	$ 3,620.84	(39.7%)
Non-Dual Waiver 18+	**XJ3**	54,168	2,519.24	2,203.94	(12.5%)	5,846.17	3,709.59	(36.5%)
Subtotal Non-Dual LTSS		**73,188**	**$ 2,366.22**	**$ 2,074.43**	**(12.3%)**	**$ 5,888.03**	**$ 3,686.53**	**(37.4%)**
Dual/LTSS Population Subtotal		**1,592,892**	**$ 208.22**	**$ 184.88**	**(11.2%)**	**$ 370.03**	**$ 258.95**	**(30.0%)**
Total		**10,513,389**	**$ 358.81**	**$ 377.11**	**5.1%**	**$ 622.13**	**$ 640.75**	**3.0%**

Note:
Jan-Jun 2026 and SFY 2027 composite rates reflect projected SFY 2027 enrollment by rate cell.

Appendix 3: Fiscal Impact Summary

South Carolina Department of Health and Human Services Medicaid Managed Care Program State Fiscal Year 2027 Capitation Rate Development Fiscal Impact Summary ($ Millions)									
		Jan - Jun 2026 Capitation Rates			SFY 2027 Capitation Rates			Increase/(Decrease)	
Rate Cell	SFY 2027 Projected Exposure	Capitation Rate	Projected Expenditures	FMAP (69.34%) Federal Expenditures	Capitation Rate	Projected Expenditures	FMAP (69.34%) Federal Expenditures	Projected Expenditures	FMAP (69.34%) Federal Expenditures
TANF Children									
TANF - 0 - 2 Months, Male & Female	74,232	$ 5,969.51	$ 443.1	$ 307.3	$ 7,129.02	$ 529.2	$ 367.0	$ 86.1	$ 59.7
TANF - 3 - 12 Months, Male & Female	323,748	518.84	168.0	116.5	571.23	184.9	128.2	17.0	11.8
TANF - Age 1 - 6, Male & Female	1,993,680	299.73	597.6	414.4	300.02	598.1	414.8	0.6	0.4
TANF - Age 7 - 13, Male & Female	2,359,464	235.51	555.7	385.3	250.44	590.9	409.7	35.2	24.4
TANF - Age 14 - 18, Male	759,396	263.76	200.3	138.9	284.42	216.0	149.8	15.7	10.9
TANF - Age 14 - 18, Female	720,912	292.02	210.5	146.0	337.80	243.5	168.9	33.0	22.9
Subtotal TANF Children	**6,231,432**	**$ 349.06**	**$ 2,175.2**	**$ 1,508.3**	**$ 379.16**	**$ 2,362.7**	**$ 1,638.4**	**$ 187.5**	**$ 130.0**
TANF Adult									
TANF - Age 19 - 44, Male	118,980	$ 441.24	$ 52.5	$ 36.4	$ 543.80	$ 64.7	$ 44.9	$ 12.2	$ 8.5
TANF - Age 19 - 44, Female	905,520	683.94	619.3	429.5	746.64	676.1	468.8	56.8	39.4
TANF - Age 45+, Male & Female	164,076	1,079.37	177.1	122.8	1,352.13	221.9	153.8	44.8	31.0
Subtotal TANF Adult	**1,188,576**	**$ 714.23**	**$ 848.9**	**$ 588.7**	**$ 809.92**	**$ 962.7**	**$ 667.5**	**$ 113.7**	**$ 78.9**
Disabled									
SSI - Children	147,336	$ 1,111.85	$ 163.8	$ 113.6	$ 1,183.52	$ 174.4	$ 120.9	$ 10.6	$ 7.3
SSI - Adults	368,052	2,546.42	937.2	649.9	2,627.85	967.2	670.7	30.0	20.8
Subtotal Disabled	**515,388**	**$ 2,136.31**	**$ 1,101.0**	**$ 763.5**	**$ 2,214.95**	**$ 1,141.6**	**$ 791.6**	**$ 40.5**	**$ 28.1**
SMI									
SMI Children	208,997	$ 1,315.75	$ 275.0	$ 190.7	$ 1,226.51	$ 256.3	$ 177.8	($ 18.7)	($ 12.9)
SMI TANF Adults	291,379	1,554.02	452.8	314.0	1,543.61	449.8	311.9	(3.0)	(2.1)
SMI SSI Adults	188,157	3,416.91	642.9	445.8	3,547.93	667.6	462.9	24.7	17.1
Subtotal SMI	**688,533**	**$ 1,990.77**	**$ 1,370.7**	**$ 950.5**	**$ 1,995.08**	**$ 1,373.7**	**$ 952.5**	**$ 3.0**	**$ 2.1**
OCWI	**252,480**	**$ 888.68**	**$ 224.4**	**$ 155.6**	**$ 962.61**	**$ 243.0**	**$ 168.5**	**$ 18.7**	**$ 12.9**
Foster Care Children	**44,088**	**$ 1,770.94**	**$ 78.1**	**$ 54.1**	**$ 2,001.54**	**$ 88.2**	**$ 61.2**	**$ 10.2**	**$ 7.1**
KICK	**21,060**	**$ 7,262.97**	**$ 153.0**	**$ 106.1**	**$ 7,223.49**	**$ 152.1**	**$ 105.5**	**($ 0.8)**	**($ 0.6)**
Standard Population Subtotal	**8,920,497**	**$ 667.14**	**$ 5,951.2**	**$ 4,126.7**	**$ 708.93**	**$ 6,324.0**	**$ 4,385.2**	**$ 372.8**	**$ 258.5**
Dual									
Dual Community Well 18+	1,174,608	$ 89.23	$ 104.8	$ 72.7	$ 79.69	$ 93.6	$ 64.9	($ 11.2)	($ 7.8)
Dual Nursing Facility 18+	127,392	111.03	14.1	9.8	109.71	14.0	9.7	(0.2)	(0.1)
Dual Waiver 18+	217,704	181.58	39.5	27.4	161.18	35.1	24.3	(4.4)	(3.1)
Subtotal Dual	**1,519,704**	**$ 104.29**	**$ 158.5**	**$ 109.9**	**$ 93.88**	**$ 142.7**	**$ 98.9**	**($ 15.8)**	**($ 11.0)**
Non-Dual LTSS									
Non-Dual Nursing Facility 18+	19,020	$ 6,007.24	$ 114.3	$ 79.2	$ 3,620.84	$ 68.9	$ 47.8	($ 45.4)	($ 31.5)
Non-Dual Waiver 18+	54,168	5,846.17	316.7	219.6	3,709.59	200.9	139.3	(115.7)	(80.3)
Subtotal Non-Dual LTSS	**73,188**	**$ 5,888.03**	**$ 430.9**	**$ 298.8**	**$ 3,686.53**	**$ 269.8**	**$ 187.1**	**($ 161.1)**	**($ 111.7)**
Dual/LTSS Population Subtotal	**1,592,892**	**$ 370.03**	**$ 589.4**	**$ 408.7**	**$ 258.95**	**$ 412.5**	**$ 286.0**	**($ 176.9)**	**($ 122.7)**
Total	**10,513,389**	**$ 622.13**	**$ 6,540.7**	**$ 4,535.5**	**$ 640.75**	**$ 6,736.5**	**$ 4,671.2**	**$ 195.8**	**$ 135.8**

Note:
Jan-Jun 2026 and SFY 2027 composite rates reflect projected SFY 2027 enrollment by rate cell.

Appendix 4: Rate Change Summary

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Rate Change Summary

											State Directed Payments (separate payment terms)						
	Projected Exposure	Base Benefit Expense	Admin Expense	Care Management	Intensive Case Management	Risk Margin	Non-Benefit Expense	SFY 2027 Capitation Rate w/o Add-Ons	Jan-Jun 2026 Capitation Rate w/o Add-Ons	% Change	Health Access, Workforce, and Quality	Supplemental Teaching Physician	Private Ambulance Providers	Public Ambulance Providers	SFY 2027 Capitation Rate w/ Add-Ons	Jan-Jun 2026 Capitation Rate w/ Add-Ons	% Change
TANF Children																	
TANF - 0 - 2 Months, Male & Female	74,232	$ 2,574.82	$ 122.61	$ 27.25	$ 0.00	$ 27.52	$ 177.38	$ 2,752.20	$ 2,371.18	16.1%	$ 4,196.84	$ 173.75	$ 4.48	$ 1.75	$ 7,129.02	$ 5,969.51	19.4%
TANF - 3 - 12 Months, Male & Female	323,748	268.44	27.90	5.28	-	3.04	36.22	304.66	290.53	4.9%	230.01	34.49	1.02	1.05	571.23	518.84	10.1%
TANF - Age 1 - 6, Male & Female	1,993,680	171.42	19.52	3.41	-	1.97	24.90	196.32	196.71	(0.2%)	93.85	8.70	0.56	0.59	300.02	299.73	0.1%
TANF - Age 7 - 13, Male & Female	2,359,464	153.77	17.77	2.60	-	1.76	22.13	175.90	164.98	6.6%	67.47	6.10	0.49	0.48	250.44	235.51	6.3%
TANF - Age 14 - 18, Male	759,396	156.86	18.01	2.78	-	1.79	22.58	179.44	166.10	8.0%	94.76	8.37	0.85	1.00	284.42	263.76	7.8%
TANF - Age 14 - 18, Female	720,912	178.21	19.85	2.97	-	2.03	24.85	203.06	180.19	12.7%	123.81	8.76	0.93	1.24	337.80	292.02	15.7%
Subtotal TANF Children	**6,231,432**	**$ 197.42**	**$ 20.37**	**$ 3.36**	**$ 0.00**	**$ 2.24**	**$ 25.97**	**$ 223.39**	**$ 209.83**	**6.5%**	**$ 143.39**	**$ 10.99**	**$ 0.68**	**$ 0.71**	**$ 379.16**	**$ 349.06**	**8.6%**
TANF Adult																	
TANF - Age 19 - 44, Male	118,980	$ 272.46	$ 25.16	$ 3.94	$ 0.00	$ 3.05	$ 32.15	$ 304.61	$ 256.25	18.9%	$ 225.01	$ 11.01	$ 1.18	$ 1.99	$ 543.80	$ 441.24	23.2%
TANF - Age 19 - 44, Female	905,520	353.10	31.14	4.85	-	3.93	39.92	393.02	361.05	8.9%	329.35	19.98	1.45	2.84	746.64	683.94	9.2%
TANF - Age 45+, Male & Female	164,076	721.79	61.10	9.85	-	8.01	78.96	800.75	643.94	24.4%	516.11	31.01	1.60	2.66	1,352.13	1,079.37	25.3%
Subtotal TANF Adult	**1,188,576**	**$ 395.92**	**$ 34.68**	**$ 5.45**	**$ 0.00**	**$ 4.41**	**$ 44.53**	**$ 440.45**	**$ 389.61**	**13.0%**	**$ 344.69**	**$ 20.60**	**$ 1.44**	**$ 2.73**	**$ 809.92**	**$ 714.23**	**13.4%**
Disabled																	
SSI - Children	147,336	$ 748.30	$ 48.22	$ 11.58	$ 0.00	$ 8.16	$ 67.96	$ 816.26	$ 764.14	6.8%	$ 338.65	$ 25.13	$ 1.73	$ 1.75	$ 1,183.52	$ 1,111.85	6.4%
SSI - Adults	368,052	1,330.28	87.94	17.59	-	14.51	120.04	1,450.32	1,349.35	7.5%	1,107.97	52.93	6.32	10.31	2,627.85	2,546.42	3.2%
Subtotal Disabled	**515,388**	**$ 1,163.91**	**$ 76.59**	**$ 15.87**	**$ 0.00**	**$ 12.69**	**$ 105.15**	**$ 1,269.06**	**$ 1,182.05**	**7.4%**	**$ 888.04**	**$ 44.98**	**$ 5.01**	**$ 7.86**	**$ 2,214.95**	**$ 2,136.31**	**3.7%**
SMI																	
SMI Children	208,997	$ 580.51	$ 56.04	$ 19.76	$ 31.93	$ 6.96	$ 114.69	$ 695.20	$ 747.78	(7.0%)	$ 502.88	$ 18.26	$ 5.81	$ 4.36	$ 1,226.51	$ 1,315.75	(6.8%)
SMI TANF Adults	291,379	833.35	62.44	30.15	12.59	9.48	114.66	948.01	923.90	2.6%	548.18	38.66	2.91	5.85	1,543.61	1,554.02	(0.7%)
SMI SSI Adults	188,157	1,952.17	109.42	36.38	25.82	21.46	193.08	2,145.25	1,931.07	11.1%	1,304.66	65.09	11.34	21.59	3,547.93	3,416.91	3.8%
Subtotal SMI	**688,533**	**$ 1,062.35**	**$ 73.34**	**$ 28.70**	**$ 22.08**	**$ 11.99**	**$ 136.10**	**$ 1,198.44**	**$ 1,145.67**	**4.6%**	**$ 741.15**	**$ 39.69**	**$ 6.09**	**$ 9.70**	**$ 1,995.08**	**$ 1,990.77**	**0.2%**
OCWI	**252,480**	**$ 260.19**	**$ 25.37**	**$ 4.35**	**$ 0.00**	**$ 2.92**	**$ 32.64**	**$ 292.83**	**$ 284.05**	**3.1%**	**$ 629.33**	**$ 35.98**	**$ 1.87**	**$ 2.60**	**$ 962.61**	**$ 888.68**	**8.3%**
Foster Care Children	**44,088**	**$ 996.35**	**$ 72.16**	**$ 41.63**	**$ 0.00**	**$ 11.21**	**$ 125.00**	**$ 1,121.35**	**$ 1,071.39**	**4.7%**	**$ 851.54**	**$ 17.01**	**$ 5.07**	**$ 6.57**	**$ 2,001.54**	**$ 1,770.94**	**13.0%**
KICK	**21,060**	**$ 6,990.35**	**$ 143.03**	**$ 17.88**	**$ 0.00**	**$ 72.23**	**$ 233.14**	**$ 7,223.49**	**$ 7,262.97**	**(0.5%)**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 7,223.49**	**$ 7,262.97**	**(0.5%)**
Standard Population Subtotal	**8,920,497**	**$ 368.70**	**$ 30.35**	**$ 6.57**	**$ 1.70**	**$ 4.12**	**$ 42.74**	**$ 411.44**	**$ 385.70**	**6.7%**	**$ 276.63**	**$ 17.19**	**$ 1.51**	**$ 2.17**	**$ 708.93**	**$ 667.14**	**6.3%**
Dual																	
Dual Community Well 18+	1,174,608	$ 68.24	$ 9.27	$ 1.38	$ 0.00	$ 0.80	$ 11.45	$ 79.69	$ 89.23	(10.7%)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 79.69	$ 89.23	(10.7%)
Dual Nursing Facility 18+	127,392	93.95	12.76	1.90	-	1.10	15.76	109.71	111.03	(1.2%)	-	-	-	-	109.71	111.03	(1.2%)
Dual Waiver 18+	217,704	138.03	18.75	2.79	-	1.61	23.15	161.18	181.58	(11.2%)	-	-	-	-	161.18	181.58	(11.2%)
Subtotal Dual	**1,519,704**	**$ 80.39**	**$ 10.92**	**$ 1.63**	**$ 0.00**	**$ 0.94**	**$ 13.49**	**$ 93.88**	**$ 104.29**	**(10.0%)**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 93.88**	**$ 104.29**	**(10.0%)**
Non-Dual LTSS																	
Non-Dual Nursing Facility 18+	19,020	$ 1,583.01	$ 84.43	$ 21.11	$ 0.00	$ 17.05	$ 122.59	$ 1,705.60	$ 1,930.43	(11.6%)	$ 1,759.58	$ 92.38	$ 20.38	$ 42.90	$ 3,620.84	$ 6,007.24	(39.7%)
Non-Dual Waiver 18+	54,168	2,056.44	98.19	27.27	-	22.04	147.50	2,203.94	2,519.24	(12.5%)	1,377.93	91.41	11.20	25.11	3,709.59	5,846.17	(36.5%)
Subtotal Non-Dual LTSS	**73,188**	**$ 1,933.41**	**$ 94.61**	**$ 25.67**	**$ 0.00**	**$ 20.74**	**$ 141.03**	**$ 2,074.43**	**$ 2,366.22**	**(12.3%)**	**$ 1,477.11**	**$ 91.66**	**$ 13.59**	**$ 29.73**	**$ 3,686.53**	**$ 5,888.03**	**(37.4%)**
Dual/LTSS Population Subtotal	**1,592,892**	**$ 165.53**	**$ 14.77**	**$ 2.73**	**$ 0.00**	**$ 1.85**	**$ 19.35**	**$ 184.88**	**$ 208.22**	**(11.2%)**	**$ 67.87**	**$ 4.21**	**$ 0.62**	**$ 1.37**	**$ 258.95**	**$ 370.03**	**(30.0%)**
Total	**10,513,389**	**$ 337.91**	**$ 27.99**	**$ 5.99**	**$ 1.45**	**$ 3.77**	**$ 39.20**	**$ 377.11**	**$ 358.81**	**5.1%**	**$ 245.00**	**$ 15.22**	**$ 1.37**	**$ 2.05**	**$ 640.75**	**$ 622.13**	**3.0%**

Note:
Jan-Jun 2026 and SFY 2027 composite rates reflect projected SFY 2027 enrollment by rate cell.

Appendix 5: In-Rate Criteria

South Carolina Department of Health and Human Services SFY 2027 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate		
Eligibility Criteria		
Eligibility File Type	**Criteria**	**Notes**
Recipient	Exclude Recipient Payment Categories:14,48,50,52,55,70,89, 90	
Recipient	Exclude Recipient Limited Benefit Indicators: E, I, C, D, J, P, A, B, G	
Recipient	Retroactive Eligibility	
RSP	Exclude where RSP Program Indicator is: 3,5,C,D,J,L,M, O, R,S,T	

Note: The in-rate criteria only includes claims with a valid member record at the time services were rendered.

UB-04 Claims Criteria			
Claim Type	**Provider Type**	**Provider Specialty**	**Notes**
Y	01	Any	Exclude if Ownership Code = 11
Y	02	Any	Exclude if Ownership Code = 11
Y	01,02	Any	Exclude all COVID Vaccine procedure codes for any one under the age of 19

Pharmacy Claims Criteria			
Claim Type	**Provider Type**	**Provider Specialty**	**Notes**
D	70	Any	Exclude all COVID Vaccine procedure codes for any one under the age of 19
D	70	Any	Exclude the following HCNE Pharmaceuticals ('CASGEVY','LYFGENIA','TECELRA','MIPLYFFA','AQNEURSA','HYMPAVZI','AUCATZYL','KEBILIDI','BIZENGRI','RYONCIL','TRYNGOLZA','QFITLIA','ZEVASKYN','AVMAPKI FAKZYNJA CO-PACK','ANDEMBRY','DAWNZERA')

South Carolina Department of Health and Human Services SFY 2027 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate			
HIC Claims			
Claim Type	**Provider Type**	**Provider Specialty**	**Criteria**
A or B	All (Except Provider Type 22)	Any (Except Provider Type 93)	Exclude all Procedure Codes that begin with "D"
A	All	Any	Exclude all COVID Vaccine procedure codes for any one under the age of 19
A	All	Any	Exclude hearing aid and hearing aid accessories for any one over the age of 21 (Procedure Code V5030-V5299)
A	All	Any	Exclude all vaccine codes for any one under the age of 19 (90380-90381, 90476-90749, 90756) Providers must provide vaccinations through the VFC program for Medicaid eligible children
A	10	20	Exclude Procedure Codes (G9004 THROUGH G9011, T1016, T1017, T1023, T1024)
A	10	28	Exclude Procedure Codes (T1016, T1017)
A	10	90	Exclude Procedure Codes (T1016, T1017)
A	10	91	Exclude Provider Type and Specialty
A	10	92	Exclude Procedure Code (H2021, H2022, S9482, T1007, T1015, T1016, T1017, T2023, X2300)
A	19	Any	Exclude Procedure Codes (G9004 THROUGH G9011, T1016, T1017, T1023, T1024)
A	20	27	Exclude if Procedure Code in (H1001, T1001)
A	22	51	Exclude if Procedure Code in (T1016, T1017, T1027, T1002) AND Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	51	Exclude if Primary Diagnosis in COMDHEC table AND Provider Number in (DHEC01-DHEC46, DHEC59)
A	22	51	Exclude if Procedure Code in (H1001, T1001)
A	22	95	Exclude if provider ID begins with BN and procedure code in (T1018, T1027)
A	22	95	Exclude if legacy provider ID begins with SD AND procedure code is (92500 THROUGH 92599, 97000 THROUGH 97999, L3808, S9445, S9446, S9152, C1000, T1002, T1003, T1015, T1023, T1027, T1024, T1502, T2003, V5011, V5090, V5275)
A	22	96	Exclude if Provider Number begins with MC or PP
A	All	Any	Exclude routine vision care and Procedure code V2020 through V2799 for any one over the age of 21
A	60	0	Exclude if procedure code in (S9126, T1015)
A	61		Exclude Provider Type
A	80	Any	Exclude if Provider Ownership code = 017 AND Primary Diagnosis in COMDHEC table OR procedure code is S3870

South Carolina Department of Health and Human Services SFY 2027 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
A0839	A0839
A150	A159
A170	A179
A1801	A1818
A182	A182
A1831	A1839
A184	A1889
A190	A329
A35	A35
A360	A360
A369	A369
A3700	A3791
A380	A409
A4101	A449
A46	A46
A480	A480
A482	A488
A4901	A499
A5001	A5009
A501	A502
A5030	A5042
A5044	A5044
A5049	A5049
A5051	A5059
A506	A506
A507	A519
A5200	A539
A5400	A5433
A5440	A549
A55	A55
A5600	A568
A57	A57
A58	A58
A5900	A5909
A6000	A609
A630	A65
A660	A699
A70	A70
A710	A719
A740	A759
A770	A779
A78	A78
A790	A809
A8100	A819
A820	A858
A86	A86
A870	A888
A89	A89
A90	A90
A91	A91
A920	A938

South Carolina Department of Health and Human Services SFY 2027 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
A94	A94
A950	A959
A980	A988
A99	A99
B000	B019
B050	B059
B0600	B079
B08010	B088
B09	B09
B1001	B1089
B150	B199
B20	B20
B250	B269
B2700	B2799
B29	B29
B300	B338
B340	B348
B350	B370
B373	B373
B3741	B3749
B471	B479
B500	B538
B54	B54
B550	B569
B570	B5749
B575	B575
B600	B600
B608	B608
B64	B64
B853	B853
B86	B86
B900	B909
B950	B958
B960	B9689
B970	B970
B9710	B9719
B9721	B9739
B974	B9789
G032	G032
I673	I673
K9081	K9081
L081	L081
L444	L444
M0230	M0239
N341	N341
N476	N476
N481	N481
N72	N72
N735	N735
N739	N739
R1111	R1111

South Carolina Department of Health and Human Services SFY 2027 Medicaid Managed Care Capitation Rate Development In-Rate Criteria for Services Covered Under Managed Care Capitation Rate	
COMDHEC Range Table ICD-10	
Min Diagnosis Code	**Max Diagnosis Code**
R75	R75
R7611	R7612
Z01812	Z01812
Z0184	Z0184
Z0389	Z0389
Z111	Z111
Z113	Z113
Z16341	Z16342
Z201	Z202
Z205	Z206
Z20820	Z20820
Z21	Z21
Z224	Z224
Z2250	Z2259
Z717	Z717
Z7189	Z7189
Z7251	Z7253

Appendix 6: Adjusted SFY 2025 Base Data

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - 0 - 2 Months, Male & Female Base Year Member Months: 74,857 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	9,887.0	$ 1,723.95	$ 1,420.39	$ 56.82	$ 0.00	$ (0.78)	$ (2.90)	$ 1.84	$ 4.80	$ 0.00	$ 0.00	$ 0.00	$ 0.00	10,289.9	$ 1,726.16	$ 1,480.17
Inpatient Well Newborn	5,915.4	670.65	330.60	13.22	-	(0.18)	(0.66)	0.34	1.12	-	-	-	-	6,154.8	671.55	344.44
Inpatient MH/SA	6.7	392.11	0.22	0.01	-	-	-	-	-	-	-	-	-	7.0	392.11	0.23
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 1,751.21**													**$ 1,824.84**
Outpatient Hospital																
Surgery	69.4	$ 1,396.87	$ 8.08	$ 0.13	$ 0.00	$ 0.00	$ (0.02)	$ 0.00	$ 0.02	$ 0.00	$ 0.03	$ 0.00	$ 0.00	70.5	$ 1,401.97	$ 8.24
Non-Surg - Emergency Room	791.4	377.09	24.87	0.41	-	(0.36)	0.11	0.03	0.08	-	-	-	-	794.0	379.96	25.14
Non-Surg - Other	1,104.0	123.26	11.34	0.18	-	-	(0.03)	0.03	0.04	-	-	-	-	1,124.5	123.36	11.56
Observation Room	49.2	775.39	3.18	0.05	-	-	(0.01)	-	0.01	-	-	-	-	50.0	775.39	3.23
Treatment/Therapy/Testing	765.8	90.26	5.76	0.09	-	-	(0.01)	0.01	0.02	-	-	-	-	779.1	90.41	5.87
Other Outpatient	65.4	97.24	0.53	0.01	-	-	-	-	-	-	-	-	-	66.6	97.24	0.54
Subtotal Outpatient Hospital			**$ 53.76**													**$ 54.58**
Retail Pharmacy																
Prescription Drugs	2,286.6	$ 187.35	$ 35.70	$ 0.00	$ 0.00	$ 0.00	$ (0.35)	$ 0.00	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,286.6	$ 186.09	$ 35.46
Subtotal Retail Pharmacy			**$ 35.70**													**$ 35.46**
Ancillary																
Transportation	202.9	$ 231.78	$ 3.92	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	205.5	$ 232.37	$ 3.98
DME/Prosthetics	1,509.3	19.08	2.40	0.03	-	-	-	0.06	0.01	-	-	-	-	1,565.9	19.16	2.50
Dental	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	121.8	92.59	0.94	0.01	-	-	-	0.91	0.01	-	-	-	-	241.1	93.08	1.87
Subtotal Ancillary			**$ 7.26**													**$ 8.35**
Professional																
Inpatient and Outpatient Surgery	2,052.6	$ 113.30	$ 19.38	$ 0.15	$ 0.00	$ 0.00	$ 0.00	$ 0.09	$ 0.06	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,078.0	$ 113.65	$ 19.68
Anesthesia	113.7	206.94	1.96	0.01	-	-	-	0.01	0.01	-	-	-	-	114.8	207.98	1.99
Inpatient Visits	14,338.4	179.21	214.13	1.61	-	(0.12)	-	0.48	0.71	-	-	-	-	14,470.3	179.80	216.81
MH/SA	45.4	26.45	0.10	-	-	-	-	-	-	-	-	-	-	45.4	26.45	0.10
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	870.9	78.40	5.69	0.04	-	(0.07)	-	0.01	0.02	-	-	-	-	867.9	78.67	5.69
Office/Home Visits/Consults	7,765.8	99.16	64.17	0.48	-	0.09	-	0.22	0.21	-	-	-	-	7,861.5	99.48	65.17
Pathology/Lab	2,568.9	34.19	7.32	0.05	-	0.01	-	0.12	0.02	-	0.23	-	-	2,632.1	35.33	7.75
Radiology	3,697.3	12.82	3.95	0.03	-	0.01	-	0.01	0.01	-	-	-	-	3,744.1	12.85	4.01
Office Administered Drugs	417.3	15.82	0.55	-	-	-	-	0.01	-	-	-	-	-	424.9	15.82	0.56
Physical Exams	24,798.3	59.37	122.70	0.92	-	-	-	(2.00)	0.40	-	-	-	-	24,580.0	59.57	122.02
Therapy	130.3	34.99	0.38	-	-	-	-	0.01	-	-	-	-	-	133.8	34.99	0.39
Vision	16.5	65.41	0.09	-	-	-	-	-	-	-	-	-	-	16.5	65.41	0.09
Other Professional	4,618.4	35.28	13.58	0.10	-	-	-	1.66	0.05	-	-	-	-	5,217.0	35.40	15.39
Subtotal Professional			**$ 454.00**													**$ 459.65**
Total Medical Costs			**$ 2,301.93**													**$ 2,382.88**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - 3 - 12 Months, Male & Female Base Year Member Months: 336,135 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	241.5	$ 2,613.06	$ 52.59	$ 2.10	$ 0.00	$ (0.15)	$ (0.05)	$ (0.02)	$ 0.18	$ 0.00	$ 0.00	$ 0.00	$ 0.00	250.4	$ 2,619.29	$ 54.65
Inpatient Well Newborn	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 52.59**													**$ 54.65**
Outpatient Hospital																
Surgery	73.8	$ 1,538.38	$ 9.46	$ 0.15	$ 0.00	$ 0.00	$ (0.03)	$ 0.00	$ 0.03	$ 0.00	$ 0.04	$ 0.00	$ 0.00	75.0	$ 1,544.79	$ 9.65
Non-Surg - Emergency Room	903.0	304.59	22.92	0.37	-	(0.58)	0.16	(0.01)	0.07	-	0.01	-	-	894.3	307.81	22.94
Non-Surg - Other	695.8	240.92	13.97	0.23	-	-	(0.05)	-	0.04	-	-	-	-	707.3	240.75	14.19
Observation Room	9.8	1,116.36	0.91	0.01	-	-	-	-	-	-	-	-	-	9.9	1,116.36	0.92
Treatment/Therapy/Testing	273.0	202.64	4.61	0.08	-	-	(0.02)	-	0.01	-	0.01	-	-	277.7	202.64	4.69
Other Outpatient	72.7	123.82	0.75	0.01	-	-	-	-	-	-	-	-	-	73.7	123.82	0.76
Subtotal Outpatient Hospital			**$ 52.62**													**$ 53.15**
Retail Pharmacy																
Prescription Drugs	3,667.2	$ 28.60	$ 8.74	$ 0.00	$ 0.00	$ 0.00	$ (0.45)	$ 0.01	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	3,671.4	$ 27.19	$ 8.32
Subtotal Retail Pharmacy			**$ 8.74**													**$ 8.32**
Ancillary																
Transportation	91.0	$ 145.00	$ 1.10	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	91.9	$ 146.31	$ 1.12
DME/Prosthetics	3,458.6	12.00	3.46	0.04	-	-	-	-	0.01	-	-	-	-	3,498.6	12.04	3.51
Dental	209.1	10.33	0.18	-	-	-	-	-	-	-	-	-	-	209.1	10.33	0.18
Incontinence Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	63.8	84.69	0.45	0.01	-	-	-	-	-	-	-	-	-	65.2	84.69	0.46
Subtotal Ancillary			**$ 5.19**													**$ 5.27**
Professional																
Inpatient and Outpatient Surgery	275.4	$ 216.59	$ 4.97	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	277.6	$ 217.03	$ 5.02
Anesthesia	136.3	132.90	1.51	0.01	-	-	-	-	0.01	-	-	-	-	137.2	133.78	1.53
Inpatient Visits	855.0	192.27	13.70	0.10	-	(0.04)	-	0.01	0.04	-	-	-	-	859.4	192.83	13.81
MH/SA	254.0	11.34	0.24	-	-	-	-	-	-	-	-	-	-	254.0	11.34	0.24
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	908.3	74.77	5.66	0.04	-	(0.14)	-	-	0.02	-	-	-	-	892.3	75.04	5.58
Office/Home Visits/Consults	4,524.5	100.49	37.89	0.28	-	0.19	-	-	0.13	-	-	-	-	4,580.6	100.83	38.49
Pathology/Lab	2,621.9	24.62	5.38	0.04	-	-	-	0.01	0.01	-	0.21	-	-	2,646.3	25.62	5.65
Radiology	714.1	15.80	0.94	0.01	-	-	-	-	-	-	-	-	-	721.7	15.80	0.95
Office Administered Drugs	393.5	13.72	0.45	-	-	-	-	-	6.96	-	-	-	-	393.5	225.98	7.41
Physical Exams	12,580.8	46.22	48.46	0.36	-	-	-	(1.28)	0.16	-	-	-	-	12,342.0	46.38	47.70
Therapy	1,509.2	25.52	3.21	0.02	-	-	-	(0.19)	0.01	-	-	-	-	1,429.3	25.61	3.05
Vision	162.1	11.11	0.15	-	-	-	-	-	-	-	-	-	-	162.1	11.11	0.15
Other Professional	2,251.4	29.85	5.60	0.04	-	-	-	-	0.02	-	-	-	-	2,267.5	29.95	5.66
Subtotal Professional			**$ 128.16**													**$ 135.24**
Total Medical Costs			**$ 247.30**													**$ 256.63**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 1 - 6, Male & Female Base Year Member Months: 2,063,845 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	49.1	$ 2,715.14	$ 11.11	$ 0.44	$ 0.00	$ (0.05)	$ (0.03)	$ 0.03	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	51.0	$ 2,717.49	$ 11.54
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	0.5	1,006.75	0.04	-	-	-	-	-	-	-	-	-	-	0.5	1,006.75	0.04
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 11.15**													**$ 11.58**
Outpatient Hospital																
Surgery	68.2	$ 1,433.05	$ 8.14	$ 0.13	$ 0.00	$ 0.00	$ (0.02)	$ 0.02	$ 0.02	$ 0.00	$ 0.02	$ 0.00	$ 0.00	69.4	$ 1,436.51	$ 8.31
Non-Surg - Emergency Room	492.3	329.07	13.50	0.22	-	(0.31)	0.07	0.03	0.04	-	-	-	-	490.1	331.76	13.55
Non-Surg - Other	303.6	132.81	3.36	0.05	-	-	(0.01)	0.01	0.01	-	-	-	-	309.0	132.81	3.42
Observation Room	4.3	1,191.21	0.43	0.01	-	-	-	-	-	-	-	-	-	4.4	1,191.21	0.44
Treatment/Therapy/Testing	236.8	224.03	4.42	0.07	-	-	(0.01)	0.01	0.01	-	-	-	-	241.0	224.03	4.50
Other Outpatient	56.8	302.11	1.43	0.02	-	-	-	-	0.01	0.01	-	-	-	58.0	304.18	1.47
Subtotal Outpatient Hospital			**$ 31.28**													**$ 31.69**
Retail Pharmacy																
Prescription Drugs	3,826.2	$ 58.93	$ 18.79	$ 0.00	$ 0.00	$ 0.00	$ (0.69)	$ 0.04	$ 0.06	$ (0.01)	$ 0.01	$ 0.00	$ 0.00	3,832.3	$ 56.99	$ 18.20
Subtotal Retail Pharmacy			**$ 18.79**													**$ 18.20**
Ancillary																
Transportation	51.5	$ 118.77	$ 0.51	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	52.5	$ 118.77	$ 0.52
DME/Prosthetics	1,746.0	16.36	2.38	0.03	-	-	-	-	0.01	-	-	-	-	1,768.0	16.43	2.42
Dental	232.9	85.55	1.66	0.02	-	-	-	-	0.01	-	-	-	-	235.7	86.06	1.69
Incontinence Supplies	3,174.2	0.60	0.16	-	-	-	-	-	-	-	-	-	-	3,174.2	0.60	0.16
Other Ancillary	91.0	93.63	0.71	0.01	-	-	-	-	-	-	-	-	-	92.3	93.63	0.72
Subtotal Ancillary			**$ 5.42**													**$ 5.51**
Professional																
Inpatient and Outpatient Surgery	213.8	$ 145.94	$ 2.60	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	216.3	$ 146.49	$ 2.64
Anesthesia	134.9	102.31	1.15	0.01	-	-	-	-	0.01	-	-	-	-	136.1	103.19	1.17
Inpatient Visits	104.6	123.84	1.08	0.01	-	(0.01)	-	0.01	-	-	-	-	-	105.6	123.84	1.09
MH/SA	1,877.4	34.84	5.45	0.04	-	-	-	0.02	0.02	-	-	-	-	1,898.1	34.96	5.53
ASD Services	5,326.3	15.23	6.76	0.05	-	-	-	0.03	0.02	-	-	-	-	5,389.3	15.27	6.86
Emergency Room	515.0	73.40	3.15	0.02	-	(0.07)	-	0.02	0.01	-	-	-	-	510.1	73.64	3.13
Office/Home Visits/Consults	3,129.3	99.67	25.99	0.19	-	0.09	-	0.11	0.09	-	-	-	-	3,176.2	100.01	26.47
Pathology/Lab	2,228.8	23.42	4.35	0.03	-	0.01	-	0.01	0.02	-	0.24	-	-	2,254.5	24.80	4.66
Radiology	360.0	17.00	0.51	-	-	-	-	0.01	-	-	-	-	-	367.1	17.00	0.52
Office Administered Drugs	425.2	14.39	0.51	-	-	-	-	0.01	1.05	-	-	-	-	433.5	43.46	1.57
Physical Exams	2,147.5	60.80	10.88	0.08	-	-	-	(0.02)	0.03	-	-	-	-	2,159.3	60.96	10.97
Therapy	9,101.3	23.93	18.15	0.14	-	-	-	(0.47)	0.06	-	-	-	-	8,935.8	24.01	17.88
Vision	344.2	25.10	0.72	0.01	-	-	-	-	-	-	-	-	-	349.0	25.10	0.73
Other Professional	2,181.5	28.38	5.16	0.04	-	-	-	0.01	0.01	-	-	-	-	2,202.7	28.44	5.22
Subtotal Professional			**$ 86.46**													**$ 88.44**
Total Medical Costs			**$ 153.10**													**$ 155.42**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 7 - 13, Male & Female Base Year Member Months: 2,538,513 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	27.2	$ 2,836.75	$ 6.43	$ 0.26	$ 0.00	$ (0.04)	$ (0.01)	$ 0.05	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	28.3	$ 2,840.98	$ 6.71
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	50.4	549.68	2.31	0.09	-	-	-	0.02	-	-	-	-	-	52.8	549.68	2.42
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 8.74**													**$ 9.13**
Outpatient Hospital																
Surgery	36.8	$ 1,580.26	$ 4.85	$ 0.08	$ 0.00	$ 0.00	$ (0.02)	$ 0.03	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	37.7	$ 1,580.26	$ 4.96
Non-Surg - Emergency Room	296.1	337.16	8.32	0.14	-	(0.15)	0.03	0.04	0.03	-	-	-	-	297.2	339.58	8.41
Non-Surg - Other	195.9	132.29	2.16	0.04	-	-	(0.01)	0.01	0.01	-	-	-	-	200.5	132.29	2.21
Observation Room	2.4	1,135.91	0.23	-	-	-	-	-	-	-	-	-	-	2.4	1,135.91	0.23
Treatment/Therapy/Testing	167.0	281.63	3.92	0.06	-	-	(0.01)	0.03	0.01	-	-	-	-	170.9	281.63	4.01
Other Outpatient	34.1	193.70	0.55	0.01	-	-	-	-	-	0.37	-	-	-	57.6	193.70	0.93
Subtotal Outpatient Hospital			**$ 20.03**													**$ 20.75**
Retail Pharmacy																
Prescription Drugs	4,583.9	$ 94.03	$ 35.92	$ 0.00	$ 0.00	$ 0.00	$ (1.76)	$ 0.24	$ 0.12	$ (0.04)	$ 0.02	$ 0.00	$ 0.00	4,609.4	$ 89.82	$ 34.50
Subtotal Retail Pharmacy			**$ 35.92**													**$ 34.50**
Ancillary																
Transportation	38.1	$ 116.39	$ 0.37	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	39.2	$ 116.39	$ 0.38
DME/Prosthetics	961.0	15.48	1.24	0.01	-	-	-	0.01	0.01	-	-	-	-	976.5	15.61	1.27
Dental	37.6	92.48	0.29	-	-	-	-	-	0.01	-	-	-	-	37.6	95.67	0.30
Incontinence Supplies	2,354.4	0.61	0.12	-	-	-	-	-	-	-	-	-	-	2,354.4	0.61	0.12
Other Ancillary	43.8	52.07	0.19	-	-	-	-	-	-	-	-	-	-	43.8	52.07	0.19
Subtotal Ancillary			**$ 2.21**													**$ 2.26**
Professional																
Inpatient and Outpatient Surgery	136.0	$ 142.10	$ 1.61	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	138.5	$ 142.10	$ 1.64
Anesthesia	55.7	109.91	0.51	-	-	-	-	0.01	-	-	-	-	-	56.8	109.91	0.52
Inpatient Visits	79.4	95.23	0.63	-	-	-	-	0.01	-	-	-	-	-	80.6	95.23	0.64
MH/SA	2,731.3	77.50	17.64	0.13	-	-	-	0.19	0.05	0.02	-	-	-	2,784.0	77.72	18.03
ASD Services	846.3	15.17	1.07	0.01	-	-	-	0.01	-	-	-	-	-	862.1	15.17	1.09
Emergency Room	308.9	75.36	1.94	0.01	-	(0.03)	-	0.02	0.01	-	-	-	-	308.9	75.75	1.95
Office/Home Visits/Consults	2,484.8	102.53	21.23	0.16	-	0.04	-	0.22	0.08	-	-	-	-	2,533.9	102.91	21.73
Pathology/Lab	1,853.0	19.49	3.01	0.02	-	-	-	0.04	0.01	-	0.07	-	-	1,889.9	20.00	3.15
Radiology	423.6	18.70	0.66	-	-	0.01	-	-	0.01	-	-	-	-	430.0	18.98	0.68
Office Administered Drugs	628.4	29.98	1.57	0.01	-	-	-	0.02	0.01	-	-	-	-	640.4	30.17	1.61
Physical Exams	968.5	74.34	6.00	0.05	-	-	-	0.02	0.02	-	-	-	-	979.8	74.58	6.09
Therapy	1,425.4	23.74	2.82	0.02	-	-	-	0.03	0.01	-	-	-	-	1,450.7	23.82	2.88
Vision	681.0	33.48	1.90	0.01	-	-	-	0.02	0.01	-	-	-	-	691.8	33.65	1.94
Other Professional	2,414.2	13.62	2.74	0.02	-	-	-	0.03	0.01	-	-	-	-	2,458.2	13.67	2.80
Subtotal Professional			**$ 63.33**													**$ 64.75**
Total Medical Costs			**$ 130.23**													**$ 131.39**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Male Base Year Member Months: 826,076 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	67.1	$ 2,746.43	$ 15.36	$ 0.61	$ 0.00	$ (0.16)	$ 0.02	$ 0.13	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	69.6	$ 2,758.50	$ 16.01
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	109.5	509.65	4.65	0.19	-	-	-	0.05	0.01	-	-	-	-	115.1	510.70	4.90
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 20.01**													**$ 20.91**
Outpatient Hospital																
Surgery	48.7	$ 1,610.23	$ 6.53	$ 0.11	$ 0.00	$ 0.00	$ (0.02)	$ 0.05	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	49.9	$ 1,610.23	$ 6.69
Non-Surg - Emergency Room	292.5	337.26	8.22	0.13	-	(0.09)	0.01	0.05	0.03	-	-	-	-	295.7	338.88	8.35
Non-Surg - Other	138.0	145.25	1.67	0.03	-	-	(0.01)	0.02	-	-	-	-	-	142.1	144.40	1.71
Observation Room	2.4	1,325.80	0.26	-	-	-	-	0.01	-	-	-	-	-	2.4	1,325.80	0.27
Treatment/Therapy/Testing	199.1	345.35	5.73	0.09	-	-	(0.02)	0.05	0.02	-	-	-	-	204.0	345.35	5.87
Other Outpatient	24.2	188.19	0.38	0.01	-	-	(0.01)	0.01	-	0.17	-	-	-	36.3	184.89	0.56
Subtotal Outpatient Hospital			**$ 22.79**													**$ 23.45**
Retail Pharmacy																
Prescription Drugs	3,836.8	$ 134.80	$ 43.10	$ 0.00	$ 0.00	$ 0.00	$ (2.33)	$ 0.32	$ 0.17	$ (0.05)	$ 0.04	$ 0.00	$ 0.00	3,860.8	$ 128.21	$ 41.25
Subtotal Retail Pharmacy			**$ 43.10**													**$ 41.25**
Ancillary																
Transportation	78.3	$ 131.83	$ 0.86	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	80.1	$ 131.83	$ 0.88
DME/Prosthetics	1,205.0	16.03	1.61	0.02	-	-	-	0.01	-	-	-	-	-	1,227.5	16.03	1.64
Dental	10.5	34.32	0.03	-	-	-	-	-	-	-	-	-	-	10.5	34.32	0.03
Incontinence Supplies	499.2	0.48	0.02	-	-	-	-	-	-	-	-	-	-	499.2	0.48	0.02
Other Ancillary	28.7	50.12	0.12	-	-	-	-	-	-	-	-	-	-	28.7	50.12	0.12
Subtotal Ancillary			**$ 2.64**													**$ 2.69**
Professional																
Inpatient and Outpatient Surgery	177.4	$ 164.40	$ 2.43	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	181.0	$ 165.07	$ 2.49
Anesthesia	64.4	128.55	0.69	0.01	-	-	-	-	0.01	-	-	-	-	65.3	130.39	0.71
Inpatient Visits	160.3	90.60	1.21	0.01	-	(0.01)	-	0.01	-	-	-	-	-	161.6	90.60	1.22
MH/SA	1,817.1	70.20	10.63	0.08	-	-	-	0.14	0.02	0.17	-	-	-	1,883.7	70.33	11.04
ASD Services	17.2	13.95	0.02	-	-	-	-	-	-	-	-	-	-	17.2	13.95	0.02
Emergency Room	312.6	79.47	2.07	0.02	-	(0.03)	-	0.03	-	-	-	-	-	315.6	79.47	2.09
Office/Home Visits/Consults	1,849.9	101.45	15.64	0.12	-	0.02	-	0.21	0.05	-	-	-	-	1,891.3	101.77	16.04
Pathology/Lab	1,706.0	18.29	2.60	0.02	-	-	-	0.03	0.01	-	0.02	-	-	1,738.8	18.50	2.68
Radiology	597.8	24.29	1.21	0.01	-	-	-	0.02	-	-	-	-	-	612.6	24.29	1.24
Office Administered Drugs	2,859.6	20.60	4.91	0.04	-	0.01	-	0.07	0.02	-	-	-	-	2,929.5	20.69	5.05
Physical Exams	682.6	79.46	4.52	0.03	-	-	-	0.03	0.02	-	-	-	-	691.7	79.80	4.60
Therapy	818.4	24.05	1.64	0.01	-	-	-	0.02	0.01	-	-	-	-	833.4	24.19	1.68
Vision	565.4	34.59	1.63	0.01	-	-	-	0.02	0.01	-	-	-	-	575.8	34.80	1.67
Other Professional	1,809.1	13.66	2.06	0.02	-	-	-	0.02	0.01	-	-	-	-	1,844.2	13.73	2.11
Subtotal Professional			**$ 51.26**													**$ 52.64**
Total Medical Costs			**$ 139.80**													**$ 140.94**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Female Base Year Member Months: 792,432 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	51.1	$ 2,543.58	$ 10.83	$ 0.43	$ 0.00	$ (0.12)	$ (0.02)	$ 0.11	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	53.1	$ 2,548.10	$ 11.27
Inpatient Well Newborn	0.2	609.56	0.01	-	-	-	-	-	-	-	-	-	-	0.2	609.56	0.01
Inpatient MH/SA	113.7	509.71	4.83	0.19	-	-	-	(0.01)	0.03	-	-	-	-	117.9	512.77	5.04
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 15.67**													**$ 16.32**
Outpatient Hospital																
Surgery	46.4	$ 1,448.78	$ 5.60	$ 0.09	$ 0.00	$ 0.00	$ (0.02)	$ 0.03	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	47.4	$ 1,448.78	$ 5.72
Non-Surg - Emergency Room	436.7	351.17	12.78	0.21	-	(0.17)	0.02	0.10	0.04	-	-	-	-	441.5	352.80	12.98
Non-Surg - Other	196.6	153.21	2.51	0.04	-	-	(0.01)	0.02	0.01	-	-	-	-	201.3	153.21	2.57
Observation Room	4.7	871.93	0.34	0.01	-	-	(0.01)	0.01	-	-	-	-	-	5.0	847.71	0.35
Treatment/Therapy/Testing	327.5	246.63	6.73	0.11	-	-	(0.02)	0.06	0.02	-	-	-	-	335.7	246.63	6.90
Other Outpatient	32.5	121.80	0.33	0.01	-	-	(0.01)	0.01	-	0.05	-	-	-	39.4	118.75	0.39
Subtotal Outpatient Hospital			**$ 28.29**													**$ 28.91**
Retail Pharmacy																
Prescription Drugs	5,357.2	$ 94.32	$ 42.11	$ 0.00	$ 0.00	$ 0.00	$ (2.45)	$ 0.24	$ 0.10	$ (0.03)	$ 0.02	$ 0.00	$ 0.00	5,383.9	$ 89.13	$ 39.99
Subtotal Retail Pharmacy			**$ 42.11**													**$ 39.99**
Ancillary																
Transportation	92.4	$ 106.49	$ 0.82	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	94.7	$ 106.49	$ 0.84
DME/Prosthetics	1,084.7	13.28	1.20	0.01	-	-	-	0.01	0.01	-	-	-	-	1,102.8	13.38	1.23
Dental	11.2	32.08	0.03	-	-	-	-	-	-	-	-	-	-	11.2	32.08	0.03
Incontinence Supplies	297.1	0.40	0.01	-	-	-	-	-	-	-	-	-	-	297.1	0.40	0.01
Other Ancillary	28.4	54.91	0.13	-	-	-	-	-	-	-	-	-	-	28.4	54.91	0.13
Subtotal Ancillary			**$ 2.19**													**$ 2.24**
Professional																
Inpatient and Outpatient Surgery	141.8	$ 151.48	$ 1.79	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	144.2	$ 152.31	$ 1.83
Anesthesia	51.5	125.86	0.54	-	-	-	-	0.01	-	-	-	-	-	52.4	125.86	0.55
Inpatient Visits	171.2	88.30	1.26	0.01	-	(0.01)	-	0.01	-	-	-	-	-	172.6	88.30	1.27
MH/SA	1,824.4	96.03	14.60	0.11	-	-	-	0.11	0.11	0.02	-	-	-	1,854.4	96.74	14.95
ASD Services	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	449.1	80.42	3.01	0.02	-	(0.04)	-	0.04	0.01	-	-	-	-	452.1	80.69	3.04
Office/Home Visits/Consults	2,517.7	101.66	21.33	0.16	-	0.05	-	0.26	0.07	-	-	-	-	2,573.2	101.99	21.87
Pathology/Lab	3,431.9	17.27	4.94	0.04	-	-	-	0.06	0.02	-	0.06	-	-	3,501.4	17.55	5.12
Radiology	586.8	27.61	1.35	0.01	-	-	-	0.02	-	-	-	-	-	599.8	27.61	1.38
Office Administered Drugs	14,474.8	2.20	2.65	0.02	-	0.01	-	0.03	0.02	-	-	-	-	14,802.5	2.21	2.73
Physical Exams	747.7	79.28	4.94	0.04	-	-	-	0.02	0.02	-	-	-	-	756.8	79.60	5.02
Therapy	750.1	24.64	1.54	0.01	-	-	-	0.02	-	-	-	-	-	764.7	24.64	1.57
Vision	810.7	33.89	2.29	0.02	-	-	-	0.02	0.01	-	-	-	-	824.9	34.04	2.34
Other Professional	2,338.0	20.32	3.96	0.03	-	-	-	0.05	0.01	-	-	-	-	2,385.2	20.38	4.05
Subtotal Professional			**$ 64.20**													**$ 65.72**
Total Medical Costs			**$ 152.46**													**$ 153.18**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Male Base Year Member Months: 160,126 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	153.2	$ 2,972.20	$ 37.94	$ 1.52	$ 0.00	$ (0.79)	$ 0.03	$ 0.32	$ 0.12	$ 0.00	$ 0.00	$ 0.00	$ 0.00	157.4	$ 2,983.64	$ 39.14
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	122.2	231.70	2.36	0.09	-	-	-	0.02	0.01	-	0.03	-	-	127.9	235.45	2.51
Other Inpatient	1.3	177.92	0.02	-	-	-	-	-	-	-	-	-	-	1.3	177.92	0.02
Subtotal Inpatient Hospital			**$ 40.32**													**$ 41.67**
Outpatient Hospital																
Surgery	74.0	$ 1,763.50	$ 10.87	$ 0.18	$ 0.00	$ 0.00	$ (0.04)	$ 0.06	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	75.6	$ 1,765.08	$ 11.12
Non-Surg - Emergency Room	435.6	332.21	12.06	0.20	-	(0.21)	0.06	0.07	0.04	-	-	-	-	437.8	334.95	12.22
Non-Surg - Other	84.5	150.61	1.06	0.02	-	-	(0.01)	0.01	-	-	-	-	-	86.8	149.22	1.08
Observation Room	5.2	2,150.26	0.94	0.02	-	-	(0.01)	0.01	-	-	-	-	-	5.4	2,128.10	0.96
Treatment/Therapy/Testing	331.2	411.55	11.36	0.19	-	-	(0.04)	0.09	0.04	-	-	-	-	339.4	411.55	11.64
Other Outpatient	34.5	229.75	0.66	0.01	-	-	-	-	0.01	0.09	-	-	-	39.7	232.77	0.77
Subtotal Outpatient Hospital			**$ 36.95**													**$ 37.79**
Retail Pharmacy																
Prescription Drugs	6,456.4	$ 137.74	$ 74.11	$ 0.00	$ 0.00	$ 0.00	$ (3.19)	$ 0.41	$ 0.27	$ (0.04)	$ 0.02	$ 0.00	$ 0.00	6,488.6	$ 132.38	$ 71.58
Subtotal Retail Pharmacy			**$ 74.11**													**$ 71.58**
Ancillary																
Transportation	122.0	$ 107.21	$ 1.09	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	124.2	$ 107.21	$ 1.11
DME/Prosthetics	2,224.5	16.34	3.03	0.03	-	-	-	0.01	0.03	-	-	-	-	2,253.9	16.50	3.10
Dental	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	32.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	85.6	70.11	0.50	0.01	-	-	-	-	-	-	-	-	-	87.3	70.11	0.51
Subtotal Ancillary			**$ 4.62**													**$ 4.72**
Professional																
Inpatient and Outpatient Surgery	325.3	$ 153.08	$ 4.15	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	330.8	$ 153.81	$ 4.24
Anesthesia	119.8	125.18	1.25	0.01	-	-	-	0.01	0.01	-	-	-	-	121.7	126.16	1.28
Inpatient Visits	368.6	89.86	2.76	0.02	-	(0.06)	-	0.04	0.01	-	-	-	-	368.6	90.19	2.77
MH/SA	1,117.7	87.82	8.18	0.06	-	-	-	0.09	0.03	-	-	-	-	1,138.2	88.14	8.36
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	455.9	87.39	3.32	0.02	-	(0.05)	-	0.03	0.01	-	-	-	-	455.9	87.66	3.33
Office/Home Visits/Consults	1,822.9	101.97	15.49	0.12	-	0.06	-	0.15	0.06	-	-	-	-	1,861.7	102.36	15.88
Pathology/Lab	2,144.7	14.27	2.55	0.02	-	-	-	0.03	0.01	-	0.03	-	-	2,186.8	14.49	2.64
Radiology	867.8	29.31	2.12	0.02	-	-	-	0.02	0.01	-	-	-	-	884.2	29.45	2.17
Office Administered Drugs	7,879.4	7.65	5.02	0.04	-	0.01	-	0.06	0.01	-	-	-	-	8,052.1	7.66	5.14
Physical Exams	177.1	71.83	1.06	0.01	-	-	-	0.01	-	-	-	-	-	180.4	71.83	1.08
Therapy	608.5	26.03	1.32	0.01	-	-	-	0.01	0.01	-	-	-	-	617.7	26.22	1.35
Vision	106.6	55.14	0.49	-	-	-	-	0.01	-	-	-	-	-	108.8	55.14	0.50
Other Professional	1,091.5	20.01	1.82	0.01	-	-	-	0.02	0.01	-	-	-	-	1,109.5	20.12	1.86
Subtotal Professional			**$ 49.53**													**$ 50.60**
Total Medical Costs			**$ 205.53**													**$ 206.36**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Female Base Year Member Months: 1,099,058 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	151.7	$ 2,490.60	$ 31.49	$ 1.26	$ 0.00	$ (0.44)	$ 0.00	$ 0.55	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	158.3	$ 2,493.63	$ 32.90
Inpatient Well Newborn	1.3	732.71	0.08	-	-	-	-	-	-	-	-	-	-	1.3	732.71	0.08
Inpatient MH/SA	61.4	342.17	1.75	0.07	-	-	-	0.03	-	-	0.02	-	-	64.9	345.87	1.87
Other Inpatient	2.0	293.87	0.05	-	-	-	-	-	-	-	-	-	-	2.0	293.87	0.05
Subtotal Inpatient Hospital			**$ 33.37**													**$ 34.90**
Outpatient Hospital																
Surgery	161.2	$ 1,293.71	$ 17.38	$ 0.28	$ 0.00	$ 0.00	$ (0.05)	$ 0.34	$ 0.08	$ 0.00	$ 0.03	$ 0.00	$ 0.00	167.0	$ 1,298.02	$ 18.06
Non-Surg - Emergency Room	839.0	360.57	25.21	0.41	-	(0.49)	0.11	0.44	0.10	-	-	-	-	851.0	363.53	25.78
Non-Surg - Other	242.5	172.21	3.48	0.06	-	-	(0.01)	0.07	0.01	-	-	-	-	251.6	172.21	3.61
Observation Room	18.2	606.56	0.92	0.01	-	-	-	0.02	-	-	-	-	-	18.8	606.56	0.95
Treatment/Therapy/Testing	814.9	283.62	19.26	0.31	-	-	(0.06)	0.41	0.08	-	-	-	-	845.3	283.91	20.00
Other Outpatient	120.0	192.94	1.93	0.03	-	-	-	0.04	-	0.09	-	-	-	130.0	192.94	2.09
Subtotal Outpatient Hospital			**$ 68.18**													**$ 70.49**
Retail Pharmacy																
Prescription Drugs	11,004.9	$ 97.40	$ 89.32	$ 0.00	$ 0.00	$ 0.00	$ (4.45)	$ 1.63	$ 0.43	$ (0.05)	$ 0.03	$ 0.00	$ 0.00	11,199.5	$ 93.12	$ 86.91
Subtotal Retail Pharmacy			**$ 89.32**													**$ 86.91**
Ancillary																
Transportation	190.9	$ 97.43	$ 1.55	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	198.3	$ 98.04	$ 1.62
DME/Prosthetics	2,761.9	10.17	2.34	0.03	-	-	-	0.07	0.01	-	-	-	-	2,879.9	10.21	2.45
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	591.5	0.61	0.03	-	-	-	-	-	-	-	-	-	-	591.5	0.61	0.03
Other Ancillary	92.6	103.72	0.80	0.01	-	-	-	0.03	-	-	-	-	-	97.2	103.72	0.84
Subtotal Ancillary			**$ 4.72**													**$ 4.94**
Professional																
Inpatient and Outpatient Surgery	403.9	$ 175.58	$ 5.91	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.15	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	416.9	$ 175.87	$ 6.11
Anesthesia	175.6	121.67	1.78	0.01	-	-	-	0.05	-	-	-	-	-	181.5	121.67	1.84
Inpatient Visits	343.3	88.09	2.52	0.02	-	(0.04)	-	0.06	0.01	-	-	-	-	348.7	88.43	2.57
MH/SA	1,148.1	100.75	9.64	0.07	-	-	-	0.22	0.03	-	-	-	-	1,182.7	101.06	9.96
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	870.1	85.09	6.17	0.05	-	(0.12)	-	0.13	0.02	-	-	-	-	878.6	85.36	6.25
Office/Home Visits/Consults	3,377.3	100.98	28.42	0.21	-	0.13	-	0.70	0.09	-	-	-	-	3,500.9	101.29	29.55
Pathology/Lab	7,252.1	17.36	10.49	0.08	-	0.01	-	0.25	0.03	-	0.12	-	-	7,487.1	17.60	10.98
Radiology	1,447.5	38.96	4.70	0.04	-	-	-	0.11	0.02	-	-	-	-	1,493.7	39.12	4.87
Office Administered Drugs	26,707.9	5.82	12.95	0.10	-	0.04	-	0.32	0.06	-	-	-	-	27,656.6	5.84	13.47
Physical Exams	410.7	81.81	2.80	0.02	-	-	-	0.07	0.01	-	-	-	-	423.9	82.09	2.90
Therapy	597.7	26.30	1.31	0.01	-	-	-	0.03	0.01	-	-	-	-	616.0	26.50	1.36
Vision	162.7	57.54	0.78	0.01	-	-	-	0.01	0.01	-	-	-	-	166.8	58.26	0.81
Other Professional	2,257.6	32.80	6.17	0.05	-	-	-	0.15	0.02	-	-	-	-	2,330.8	32.90	6.39
Subtotal Professional			**$ 93.64**													**$ 97.06**
Total Medical Costs			**$ 289.23**													**$ 294.30**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: TANF - Age 45+, Male & Female Base Year Member Months: 197,648 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	369.6	$ 3,125.75	$ 96.28	$ 3.85	$ 0.00	$ (1.73)	$ 0.15	$ 0.93	$ 0.34	$ 0.00	$ 0.00	$ 0.00	$ 0.00	381.3	$ 3,141.17	$ 99.82
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	54.9	388.74	1.78	0.07	-	-	-	0.02	0.01	-	0.02	-	-	57.7	394.98	1.90
Other Inpatient	42.6	304.07	1.08	0.04	-	(0.02)	0.04	0.01	0.01	-	-	-	-	43.8	317.77	1.16
Subtotal Inpatient Hospital			**$ 99.14**													**$ 102.88**
Outpatient Hospital																
Surgery	181.0	$ 1,850.51	$ 27.91	$ 0.45	$ 0.00	$ 0.00	$ (0.09)	$ 0.28	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	185.7	$ 1,851.15	$ 28.65
Non-Surg - Emergency Room	567.6	377.41	17.85	0.29	-	(0.29)	0.06	0.16	0.07	-	-	-	-	572.6	380.13	18.14
Non-Surg - Other	261.3	152.00	3.31	0.05	-	-	(0.01)	0.04	0.01	-	-	-	-	268.4	152.00	3.40
Observation Room	12.4	1,369.07	1.42	0.02	-	-	-	0.01	0.01	-	-	-	-	12.7	1,378.52	1.46
Treatment/Therapy/Testing	1,106.9	566.54	52.26	0.85	-	-	(0.17)	0.55	0.18	-	-	-	-	1,136.6	566.64	53.67
Other Outpatient	288.0	181.69	4.36	0.07	-	-	(0.01)	0.04	0.02	-	-	-	-	295.2	182.09	4.48
Subtotal Outpatient Hospital			**$ 107.11**													**$ 109.80**
Retail Pharmacy																
Prescription Drugs	23,433.8	$ 114.05	$ 222.71	$ 0.00	$ 0.00	$ 0.00	$ (9.00)	$ 1.98	$ 0.83	$ (0.11)	$ 0.07	$ 0.00	$ 0.00	23,630.6	$ 109.93	$ 216.48
Subtotal Retail Pharmacy			**$ 222.71**													**$ 216.48**
Ancillary																
Transportation	186.5	$ 104.87	$ 1.63	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	192.2	$ 104.87	$ 1.68
DME/Prosthetics	3,782.7	20.27	6.39	0.07	-	-	-	0.12	0.02	-	-	-	-	3,895.1	20.33	6.60
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	5,063.4	0.55	0.23	-	-	-	-	0.01	-	-	-	-	-	5,283.6	0.55	0.24
Other Ancillary	226.6	77.83	1.47	0.02	-	-	-	0.02	0.01	-	-	-	-	232.8	78.35	1.52
Subtotal Ancillary			**$ 9.72**													**$ 10.04**
Professional																
Inpatient and Outpatient Surgery	960.4	$ 157.05	$ 12.57	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.17	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	980.3	$ 157.54	$ 12.87
Anesthesia	364.3	114.64	3.48	0.03	-	-	-	0.04	0.01	-	-	-	-	371.6	114.96	3.56
Inpatient Visits	716.5	88.76	5.30	0.04	-	(0.09)	-	0.06	0.02	-	-	-	-	717.9	89.09	5.33
MH/SA	930.4	104.09	8.07	0.06	-	-	-	0.10	0.03	-	-	-	-	948.8	104.47	8.26
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	607.3	91.69	4.64	0.03	-	(0.06)	-	0.05	0.02	-	-	-	-	609.9	92.08	4.68
Office/Home Visits/Consults	4,721.3	104.87	41.26	0.31	-	0.08	-	0.52	0.14	-	-	-	-	4,825.4	105.22	42.31
Pathology/Lab	6,805.7	15.71	8.91	0.07	-	-	-	0.12	0.03	-	-	-	-	6,950.9	15.76	9.13
Radiology	2,397.6	38.59	7.71	0.06	-	0.01	-	0.10	0.03	-	-	-	-	2,450.5	38.74	7.91
Office Administered Drugs	31,124.1	11.86	30.76	0.23	-	0.07	-	0.41	0.10	-	-	-	-	31,842.5	11.90	31.57
Physical Exams	398.5	79.81	2.65	0.02	-	-	-	0.03	0.01	-	-	-	-	406.0	80.10	2.71
Therapy	1,674.3	25.44	3.55	0.03	-	-	-	0.04	0.02	-	-	-	-	1,707.3	25.58	3.64
Vision	219.5	62.86	1.15	0.01	-	-	-	0.01	0.01	-	-	-	-	223.4	63.40	1.18
Other Professional	3,140.6	23.31	6.10	0.05	-	-	-	0.07	0.02	-	-	-	-	3,202.3	23.38	6.24
Subtotal Professional			**$ 136.15**													**$ 139.39**
Total Medical Costs			**$ 574.83**													**$ 578.59**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SSI - Children Base Year Member Months: 147,420 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	286.6	$ 3,314.33	$ 79.16	$ 3.04	$ 0.00	$ (0.76)	$ 0.18	$ 1.25	$ 0.27	$ 0.00	$ 0.00	$ 0.00	$ 0.00	299.4	$ 3,332.37	$ 83.14
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	199.7	498.21	8.29	0.32	-	-	-	0.07	0.01	-	-	-	-	209.1	498.79	8.69
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 87.45**													**$ 91.83**
Outpatient Hospital																
Surgery	96.9	$ 1,594.37	$ 12.87	$ 0.31	$ 0.00	$ 0.00	$ (0.04)	$ 0.20	$ 0.04	$ 0.00	$ 0.05	$ 0.00	$ 0.00	100.7	$ 1,600.32	$ 13.43
Non-Surg - Emergency Room	480.6	370.80	14.85	0.35	-	(0.22)	0.04	0.20	0.06	-	-	-	-	491.3	373.24	15.28
Non-Surg - Other	599.6	159.11	7.95	0.19	-	-	(0.03)	0.12	0.03	-	-	-	-	623.0	159.11	8.26
Observation Room	12.7	1,171.80	1.24	0.03	-	-	-	0.01	0.01	-	-	-	-	13.1	1,180.95	1.29
Treatment/Therapy/Testing	712.0	423.37	25.12	0.60	-	-	(0.08)	0.38	0.09	-	-	-	-	739.8	423.53	26.11
Other Outpatient	82.5	277.96	1.91	0.05	-	-	(0.01)	0.03	0.01	0.09	-	-	-	89.8	277.96	2.08
Subtotal Outpatient Hospital			**$ 63.94**													**$ 66.45**
Retail Pharmacy																
Prescription Drugs	11,728.4	$ 230.06	$ 224.85	$ 0.02	$ 0.00	$ 0.00	$ (17.06)	$ 4.04	$ 0.12	$ (0.22)	$ 0.18	$ 0.00	$ 0.00	11,928.7	$ 213.20	$ 211.93
Subtotal Retail Pharmacy			**$ 224.85**													**$ 211.93**
Ancillary																
Transportation	154.8	$ 113.94	$ 1.47	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	158.0	$ 114.70	$ 1.51
DME/Prosthetics	32,149.7	8.14	21.80	0.18	-	-	-	0.34	0.05	-	-	-	-	32,916.6	8.16	22.37
Dental	93.6	101.27	0.79	0.01	-	-	-	0.01	-	-	-	-	-	96.0	101.27	0.81
Incontinence Supplies	73,779.2	0.60	3.67	0.03	-	-	-	0.05	0.02	-	-	-	-	75,387.5	0.60	3.77
Other Ancillary	292.3	69.79	1.70	0.01	-	-	-	0.03	0.01	-	-	-	-	299.2	70.19	1.75
Subtotal Ancillary			**$ 29.43**													**$ 30.21**
Professional																
Inpatient and Outpatient Surgery	290.8	$ 164.21	$ 3.98	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.06	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	298.2	$ 165.02	$ 4.10
Anesthesia	187.5	129.25	2.02	0.02	-	-	-	0.03	0.01	-	-	-	-	192.2	129.87	2.08
Inpatient Visits	621.7	112.92	5.85	0.05	-	(0.05)	-	0.09	0.02	-	-	-	-	631.2	113.31	5.96
MH/SA	5,847.9	54.46	26.54	0.24	-	-	-	0.46	0.09	-	-	-	-	6,002.1	54.64	27.33
ASD Services	66,550.5	15.19	84.24	0.75	-	-	-	1.49	0.28	-	-	-	-	68,320.1	15.24	86.76
Emergency Room	518.1	83.84	3.62	0.03	-	(0.05)	-	0.06	0.01	-	-	-	-	523.8	84.07	3.67
Office/Home Visits/Consults	3,923.1	107.82	35.25	0.31	-	0.06	-	0.62	0.12	-	-	-	-	4,033.3	108.18	36.36
Pathology/Lab	2,559.2	26.21	5.59	0.05	-	-	-	0.10	0.02	-	0.98	-	-	2,627.9	30.78	6.74
Radiology	771.8	22.70	1.46	0.01	-	0.01	-	0.02	0.01	-	-	-	-	792.9	22.85	1.51
Office Administered Drugs	10,322.5	32.26	27.75	0.25	-	0.10	-	0.50	0.09	-	-	-	-	10,638.7	32.36	28.69
Physical Exams	1,073.0	72.69	6.50	0.06	-	-	-	0.09	0.02	-	-	-	-	1,097.8	72.91	6.67
Therapy	23,707.0	23.45	46.33	0.41	-	-	-	(0.62)	0.15	-	-	-	-	23,599.6	23.53	46.27
Vision	658.0	34.84	1.91	0.02	-	-	-	0.03	0.01	-	-	-	-	675.2	35.01	1.97
Other Professional	3,845.5	40.41	12.95	0.12	-	-	-	0.19	0.06	-	-	-	-	3,937.6	40.59	13.32
Subtotal Professional			**$ 263.99**													**$ 271.43**
Total Medical Costs			**$ 669.66**													**$ 671.85**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SSI - Adults Base Year Member Months: 417,292 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	1,429.6	$ 2,417.18	$ 287.97	$ 11.06	$ 0.00	$ (5.48)	$ (0.54)	$ 7.93	$ 1.12	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,496.7	$ 2,421.83	$ 302.06
Inpatient Well Newborn	0.2	2,384.53	0.04	-	-	-	-	-	-	-	-	-	-	0.2	2,384.53	0.04
Inpatient MH/SA	154.9	413.65	5.34	0.21	-	-	-	0.14	0.01	-	0.03	-	-	165.1	416.56	5.73
Other Inpatient	413.3	281.06	9.68	0.37	-	(0.18)	(0.01)	0.25	0.04	-	-	-	-	432.1	281.89	10.15
Subtotal Inpatient Hospital			**$ 303.03**													**$ 317.98**
Outpatient Hospital																
Surgery	232.0	$ 1,977.84	$ 38.24	$ 0.91	$ 0.00	$ 0.00	$ (0.12)	$ 1.11	$ 0.15	$ 0.00	$ 0.00	$ 0.00	$ 0.00	244.3	$ 1,979.32	$ 40.29
Non-Surg - Emergency Room	919.5	447.52	34.29	0.82	-	(0.22)	-	0.88	0.15	-	-	-	-	959.2	449.39	35.92
Non-Surg - Other	499.7	210.63	8.77	0.21	-	-	(0.03)	0.26	0.03	-	0.01	-	-	526.4	210.86	9.25
Observation Room	26.3	1,156.35	2.53	0.06	-	-	(0.01)	0.07	0.02	-	-	-	-	27.6	1,160.70	2.67
Treatment/Therapy/Testing	1,303.9	1,008.49	109.58	2.62	-	-	(0.36)	3.19	0.44	-	-	-	-	1,373.0	1,009.19	115.47
Other Outpatient	221.5	341.38	6.30	0.15	-	-	(0.02)	0.19	0.02	0.01	-	-	-	233.8	341.38	6.65
Subtotal Outpatient Hospital			**$ 199.71**													**$ 210.25**
Retail Pharmacy																
Prescription Drugs	30,737.5	$ 171.48	$ 439.24	$ 0.04	$ 0.00	$ 0.00	$ (25.55)	$ 12.46	$ 1.56	$ (0.13)	$ 0.10	$ 0.00	$ 0.00	31,603.1	$ 162.41	$ 427.72
Subtotal Retail Pharmacy			**$ 439.24**													**$ 427.72**
Ancillary																
Transportation	757.3	$ 102.20	$ 6.45	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.22	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.00	789.0	$ 102.66	$ 6.75
DME/Prosthetics	23,104.7	12.05	23.21	0.19	-	-	-	0.90	0.08	-	-	-	-	24,189.7	12.09	24.38
Dental	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	16,518.4	0.57	0.79	0.01	-	-	-	0.03	-	-	-	-	-	17,354.8	0.57	0.83
Other Ancillary	724.3	79.36	4.79	0.04	-	-	-	0.18	0.02	-	-	-	-	757.6	79.67	5.03
Subtotal Ancillary			**$ 35.24**													**$ 36.99**
Professional																
Inpatient and Outpatient Surgery	1,142.9	$ 155.49	$ 14.81	$ 0.13	$ 0.00	$ 0.00	$ 0.00	$ 0.49	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,190.8	$ 156.00	$ 15.48
Anesthesia	418.0	118.00	4.11	0.04	-	-	-	0.13	0.02	-	-	-	-	435.2	118.56	4.30
Inpatient Visits	2,743.4	88.49	20.23	0.18	-	(0.37)	-	0.61	0.07	-	-	-	-	2,800.4	88.79	20.72
MH/SA	928.5	95.90	7.42	0.07	-	-	-	0.24	0.02	-	-	-	-	967.3	96.15	7.75
ASD Services	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,058.8	95.99	8.47	0.08	-	(0.05)	-	0.25	0.04	-	-	-	-	1,093.8	96.43	8.79
Office/Home Visits/Consults	5,018.2	110.60	46.25	0.41	-	0.05	-	1.52	0.16	-	-	-	-	5,233.0	110.96	48.39
Pathology/Lab	6,627.2	14.25	7.87	0.07	-	0.01	-	0.25	0.03	-	0.03	-	-	6,905.1	14.35	8.26
Radiology	3,104.9	37.91	9.81	0.09	-	0.01	-	0.32	0.02	-	-	-	-	3,237.9	37.99	10.25
Office Administered Drugs	51,465.5	15.34	65.77	0.59	-	0.18	-	2.17	0.21	-	-	-	-	53,766.1	15.38	68.92
Physical Exams	360.8	67.18	2.02	0.02	-	-	-	0.06	0.01	-	-	-	-	375.1	67.50	2.11
Therapy	1,202.8	25.04	2.51	0.02	-	-	-	0.09	0.01	-	-	-	-	1,255.5	25.14	2.63
Vision	174.4	64.00	0.93	0.01	-	-	-	0.03	-	-	-	-	-	181.9	64.00	0.97
Other Professional	4,917.3	42.83	17.55	0.16	-	-	-	0.58	0.06	-	-	-	-	5,124.6	42.97	18.35
Subtotal Professional			**$ 207.75**													**$ 216.92**
Total Medical Costs			**$ 1,184.97**													**$ 1,209.86**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: OCWI Base Year Member Months: 259,772 Category of Service	MCO Encounter Data Base Year Experience Utilization per 1,000	 Cost per Service	 PMPM	Completion Adjustments Utilization Adjustment	 Cost Adjustment	Managed Care Adjustments Utilization Adjustment	 Cost Adjustment	Other Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	164.4	$ 1,968.37	$ 26.96	$ 1.12	$ 0.00	$ (0.23)	$ (0.03)	$ 0.06	$ 0.15	$ 0.00	$ 0.00	$ 0.00	$ 0.00	170.2	$ 1,976.83	$ 28.03
Inpatient Well Newborn	8.7	687.23	0.50	0.02	-	-	-	-	-	-	-	-	-	9.1	687.23	0.52
Inpatient MH/SA	98.0	333.14	2.72	0.11	-	-	-	0.02	0.01	-	0.10	-	-	102.7	345.99	2.96
Other Inpatient	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 30.18**													**$ 31.51**
Outpatient Hospital																
Surgery	363.3	$ 603.51	$ 18.27	$ 0.32	$ 0.00	$ 0.00	$ (0.06)	$ 0.08	$ 0.06	$ 0.00	$ 0.03	$ 0.00	$ 0.00	371.2	$ 604.48	$ 18.70
Non-Surg - Emergency Room	847.1	405.14	28.60	0.51	-	(0.19)	-	0.10	0.10	-	-	-	-	859.6	406.54	29.12
Non-Surg - Other	489.9	164.12	6.70	0.12	-	-	(0.02)	0.03	0.02	-	-	-	-	500.9	164.12	6.85
Observation Room	64.7	368.98	1.99	0.04	-	-	(0.01)	0.01	-	-	-	-	-	66.3	367.18	2.03
Treatment/Therapy/Testing	1,146.8	178.09	17.02	0.30	-	-	(0.05)	0.07	0.07	-	0.01	-	-	1,171.8	178.40	17.42
Other Outpatient	100.7	107.20	0.90	0.02	-	-	(0.01)	0.01	-	0.06	-	-	-	110.8	106.11	0.98
Subtotal Outpatient Hospital			**$ 73.48**													**$ 75.10**
Retail Pharmacy																
Prescription Drugs	8,412.5	$ 57.33	$ 40.19	$ 0.00	$ 0.00	$ 0.00	$ (1.75)	$ 0.13	$ 0.18	$ (0.02)	$ 0.01	$ 0.00	$ 0.00	8,435.6	$ 55.11	$ 38.74
Subtotal Retail Pharmacy			**$ 40.19**													**$ 38.74**
Ancillary																
Transportation	218.2	$ 95.15	$ 1.73	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.04	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	224.5	$ 95.69	$ 1.79
DME/Prosthetics	8,782.0	4.25	3.11	0.02	-	-	-	0.10	-	-	-	-	-	9,120.9	4.25	3.23
Dental	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	316.2	0.76	0.02	-	-	-	-	-	-	-	-	-	-	316.2	0.76	0.02
Other Ancillary	183.8	111.64	1.71	0.01	-	-	-	0.05	0.01	-	-	-	-	190.3	112.27	1.78
Subtotal Ancillary			**$ 6.57**													**$ 6.82**
Professional																
Inpatient and Outpatient Surgery	274.5	$ 161.76	$ 3.70	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	278.2	$ 162.62	$ 3.77
Anesthesia	121.1	121.91	1.23	0.01	-	-	-	0.01	-	-	-	-	-	123.0	121.91	1.25
Inpatient Visits	539.6	81.62	3.67	0.04	-	(0.03)	-	0.01	0.01	-	-	-	-	542.5	81.84	3.70
MH/SA	1,249.6	95.55	9.95	0.10	-	-	-	0.06	0.03	-	-	-	-	1,269.7	95.83	10.14
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	968.1	80.32	6.48	0.06	-	(0.03)	-	0.03	0.02	-	-	-	-	977.1	80.56	6.56
Office/Home Visits/Consults	2,692.8	95.23	21.37	0.21	-	0.04	-	0.11	0.08	-	-	-	-	2,738.2	95.58	21.81
Pathology/Lab	9,391.0	18.67	14.61	0.14	-	0.01	-	0.08	0.06	-	0.48	-	-	9,538.8	19.35	15.38
Radiology	1,257.7	52.28	5.48	0.05	-	0.01	-	0.03	0.02	-	-	-	-	1,278.4	52.47	5.59
Office Administered Drugs	19,854.0	4.43	7.33	0.07	-	0.03	-	0.04	0.03	-	-	-	-	20,233.2	4.45	7.50
Physical Exams	609.3	52.58	2.67	0.03	-	-	-	0.01	0.01	-	-	-	-	618.4	52.78	2.72
Therapy	383.6	24.72	0.79	0.01	-	-	-	-	0.01	-	-	-	-	388.4	25.03	0.81
Vision	147.9	50.32	0.62	0.01	-	-	-	-	-	-	-	-	-	150.3	50.32	0.63
Other Professional	2,225.3	72.69	13.48	0.13	-	-	-	0.08	0.02	-	-	-	-	2,259.9	72.80	13.71
Subtotal Professional			**$ 91.38**													**$ 93.57**
Total Medical Costs			**$ 241.80**													**$ 245.74**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SMI Children Base Year Member Months: 185,872 Category of Service	MCO Encounter Data Base Year Experience Utilization per 1,000	 Cost per Service	 PMPM	Completion Adjustments Utilization Adjustment	 Cost Adjustment	Managed Care Adjustments Utilization Adjustment	 Cost Adjustment	Other Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	142.0	$ 2,261.06	$ 26.75	$ 0.86	$ 0.00	$ (0.30)	$ (0.07)	$ 0.13	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.00	145.6	$ 2,262.71	$ 27.46
Inpatient Well Newborn	0.1	929.36	0.01	-	-	-	-	-	-	-	-	-	-	0.1	929.36	0.01
Inpatient MH/SA	3,103.6	504.27	130.42	4.21	-	-	-	0.58	0.42	-	-	-	-	3,217.5	505.84	135.63
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 157.18**													**$ 163.10**
Outpatient Hospital																
Surgery	82.4	$ 1,520.77	$ 10.44	$ 0.11	$ 0.00	$ 0.00	$ (0.03)	$ 0.04	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	83.6	$ 1,522.21	$ 10.60
Non-Surg - Emergency Room	849.0	388.99	27.52	0.30	-	(0.25)	0.02	0.10	0.08	-	-	-	-	853.6	390.39	27.77
Non-Surg - Other	359.4	150.58	4.51	0.05	-	-	(0.02)	0.02	0.02	-	-	-	-	365.0	150.58	4.58
Observation Room	10.1	1,101.03	0.93	0.01	-	-	-	-	-	-	-	-	-	10.2	1,101.03	0.94
Treatment/Therapy/Testing	495.4	262.35	10.83	0.12	-	-	(0.04)	0.05	0.04	-	-	-	-	503.1	262.35	11.00
Other Outpatient	89.8	267.25	2.00	0.02	-	-	-	-	0.01	4.18	-	-	-	278.4	267.68	6.21
Subtotal Outpatient Hospital			**$ 56.23**													**$ 61.10**
Retail Pharmacy																
Prescription Drugs	14,805.0	$ 77.45	$ 95.55	$ 0.00	$ 0.00	$ 0.00	$ (4.15)	$ 0.22	$ 0.36	$ (0.07)	$ 0.03	$ 0.00	$ 0.00	14,828.3	$ 74.40	$ 91.94
Subtotal Retail Pharmacy			**$ 95.55**													**$ 91.94**
Ancillary																
Transportation	424.7	$ 113.29	$ 4.01	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	429.0	$ 113.85	$ 4.07
DME/Prosthetics	4,021.5	8.77	2.94	0.02	-	-	-	0.01	0.01	-	-	-	-	4,062.6	8.80	2.98
Dental	15.0	64.09	0.08	-	-	-	-	-	-	-	-	-	-	15.0	64.09	0.08
Incontinence Supplies	4,400.4	0.55	0.20	-	-	-	-	-	-	-	-	-	-	4,400.4	0.55	0.20
Other Ancillary	322.8	43.49	1.17	0.01	-	-	-	-	0.01	-	-	-	-	325.6	43.86	1.19
Subtotal Ancillary			**$ 8.40**													**$ 8.52**
Professional																
Inpatient and Outpatient Surgery	238.8	$ 145.72	$ 2.90	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	241.3	$ 146.22	$ 2.94
Anesthesia	102.3	118.44	1.01	0.01	-	-	-	-	0.01	-	-	-	-	103.3	119.60	1.03
Inpatient Visits	1,254.0	76.74	8.02	0.06	-	(0.09)	-	0.03	0.03	-	-	-	-	1,254.0	77.03	8.05
MH/SA	17,174.7	71.54	102.39	0.78	-	-	-	0.42	0.28	1.43	-	-	-	17,615.8	71.73	105.30
ASD Services	1,175.2	15.52	1.52	0.01	-	-	-	0.01	-	-	-	-	-	1,190.7	15.52	1.54
Emergency Room	899.8	87.49	6.56	0.05	-	(0.06)	-	0.03	0.02	-	-	-	-	902.5	87.75	6.60
Office/Home Visits/Consults	5,062.7	114.15	48.16	0.37	-	0.07	-	0.16	0.16	-	-	-	-	5,125.8	114.53	48.92
Pathology/Lab	4,642.0	17.42	6.74	0.05	-	0.01	-	0.02	0.02	-	0.16	-	-	4,697.1	17.88	7.00
Radiology	973.1	26.02	2.11	0.02	-	-	-	0.01	-	-	-	-	-	987.0	26.02	2.14
Office Administered Drugs	14,376.0	1.89	2.27	0.02	-	0.01	-	-	0.01	-	-	-	-	14,566.0	1.90	2.31
Physical Exams	893.5	75.61	5.63	0.04	-	-	-	(0.04)	0.02	-	-	-	-	893.5	75.88	5.65
Therapy	1,287.8	25.07	2.69	0.02	-	-	-	0.01	0.01	-	-	-	-	1,302.2	25.16	2.73
Vision	954.3	34.83	2.77	0.02	-	-	-	0.01	0.01	-	-	-	-	964.7	34.95	2.81
Other Professional	3,298.3	23.61	6.49	0.05	-	-	-	0.03	0.02	-	-	-	-	3,338.9	23.68	6.59
Subtotal Professional			**$ 199.26**													**$ 203.61**
Total Medical Costs			**$ 516.62**													**$ 528.27**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SMI TANF Adults Base Year Member Months: 262,780 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	385.5	$ 2,691.93	$ 86.47	$ 2.79	$ 0.00	$ (1.47)	$ 0.06	$ 0.58	$ 0.25	$ 0.00	$ 0.00	$ 0.00	$ 0.00	393.9	$ 2,701.37	$ 88.68
Inpatient Well Newborn	0.7	821.19	0.05	-	-	-	-	-	-	-	-	-	-	0.7	821.19	0.05
Inpatient MH/SA	897.7	234.19	17.52	0.57	-	-	-	0.11	0.03	-	0.14	-	-	932.6	236.38	18.37
Other Inpatient	45.8	343.55	1.31	0.04	-	(0.02)	0.03	-	0.01	-	-	-	-	46.5	353.89	1.37
Subtotal Inpatient Hospital			**$ 105.35**													**$ 108.47**
Outpatient Hospital																
Surgery	266.7	$ 1,682.58	$ 37.40	$ 0.41	$ 0.00	$ 0.00	$ (0.12)	$ 0.24	$ 0.12	$ 0.00	$ 0.02	$ 0.00	$ 0.00	271.4	$ 1,683.47	$ 38.07
Non-Surg - Emergency Room	1,368.6	378.96	43.22	0.47	-	(0.67)	0.16	0.21	0.16	-	-	-	-	1,368.9	381.76	43.55
Non-Surg - Other	422.8	162.07	5.71	0.06	-	-	(0.02)	0.04	0.02	-	-	-	-	430.2	162.07	5.81
Observation Room	24.6	1,009.19	2.07	0.02	-	-	-	-	0.01	-	-	-	-	24.9	1,014.02	2.10
Treatment/Therapy/Testing	1,366.1	347.23	39.53	0.43	-	-	(0.13)	0.23	0.17	-	-	-	-	1,388.9	347.57	40.23
Other Outpatient	228.1	210.43	4.00	0.04	-	-	(0.01)	0.03	0.01	1.06	-	-	-	292.5	210.43	5.13
Subtotal Outpatient Hospital			**$ 131.93**													**$ 134.89**
Retail Pharmacy																
Prescription Drugs	31,964.7	$ 109.45	$ 291.54	$ 0.00	$ 0.00	$ 0.00	$ (11.19)	$ 1.67	$ 1.02	$ (0.15)	$ 0.10	$ 0.00	$ 0.00	32,131.3	$ 105.69	$ 282.99
Subtotal Retail Pharmacy			**$ 291.54**													**$ 282.99**
Ancillary																
Transportation	496.8	$ 97.84	$ 4.05	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.02	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	502.9	$ 98.07	$ 4.11
DME/Prosthetics	5,105.8	15.72	6.69	0.04	-	-	-	0.05	0.02	-	-	-	-	5,174.5	15.77	6.80
Dental	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	5,111.6	0.54	0.23	-	-	-	-	-	-	-	-	-	-	5,111.6	0.54	0.23
Other Ancillary	397.2	71.90	2.38	0.01	-	-	-	0.02	0.01	-	-	-	-	402.3	72.19	2.42
Subtotal Ancillary			**$ 13.35**													**$ 13.56**
Professional																
Inpatient and Outpatient Surgery	932.8	$ 166.34	$ 12.93	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.08	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	945.8	$ 166.85	$ 13.15
Anesthesia	387.3	118.35	3.82	0.03	-	-	-	0.02	0.01	-	-	-	-	392.4	118.65	3.88
Inpatient Visits	1,053.3	85.22	7.48	0.06	-	(0.13)	-	0.04	0.03	-	-	-	-	1,049.1	85.56	7.48
MH/SA	6,056.9	95.24	48.07	0.37	-	-	-	0.27	0.12	-	-	-	-	6,137.6	95.47	48.83
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,448.6	89.63	10.82	0.08	-	(0.16)	-	0.06	0.03	-	-	-	-	1,445.9	89.88	10.83
Office/Home Visits/Consults	7,458.5	104.77	65.12	0.49	-	0.18	-	0.43	0.20	-	-	-	-	7,584.5	105.09	66.42
Pathology/Lab	10,102.7	16.31	13.73	0.10	-	0.01	-	0.10	0.04	-	0.14	-	-	10,257.2	16.52	14.12
Radiology	2,771.1	35.51	8.20	0.06	-	0.02	-	0.05	0.02	-	-	-	-	2,815.0	35.59	8.35
Office Administered Drugs	38,173.7	7.46	23.73	0.18	-	0.06	-	0.17	1.10	-	-	-	-	38,833.3	7.80	25.24
Physical Exams	499.3	77.39	3.22	0.02	-	-	-	0.03	0.01	-	-	-	-	507.1	77.62	3.28
Therapy	1,504.7	26.64	3.34	0.03	-	-	-	0.02	0.01	-	-	-	-	1,527.3	26.71	3.40
Vision	233.5	60.12	1.17	0.01	-	-	-	0.01	-	-	-	-	-	237.5	60.12	1.19
Other Professional	4,342.6	24.98	9.04	0.07	-	-	-	0.06	0.02	-	-	-	-	4,405.0	25.04	9.19
Subtotal Professional			**$ 210.67**													**$ 215.36**
Total Medical Costs			**$ 752.84**													**$ 755.27**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: SMI SSI Adults Base Year Member Months: 171,333 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	1,624.8	$ 2,271.69	$ 307.58	$ 9.93	$ 0.00	$ (5.18)	$ (1.17)	$ 4.49	$ 0.97	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,673.6	$ 2,270.25	$ 316.62
Inpatient Well Newborn	0.1	856.67	0.01	-	-	-	-	-	-	-	-	-	-	0.1	856.67	0.01
Inpatient MH/SA	2,891.9	277.15	66.79	2.16	-	-	-	0.64	(0.09)	-	1.71	-	-	3,013.1	283.60	71.21
Other Inpatient	706.6	285.64	16.82	0.54	-	(0.28)	(0.27)	0.26	0.05	-	-	-	-	728.5	282.02	17.12
Subtotal Inpatient Hospital			**$ 391.20**													**$ 404.96**
Outpatient Hospital																
Surgery	276.0	$ 1,975.48	$ 45.44	$ 0.50	$ 0.00	$ 0.00	$ (0.15)	$ 0.68	$ 0.15	$ 0.00	$ 0.01	$ 0.00	$ 0.00	283.2	$ 1,975.90	$ 46.63
Non-Surg - Emergency Room	1,862.1	435.26	67.54	0.74	-	(0.46)	0.04	0.84	0.22	-	-	-	-	1,892.9	436.91	68.92
Non-Surg - Other	558.8	181.02	8.43	0.09	-	-	(0.03)	0.13	0.03	-	-	-	-	573.4	181.02	8.65
Observation Room	39.3	1,279.65	4.19	0.05	-	-	(0.02)	0.07	0.01	-	-	-	-	40.4	1,276.68	4.30
Treatment/Therapy/Testing	1,527.2	660.90	84.11	0.92	-	-	(0.28)	1.25	0.30	-	-	-	-	1,566.6	661.05	86.30
Other Outpatient	313.5	210.53	5.50	0.06	-	-	(0.02)	0.09	0.02	0.43	-	-	-	346.6	210.53	6.08
Subtotal Outpatient Hospital			**$ 215.21**													**$ 220.88**
Retail Pharmacy																
Prescription Drugs	55,625.2	$ 161.73	$ 749.71	$ 0.00	$ 0.00	$ 0.00	$ (26.74)	$ 9.96	$ 2.49	$ (0.22)	$ 0.16	$ 0.00	$ 0.00	56,347.9	$ 156.60	$ 735.36
Subtotal Retail Pharmacy			**$ 749.71**													**$ 735.36**
Ancillary																
Transportation	1,923.8	$ 93.56	$ 15.00	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.23	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,964.9	$ 93.87	$ 15.37
DME/Prosthetics	20,018.3	13.91	23.20	0.15	-	-	-	0.40	0.08	-	-	-	-	20,492.9	13.95	23.83
Dental	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	32,664.3	0.59	1.61	0.01	-	-	-	0.03	-	-	-	-	-	33,475.9	0.59	1.65
Other Ancillary	2,169.5	59.74	10.80	0.07	-	-	-	0.18	0.04	-	-	-	-	2,219.8	59.95	11.09
Subtotal Ancillary			**$ 50.61**													**$ 51.94**
Professional																
Inpatient and Outpatient Surgery	1,492.5	$ 148.58	$ 18.48	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.28	$ 0.06	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,526.5	$ 149.05	$ 18.96
Anesthesia	556.7	115.10	5.34	0.04	-	-	-	0.08	0.02	-	-	-	-	569.3	115.52	5.48
Inpatient Visits	4,434.0	83.68	30.92	0.23	-	(0.50)	-	0.36	0.12	-	-	-	-	4,446.9	84.01	31.13
MH/SA	20,287.2	34.15	57.73	0.44	-	-	-	0.87	0.11	-	-	-	-	20,747.6	34.21	59.15
ASD Services	69.6	17.24	0.10	-	-	-	-	-	-	-	-	-	-	69.6	17.24	0.10
Emergency Room	2,070.1	94.95	16.38	0.12	-	(0.09)	-	0.20	0.05	-	-	-	-	2,099.2	95.24	16.66
Office/Home Visits/Consults	8,835.0	114.25	84.12	0.64	-	0.11	-	1.25	0.28	-	-	-	-	9,045.1	114.63	86.40
Pathology/Lab	9,172.4	14.00	10.70	0.08	-	0.01	-	0.15	0.04	-	0.02	-	-	9,378.1	14.08	11.00
Radiology	4,252.8	34.06	12.07	0.09	-	0.02	-	0.16	0.03	-	-	-	-	4,348.0	34.14	12.37
Office Administered Drugs	126,441.3	6.45	67.92	0.52	-	0.19	-	1.04	0.24	-	-	-	-	129,699.1	6.47	69.91
Physical Exams	487.1	65.29	2.65	0.02	-	-	-	0.04	0.01	-	-	-	-	498.1	65.53	2.72
Therapy	1,424.2	26.37	3.13	0.02	-	-	-	0.05	0.01	-	-	-	-	1,456.1	26.45	3.21
Vision	208.4	65.63	1.14	0.01	-	-	-	0.02	-	-	-	-	-	213.9	65.63	1.17
Other Professional	5,782.6	35.20	16.96	0.13	-	-	-	0.25	0.06	-	-	-	-	5,912.2	35.32	17.40
Subtotal Professional			**$ 327.64**													**$ 335.66**
Total Medical Costs			**$ 1,734.37**													**$ 1,748.80**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Foster Care Children Base Year Member Months: 49,141 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	153.4	$ 2,262.21	$ 28.91	$ 1.16	$ 0.00	$ (0.29)	$ 0.09	$ 3.73	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.00	177.8	$ 2,275.71	$ 33.71
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	4,497.3	621.83	233.05	9.32	-	-	-	30.29	0.89	-	-	-	-	5,261.7	623.86	273.55
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 261.96**													**$ 307.26**
Outpatient Hospital																
Surgery	92.6	$ 1,754.29	$ 13.53	$ 0.22	$ 0.00	$ 0.00	$ (0.04)	$ 1.67	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ 0.00	105.5	$ 1,758.85	$ 15.46
Non-Surg - Emergency Room	685.0	379.81	21.68	0.35	-	(0.22)	0.02	2.72	0.06	-	-	-	-	775.0	381.05	24.61
Non-Surg - Other	550.4	138.00	6.33	0.10	-	-	(0.02)	0.80	0.03	-	-	-	-	628.7	138.20	7.24
Observation Room	8.1	1,057.28	0.71	0.01	-	-	-	0.09	-	-	-	-	-	9.2	1,057.28	0.81
Treatment/Therapy/Testing	403.4	222.21	7.47	0.12	-	-	(0.02)	0.94	0.03	-	-	-	-	460.7	222.47	8.54
Other Outpatient	67.4	179.83	1.01	0.02	-	-	(0.01)	0.13	-	1.01	-	-	-	144.8	179.00	2.16
Subtotal Outpatient Hospital			**$ 50.73**													**$ 58.82**
Retail Pharmacy																
Prescription Drugs	12,036.9	$ 50.96	$ 51.12	$ 0.00	$ 0.00	$ 0.00	$ (1.35)	$ 6.08	$ 0.03	$ (0.08)	$ 0.00	$ 0.00	$ 0.00	13,449.7	$ 49.79	$ 55.80
Subtotal Retail Pharmacy			**$ 51.12**													**$ 55.80**
Ancillary																
Transportation	430.0	$ 122.78	$ 4.40	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.55	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	488.7	$ 123.27	$ 5.02
DME/Prosthetics	6,708.8	7.87	4.40	0.05	-	-	-	0.56	0.01	-	-	-	-	7,638.9	7.89	5.02
Dental	169.5	72.22	1.02	0.01	-	-	-	0.13	-	-	-	-	-	192.7	72.22	1.16
Incontinence Supplies	36,190.5	0.53	1.59	0.02	-	-	-	0.20	-	-	-	-	-	41,198.0	0.53	1.81
Other Ancillary	260.6	58.49	1.27	0.01	-	-	-	0.16	0.01	-	-	-	-	295.4	58.90	1.45
Subtotal Ancillary			**$ 12.68**													**$ 14.46**
Professional																
Inpatient and Outpatient Surgery	287.4	$ 153.64	$ 3.68	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.48	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	327.3	$ 154.01	$ 4.20
Anesthesia	139.4	111.02	1.29	0.01	-	-	-	0.16	0.01	-	-	-	-	157.8	111.78	1.47
Inpatient Visits	1,108.9	81.81	7.56	0.06	-	(0.08)	-	0.99	0.02	-	-	-	-	1,251.2	82.00	8.55
MH/SA	74,668.3	42.41	263.90	1.98	-	-	-	34.53	0.98	0.63	-	-	-	85,176.8	42.55	302.02
ASD Services	5,342.7	16.08	7.16	0.05	-	-	-	0.94	0.03	-	-	-	-	6,081.5	16.14	8.18
Emergency Room	739.9	82.55	5.09	0.04	-	(0.05)	-	0.66	0.02	-	-	-	-	834.4	82.84	5.76
Office/Home Visits/Consults	4,659.7	109.29	42.44	0.32	-	0.06	-	5.55	0.15	-	-	-	-	5,310.8	109.63	48.52
Pathology/Lab	3,389.9	21.98	6.21	0.05	-	-	-	0.81	0.03	-	0.93	-	-	3,859.4	24.97	8.03
Radiology	749.9	20.32	1.27	0.01	-	-	-	0.17	-	-	-	-	-	856.2	20.32	1.45
Office Administered Drugs	5,996.7	0.94	0.47	-	-	-	-	0.07	-	-	-	-	-	6,889.8	0.94	0.54
Physical Exams	2,810.0	66.58	15.59	0.12	-	-	-	1.97	0.04	-	-	-	-	3,186.7	66.73	17.72
Therapy	14,801.9	22.51	27.77	0.21	-	-	-	1.83	0.10	-	-	-	-	15,889.3	22.59	29.91
Vision	1,163.3	43.43	4.21	0.03	-	-	-	0.55	0.01	-	-	-	-	1,323.6	43.52	4.80
Other Professional	3,129.1	32.29	8.42	0.06	-	-	-	1.07	0.03	-	-	-	-	3,549.1	32.39	9.58
Subtotal Professional			**$ 395.06**													**$ 450.73**
Total Medical Costs			**$ 771.55**													**$ 887.07**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: KICK Base Year Deliveries: 22,916 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	Cost per Delivery	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	Cost per Delivery
Inpatient Hospital																
Inpatient Maternity Delivery	2,294.8	$ 1,808.19	$ 4,149.47	$ 72.62	$ 0.00	$ 0.00	$ (19.02)	$ (0.66)	$ 14.47	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,334.6	$ 1,806.24	$ 4,216.88
Subtotal Inpatient Hospital			**$ 4,149.47**													**$ 4,216.88**
Outpatient Hospital																
Outpatient Hospital - Maternity	51.7	$ 526.00	$ 27.20	$ 0.27	$ 0.00	$ 0.00	$ (0.09)	$ 0.01	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.00	52.2	$ 526.00	$ 27.48
Subtotal Outpatient Hospital			**$ 27.20**													**$ 27.48**
Professional																
Maternity Delivery	875.1	$ 1,052.74	$ 921.26	$ 7.19	$ 0.00	$ 0.00	$ 0.13	$ 1.47	$ 3.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	883.3	$ 1,056.28	$ 933.05
Maternity Anesthesia	1,113.9	318.96	355.30	2.77	-	-	-	0.50	1.22	-	-	-	-	1,124.2	320.04	359.79
Maternity Office Visits	7,798.5	86.57	675.15	5.27	-	-	-	1.60	2.24	-	-	-	-	7,877.9	86.86	684.26
Maternity Radiology	5,089.9	73.41	373.67	2.91	-	-	-	0.73	1.30	-	-	-	-	5,139.5	73.67	378.61
Maternity Non-Delivery	2.6	81.57	0.21	-	-	-	-	-	-	-	-	-	-	2.6	81.57	0.21
Subtotal Professional			**$ 2,325.59**													**$ 2,355.92**
Total Medical Costs			**$ 6,502.26**													**$ 6,600.28**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Dual Community Well 18+ Base Year Member Months: 1,165,608 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	641.9	$ 250.49	$ 13.40	$ 0.22	$ 0.00	$ (0.52)	$ (0.05)	$ 0.04	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	629.5	$ 249.35	$ 13.08
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	54.7	181.92	0.83	0.01	-	-	-	-	-	-	-	-	-	55.4	181.92	0.84
Other Inpatient	2.5	244.88	0.05	-	-	-	-	-	-	-	-	-	-	2.5	244.88	0.05
Subtotal Inpatient Hospital			**$ 14.28**													**$ 13.97**
Outpatient Hospital																
Surgery	115.7	$ 199.18	$ 1.92	$ 0.05	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	119.3	$ 199.18	$ 1.98
Non-Surg - Emergency Room	215.1	90.92	1.63	0.04	-	-	-	0.01	-	-	-	-	-	221.7	90.92	1.68
Non-Surg - Other	309.8	36.79	0.95	0.03	-	-	-	-	-	-	-	-	-	319.6	36.79	0.98
Observation Room	9.1	92.09	0.07	-	-	-	-	-	-	-	-	-	-	9.1	92.09	0.07
Treatment/Therapy/Testing	796.0	135.52	8.99	0.24	-	-	-	0.03	-	-	-	-	-	819.9	135.52	9.26
Other Outpatient	59.0	105.74	0.52	0.01	-	-	-	0.01	-	-	-	-	-	61.3	105.74	0.54
Subtotal Outpatient Hospital			**$ 14.08**													**$ 14.51**
Retail Pharmacy																
Prescription Drugs	395.7	$ 40.94	$ 1.35	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ (0.01)	$ 0.00	$ 0.00	392.8	$ 40.63	$ 1.33
Subtotal Retail Pharmacy			**$ 1.35**													**$ 1.33**
Ancillary																
Transportation	44.3	$ 27.09	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	44.3	$ 27.09	$ 0.10
DME/Prosthetics	9,542.6	4.50	3.58	0.04	-	-	-	0.01	-	-	-	-	-	9,675.8	4.50	3.63
Dental	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	294.6	30.96	0.76	0.01	-	-	-	-	-	-	-	-	-	298.4	30.96	0.77
Other Ancillary	37.8	47.68	0.15	-	-	-	-	-	-	-	-	-	-	37.8	47.68	0.15
Subtotal Ancillary			**$ 4.59**													**$ 4.65**
Professional																
Inpatient and Outpatient Surgery	400.7	$ 22.16	$ 0.74	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	411.6	$ 22.16	$ 0.76
Anesthesia	214.1	19.06	0.34	0.01	-	-	-	-	-	-	-	-	-	220.4	19.06	0.35
Inpatient Visits	394.9	23.10	0.76	0.02	-	(0.03)	-	-	-	-	-	-	-	389.7	23.10	0.75
MH/SA	5,628.3	14.69	6.89	0.17	-	-	-	0.02	-	-	-	-	-	5,783.5	14.69	7.08
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	64.4	22.37	0.12	-	-	-	-	-	-	-	-	-	-	64.4	22.37	0.12
Office/Home Visits/Consults	3,738.6	47.95	14.94	0.36	-	-	-	0.04	-	-	-	-	-	3,838.7	47.95	15.34
Pathology/Lab	777.6	5.40	0.35	0.01	-	-	-	-	-	-	0.01	-	-	799.9	5.55	0.37
Radiology	555.3	19.02	0.88	0.02	-	-	-	-	-	-	-	-	-	567.9	19.02	0.90
Office Administered Drugs	25,386.0	2.81	5.95	0.15	-	-	-	0.01	-	-	-	-	-	26,068.7	2.81	6.11
Physical Exams	54.4	17.64	0.08	-	-	-	-	-	-	-	-	-	-	54.4	17.64	0.08
Therapy	722.5	5.81	0.35	0.01	-	-	-	-	-	-	-	-	-	743.2	5.81	0.36
Vision	38.1	56.66	0.18	-	-	-	-	-	-	-	-	-	-	38.1	56.66	0.18
Other Professional	663.5	12.66	0.70	0.02	-	-	-	-	-	-	-	-	-	682.4	12.66	0.72
Subtotal Professional			**$ 32.28**													**$ 33.12**
Total Medical Costs			**$ 66.58**													**$ 67.58**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Dual Nursing Facility 18+ Base Year Member Months: 132,123 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	2,165.3	$ 236.75	$ 42.72	$ 0.70	$ 0.00	$ (1.39)	$ 0.00	$ 0.00	$ 0.96	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,130.4	$ 242.15	$ 42.99
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	49.4	371.60	1.53	0.03	-	-	-	-	0.10	-	-	-	-	50.4	395.42	1.66
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 44.25**													**$ 44.65**
Outpatient Hospital																
Surgery	104.9	$ 178.45	$ 1.56	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.16)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	107.6	$ 160.61	$ 1.44
Non-Surg - Emergency Room	171.8	83.80	1.20	0.03	-	-	-	-	(0.01)	-	-	-	-	176.1	83.12	1.22
Non-Surg - Other	170.7	33.73	0.48	0.01	-	-	-	-	(0.01)	-	-	-	-	174.3	33.05	0.48
Observation Room	10.4	69.54	0.06	-	-	-	-	-	-	-	-	-	-	10.4	69.54	0.06
Treatment/Therapy/Testing	277.7	147.81	3.42	0.09	-	-	-	-	0.08	-	-	-	-	285.0	151.18	3.59
Other Outpatient	30.6	62.73	0.16	-	-	-	-	-	(0.04)	-	-	-	-	30.6	47.05	0.12
Subtotal Outpatient Hospital			**$ 6.88**													**$ 6.91**
Retail Pharmacy																
Prescription Drugs	1,595.6	$ 6.54	$ 0.87	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.04)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,595.6	$ 6.24	$ 0.83
Subtotal Retail Pharmacy			**$ 0.87**													**$ 0.83**
Ancillary																
Transportation	43.1	$ 30.66	$ 0.11	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	43.1	$ 33.45	$ 0.12
DME/Prosthetics	45,930.8	1.57	6.00	0.07	-	-	-	-	(1.40)	-	-	-	-	46,466.7	1.21	4.67
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	609.0	38.03	1.93	0.02	-	-	-	-	0.09	-	-	-	-	615.3	39.79	2.04
Other Ancillary	68.4	182.48	1.04	0.01	-	-	-	-	0.07	-	-	-	-	69.0	194.65	1.12
Subtotal Ancillary			**$ 9.08**													**$ 7.95**
Professional																
Inpatient and Outpatient Surgery	270.0	$ 19.11	$ 0.43	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.05)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	276.3	$ 16.94	$ 0.39
Anesthesia	260.5	18.43	0.40	0.01	-	-	-	-	(0.04)	-	-	-	-	267.0	16.63	0.37
Inpatient Visits	6,299.6	25.54	13.41	0.33	-	(0.44)	-	-	0.55	-	-	-	-	6,247.9	26.60	13.85
MH/SA	881.4	23.15	1.70	0.04	-	-	-	-	0.11	-	-	-	-	902.1	24.61	1.85
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	269.4	12.03	0.27	0.01	-	-	-	-	(0.02)	-	-	-	-	279.4	11.17	0.26
Office/Home Visits/Consults	1,191.3	43.62	4.33	0.11	-	-	-	-	(0.27)	-	-	-	-	1,221.5	40.97	4.17
Pathology/Lab	195.3	3.69	0.06	-	-	-	-	-	-	-	-	-	-	195.3	3.69	0.06
Radiology	969.0	6.93	0.56	0.01	-	-	-	-	-	-	-	-	-	986.3	6.93	0.57
Office Administered Drugs	9,441.8	2.72	2.14	0.05	-	-	-	-	(0.14)	-	-	-	-	9,662.4	2.55	2.05
Physical Exams	6.4	18.87	0.01	-	-	-	-	-	-	-	-	-	-	6.4	18.87	0.01
Therapy	89.4	5.37	0.04	-	-	-	-	-	(0.01)	-	-	-	-	89.4	4.03	0.03
Vision	22.3	48.53	0.09	-	-	-	-	-	(0.04)	-	-	-	-	22.3	26.96	0.05
Other Professional	328.8	16.42	0.45	0.01	-	-	-	-	-	-	-	-	-	336.1	16.42	0.46
Subtotal Professional			**$ 23.89**													**$ 24.12**
Total Medical Costs			**$ 84.97**													**$ 84.46**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Dual Waiver 18+ Base Year Member Months: 201,627 Category of Service	MCO Encounter Data Base Year Experience Utilization per 1,000	 Cost per Service	 PMPM	Completion Adjustments Utilization Adjustment	 Cost Adjustment	Managed Care Adjustments Utilization Adjustment	 Cost Adjustment	Other Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	1,415.9	$ 239.09	$ 28.21	$ 0.47	$ 0.00	$ (1.30)	$ (0.02)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,374.2	$ 238.91	$ 27.36
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	28.6	105.01	0.25	-	-	-	-	-	-	-	-	-	-	28.6	105.01	0.25
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 28.46**													**$ 27.61**
Outpatient Hospital																
Surgery	180.5	$ 188.19	$ 2.83	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	185.6	$ 188.19	$ 2.91
Non-Surg - Emergency Room	269.5	96.61	2.17	0.06	-	-	-	-	-	-	-	-	-	277.0	96.61	2.23
Non-Surg - Other	396.3	34.22	1.13	0.03	-	-	-	-	-	-	-	-	-	406.8	34.22	1.16
Observation Room	20.2	71.37	0.12	-	-	-	-	-	-	-	-	-	-	20.2	71.37	0.12
Treatment/Therapy/Testing	980.3	133.30	10.89	0.29	-	-	-	-	-	-	-	-	-	1,006.5	133.30	11.18
Other Outpatient	65.5	93.48	0.51	0.01	-	-	-	-	-	-	-	-	-	66.8	93.48	0.52
Subtotal Outpatient Hospital			**$ 17.65**													**$ 18.12**
Retail Pharmacy																
Prescription Drugs	784.4	$ 31.67	$ 2.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ (0.03)	$ 0.00	$ 0.00	780.6	$ 31.21	$ 2.03
Subtotal Retail Pharmacy			**$ 2.07**													**$ 2.03**
Ancillary																
Transportation	159.9	$ 29.28	$ 0.39	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	159.9	$ 29.28	$ 0.39
DME/Prosthetics	34,816.3	4.22	12.24	0.15	-	-	-	-	-	-	-	-	-	35,243.0	4.22	12.39
Dental	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	13,238.8	32.50	35.85	0.43	-	-	-	-	-	-	-	-	-	13,397.6	32.50	36.28
Other Ancillary	60.3	41.76	0.21	-	-	-	-	-	-	-	-	-	-	60.3	41.76	0.21
Subtotal Ancillary			**$ 48.69**													**$ 49.27**
Professional																
Inpatient and Outpatient Surgery	563.0	$ 20.46	$ 0.96	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	574.7	$ 20.46	$ 0.98
Anesthesia	259.0	18.07	0.39	0.01	-	-	-	-	-	-	-	-	-	265.7	18.07	0.40
Inpatient Visits	656.5	22.66	1.24	0.03	-	(0.06)	-	-	-	-	-	-	-	640.6	22.66	1.21
MH/SA	3,602.0	18.69	5.61	0.14	-	-	-	-	-	-	-	-	-	3,691.9	18.69	5.75
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	73.6	16.30	0.10	-	-	-	-	-	-	-	-	-	-	73.6	16.30	0.10
Office/Home Visits/Consults	4,638.4	41.14	15.90	0.39	-	-	-	-	-	-	-	-	-	4,752.1	41.14	16.29
Pathology/Lab	1,043.7	4.71	0.41	0.01	-	-	-	-	-	-	0.04	-	-	1,069.1	5.16	0.46
Radiology	613.8	17.01	0.87	0.02	-	-	-	-	-	-	-	-	-	627.9	17.01	0.89
Office Administered Drugs	32,650.2	3.00	8.15	0.20	-	-	-	-	-	-	-	-	-	33,451.4	3.00	8.35
Physical Exams	59.0	16.28	0.08	-	-	-	-	-	-	-	-	-	-	59.0	16.28	0.08
Therapy	1,991.1	8.32	1.38	0.03	-	-	-	-	-	-	-	-	-	2,034.4	8.32	1.41
Vision	35.8	53.68	0.16	-	-	-	-	-	-	-	-	-	-	35.8	53.68	0.16
Other Professional	799.5	13.66	0.91	0.02	-	-	-	-	-	-	-	-	-	817.0	13.66	0.93
Subtotal Professional			**$ 36.16**													**$ 37.01**
Total Medical Costs			**$ 133.03**													**$ 134.04**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Non-Dual Nursing Facility 18+ Base Year Member Months: 28,451 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	5,256.2	$ 2,031.00	$ 889.61	$ 14.95	$ 0.00	$ (30.20)	$ 4.89	$ 0.00	$ 39.36	$ 0.00	$ 0.00	$ 0.00	$ 0.00	5,166.1	$ 2,133.78	$ 918.61
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	301.6	613.98	15.43	0.26	-	-	-	-	1.35	-	-	-	-	306.7	666.81	17.04
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 905.04**													**$ 935.65**
Outpatient Hospital																
Surgery	159.4	$ 1,415.78	$ 18.81	$ 0.33	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (1.62)	$ 0.00	$ 0.00	$ 0.00	$ 0.00	162.2	$ 1,295.95	$ 17.52
Non-Surg - Emergency Room	760.0	454.71	28.80	0.51	-	-	-	-	1.23	-	-	-	-	773.5	473.79	30.54
Non-Surg - Other	235.4	121.86	2.39	0.04	-	-	-	-	(0.11)	-	-	-	-	239.3	116.34	2.32
Observation Room	14.8	585.28	0.72	0.01	-	-	-	-	0.05	-	-	-	-	15.0	625.37	0.78
Treatment/Therapy/Testing	1,048.1	290.69	25.39	0.45	-	-	-	-	0.50	-	-	-	-	1,066.7	296.32	26.34
Other Outpatient	121.1	368.77	3.72	0.07	-	-	-	-	(1.93)	-	-	-	-	123.3	180.98	1.86
Subtotal Outpatient Hospital			**$ 79.83**													**$ 79.36**
Retail Pharmacy																
Prescription Drugs	81,727.0	$ 58.98	$ 401.66	$ 0.04	$ 0.00	$ 0.00	$ 2.96	$ 0.00	$ (66.49)	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	81,733.1	$ 49.65	$ 338.16
Subtotal Retail Pharmacy			**$ 401.66**													**$ 338.16**
Ancillary																
Transportation	2,145.6	$ 91.89	$ 16.43	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.71	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,158.6	$ 95.84	$ 17.24
DME/Prosthetics	18,076.6	16.95	25.54	0.15	-	-	-	-	(0.10)	-	-	-	-	18,182.7	16.89	25.59
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	480.4	37.22	1.49	0.01	-	-	-	-	0.11	-	-	-	-	483.6	39.95	1.61
Other Ancillary	888.3	94.97	7.03	0.04	-	-	-	-	0.69	-	-	-	-	893.3	104.24	7.76
Subtotal Ancillary			**$ 50.49**													**$ 52.20**
Professional																
Inpatient and Outpatient Surgery	2,674.5	$ 71.03	$ 15.83	$ 0.09	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.89	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,689.7	$ 75.00	$ 16.81
Anesthesia	523.0	88.11	3.84	0.02	-	-	-	-	0.01	-	-	-	-	525.7	88.33	3.87
Inpatient Visits	25,523.0	71.13	151.28	0.91	-	(5.08)	0.82	-	13.53	-	-	-	-	24,819.5	78.06	161.46
MH/SA	1,206.3	87.04	8.75	0.05	-	-	-	-	0.93	-	-	-	-	1,213.2	96.24	9.73
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,223.2	93.40	9.52	0.06	-	-	-	-	0.14	-	-	-	-	1,230.9	94.76	9.72
Office/Home Visits/Consults	2,614.6	93.26	20.32	0.12	-	-	-	-	(2.34)	-	-	-	-	2,630.0	82.58	18.10
Pathology/Lab	8,291.7	10.93	7.55	0.05	-	-	-	-	(0.58)	-	-	-	-	8,346.6	10.09	7.02
Radiology	5,246.1	25.57	11.18	0.07	-	-	-	-	0.42	-	-	-	-	5,278.9	26.53	11.67
Office Administered Drugs	74,749.6	3.15	19.64	0.12	-	-	-	-	0.22	-	-	-	-	75,206.3	3.19	19.98
Physical Exams	58.2	70.10	0.34	-	-	-	-	-	(0.07)	-	-	-	-	58.2	55.67	0.27
Therapy	83.1	33.22	0.23	-	-	-	-	-	(0.07)	-	-	-	-	83.1	23.11	0.16
Vision	175.0	63.76	0.93	0.01	-	-	-	-	(0.19)	-	-	-	-	176.9	50.87	0.75
Other Professional	4,674.6	61.30	23.88	0.14	-	-	-	-	2.08	-	-	-	-	4,702.0	66.61	26.10
Subtotal Professional			**$ 273.29**													**$ 285.64**
Total Medical Costs			**$ 1,710.31**													**$ 1,691.01**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Retrospective Adjustments

Region: Statewide Rate Cell: Non-Dual Waiver 18+ Base Year Member Months: 57,214 Category of Service	MCO Encounter Data Base Year Experience			Completion Adjustments		Managed Care Adjustments		Other Adjustments		Program and Policy Adjustments		Reimbursement Adjustments		Base Year Adjusted Base Experience		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital																
Inpatient Medical/Surgical/Non-Delivery	2,930.9	$ 2,378.88	$ 581.02	$ 9.76	$ 0.00	$ (26.86)	$ 2.45	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,844.6	$ 2,389.22	$ 566.37
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	251.7	681.32	14.29	0.24	-	-	-	-	-	-	-	-	-	255.9	681.32	14.53
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 595.31**													**$ 580.90**
Outpatient Hospital																
Surgery	306.8	$ 1,769.61	$ 45.25	$ 0.80	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	312.3	$ 1,769.61	$ 46.05
Non-Surg - Emergency Room	1,172.2	408.04	39.86	0.71	-	-	-	-	-	-	-	-	-	1,193.1	408.04	40.57
Non-Surg - Other	621.2	166.89	8.64	0.15	-	-	-	-	-	-	-	-	-	632.0	166.89	8.79
Observation Room	34.4	617.49	1.77	0.03	-	-	-	-	-	-	-	-	-	35.0	617.49	1.80
Treatment/Therapy/Testing	1,349.7	520.13	58.50	1.04	-	-	-	-	-	-	-	-	-	1,373.7	520.13	59.54
Other Outpatient	206.2	246.20	4.23	0.07	-	-	-	-	-	0.08	-	-	-	213.5	246.20	4.38
Subtotal Outpatient Hospital			**$ 158.25**													**$ 161.13**
Retail Pharmacy																
Prescription Drugs	51,315.1	$ 174.24	$ 745.09	$ 0.07	$ 0.00	$ 0.00	$ 12.37	$ 0.00	$ 0.00	$ (0.30)	$ 0.16	$ 0.00	$ 0.00	51,299.3	$ 177.17	$ 757.39
Subtotal Retail Pharmacy			**$ 745.09**													**$ 757.39**
Ancillary																
Transportation	1,803.3	$ 90.17	$ 13.55	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,814.0	$ 90.17	$ 13.63
DME/Prosthetics	140,849.7	9.23	108.32	0.65	-	-	-	-	-	-	-	-	-	141,694.9	9.23	108.97
Dental	5.0	23.84	0.01	-	-	-	-	-	-	-	-	-	-	5.0	23.84	0.01
Incontinence Supplies	12,819.2	31.73	33.90	0.20	-	-	-	-	-	-	-	-	-	12,894.9	31.73	34.10
Other Ancillary	3,550.2	90.11	26.66	0.16	-	-	-	-	-	-	-	-	-	3,571.6	90.11	26.82
Subtotal Ancillary			**$ 182.44**													**$ 183.53**
Professional																
Inpatient and Outpatient Surgery	1,748.4	$ 112.97	$ 16.46	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,759.0	$ 112.97	$ 16.56
Anesthesia	583.5	97.07	4.72	0.03	-	-	-	-	-	-	-	-	-	587.2	97.07	4.75
Inpatient Visits	5,190.6	84.20	36.42	0.22	-	(1.67)	0.15	-	-	-	-	-	-	4,984.0	84.56	35.12
MH/SA	8,122.6	36.65	24.81	0.15	-	-	-	-	-	-	-	-	-	8,171.7	36.65	24.96
ASD Services	602.6	15.33	0.77	-	-	-	-	-	-	-	-	-	-	602.6	15.33	0.77
Emergency Room	1,504.9	93.22	11.69	0.07	-	-	-	-	-	-	-	-	-	1,513.9	93.22	11.76
Office/Home Visits/Consults	9,822.3	98.07	80.27	0.48	-	-	-	-	-	-	-	-	-	9,881.0	98.07	80.75
Pathology/Lab	9,296.7	15.01	11.63	0.07	-	-	-	-	-	-	0.33	-	-	9,352.6	15.44	12.03
Radiology	4,006.4	32.83	10.96	0.07	-	-	-	-	-	-	-	-	-	4,032.0	32.83	11.03
Office Administered Drugs	93,696.4	7.48	58.40	0.35	-	-	-	-	-	-	-	-	-	94,258.0	7.48	58.75
Physical Exams	404.0	51.99	1.75	0.01	-	-	-	-	-	-	-	-	-	406.3	51.99	1.76
Therapy	4,800.7	23.32	9.33	0.06	-	-	-	-	-	-	-	-	-	4,831.6	23.32	9.39
Vision	107.4	74.87	0.67	-	-	-	-	-	-	-	-	-	-	107.4	74.87	0.67
Other Professional	6,789.9	50.14	28.37	0.17	-	-	-	-	-	-	-	-	-	6,830.6	50.14	28.54
Subtotal Professional			**$ 296.25**													**$ 296.84**
Total Medical Costs			**$ 1,977.34**													**$ 1,979.79**

Appendix 7: SFY 2027 Capitation Rate Development

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - 0 - 2 Months, Male & Female SFY 2027 Member Months: 74,232 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	10,289.9	$ 1,726.16	$ 1,480.17	$ 32.33	$ 0.00	$ 0.00	$ 128.40	$ 0.00	$ 0.00	$ 0.00	10,514.7	$ 1,872.70	$ 1,640.90
Inpatient Well Newborn	6,154.8	671.55	344.44	7.05	-	-	6.57	-	-	-	6,280.8	684.10	358.06
Inpatient MH/SA	7.0	392.11	0.23	-	-	-	0.20	-	-	-	7.0	733.07	0.43
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 1,824.84**										**$ 1,999.39**
Outpatient Hospital													
Surgery	70.5	$ 1,401.97	$ 8.24	$ 0.37	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	73.7	$ 1,401.97	$ 8.61
Non-Surg - Emergency Room	794.0	379.96	25.14	1.15	-	-	0.09	-	-	-	830.3	381.26	26.38
Non-Surg - Other	1,124.5	123.36	11.56	0.53	-	-	-	-	-	-	1,176.0	123.36	12.09
Observation Room	50.0	775.39	3.23	0.15	-	-	-	-	-	-	52.3	775.39	3.38
Treatment/Therapy/Testing	779.1	90.41	5.87	0.27	-	-	0.03	-	-	-	814.9	90.86	6.17
Other Outpatient	66.6	97.24	0.54	0.02	-	-	-	-	-	-	69.1	97.24	0.56
Subtotal Outpatient Hospital			**$ 54.58**										**$ 57.19**
Retail Pharmacy													
Prescription Drugs	2,286.6	$ 186.09	$ 35.46	$ 2.53	$ 1.54	$ 0.00	$ 0.13	$ 0.00	$ (0.05)	$ 0.00	2,449.7	$ 194.03	$ 39.61
Subtotal Retail Pharmacy			**$ 35.46**										**$ 39.61**
Ancillary													
Transportation	205.5	$ 232.37	$ 3.98	$ 0.08	$ 0.00	$ 0.00	$ (0.02)	$ 0.00	$ 0.00	$ 0.00	209.7	$ 231.22	$ 4.04
DME/Prosthetics	1,565.9	19.16	2.50	0.05	-	-	0.29	-	-	-	1,597.2	21.34	2.84
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	241.1	93.08	1.87	0.04	-	-	-	-	-	-	246.2	93.08	1.91
Subtotal Ancillary			**$ 8.35**										**$ 8.79**
Professional													
Inpatient and Outpatient Surgery	2,078.0	$ 113.65	$ 19.68	$ 0.40	$ 0.00	$ (0.01)	$ 0.27	$ 0.00	$ 0.00	$ 0.00	2,119.2	$ 115.18	$ 20.34
Anesthesia	114.8	207.98	1.99	0.03	-	-	(0.11)	-	-	-	116.5	196.66	1.91
Inpatient Visits	14,470.3	179.80	216.81	4.40	-	-	1.80	-	-	-	14,764.0	181.26	223.01
MH/SA	45.4	26.45	0.10	-	-	-	0.01	-	-	-	45.4	29.10	0.11
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	867.9	78.67	5.69	0.11	-	-	(0.09)	-	-	-	884.7	77.45	5.71
Office/Home Visits/Consults	7,861.5	99.48	65.17	1.31	-	(0.15)	0.24	-	-	-	8,001.4	99.84	66.57
Pathology/Lab	2,632.1	35.33	7.75	0.16	-	(0.09)	0.31	-	-	-	2,655.8	36.73	8.13
Radiology	3,744.1	12.85	4.01	0.08	-	-	(0.08)	-	-	-	3,818.8	12.60	4.01
Office Administered Drugs	424.9	15.82	0.56	0.01	-	-	0.05	-	-	-	432.4	17.20	0.62
Physical Exams	24,580.0	59.57	122.02	2.43	-	(0.47)	(0.75)	-	-	-	24,974.9	59.21	123.23
Therapy	133.8	34.99	0.39	0.01	-	-	-	-	-	-	137.2	34.99	0.40
Vision	16.5	65.41	0.09	-	-	-	-	-	-	-	16.5	65.41	0.09
Other Professional	5,217.0	35.40	15.39	0.31	-	(0.22)	0.23	-	-	-	5,247.5	35.93	15.71
Subtotal Professional			**$ 459.65**										**$ 469.84**
Total Medical Costs			**$ 2,382.88**										**$ 2,574.82**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - 3 - 12 Months, Male & Female SFY 2027 Member Months: 323,748	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
Category of Service	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	250.4	$ 2,619.29	$ 54.65	$ 3.29	$ 0.00	$ 0.00	$ (0.68)	$ 0.00	$ 0.00	$ 0.00	265.4	$ 2,588.55	$ 57.26
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 54.65**										**$ 57.26**
Outpatient Hospital													
Surgery	75.0	$ 1,544.79	$ 9.65	$ 0.39	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	78.0	$ 1,544.79	$ 10.04
Non-Surg - Emergency Room	894.3	307.81	22.94	0.93	-	-	0.15	-	-	-	930.6	309.74	24.02
Non-Surg - Other	707.3	240.75	14.19	0.57	-	-	-	-	-	-	735.7	240.75	14.76
Observation Room	9.9	1,116.36	0.92	0.04	-	-	-	-	-	-	10.3	1,116.36	0.96
Treatment/Therapy/Testing	277.7	202.64	4.69	0.19	-	-	-	-	-	-	289.0	202.64	4.88
Other Outpatient	73.7	123.82	0.76	0.03	-	-	-	-	-	-	76.6	123.82	0.79
Subtotal Outpatient Hospital			**$ 53.15**										**$ 55.45**
Retail Pharmacy													
Prescription Drugs	3,671.4	$ 27.19	$ 8.32	$ 0.60	$ 0.37	$ 0.00	$ 0.24	$ 0.00	$ (0.07)	$ 0.00	3,936.2	$ 28.84	$ 9.46
Subtotal Retail Pharmacy			**$ 8.32**										**$ 9.46**
Ancillary													
Transportation	91.9	$ 146.31	$ 1.12	$ 0.04	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	95.1	$ 146.31	$ 1.16
DME/Prosthetics	3,498.6	12.04	3.51	0.16	-	-	0.34	-	-	-	3,658.0	13.15	4.01
Dental	209.1	10.33	0.18	0.01	-	-	-	-	-	-	220.7	10.33	0.19
Incontinence Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	65.2	84.69	0.46	0.02	-	-	-	-	-	-	68.0	84.69	0.48
Subtotal Ancillary			**$ 5.27**										**$ 5.84**
Professional													
Inpatient and Outpatient Surgery	277.6	$ 217.03	$ 5.02	$ 0.20	$ 0.00	$ 0.00	$ 0.05	$ 0.00	$ 0.00	$ 0.00	288.6	$ 219.11	$ 5.27
Anesthesia	137.2	133.78	1.53	0.06	-	-	(0.07)	-	-	-	142.6	127.89	1.52
Inpatient Visits	859.4	192.83	13.81	0.55	-	-	(0.03)	-	-	-	893.6	192.43	14.33
MH/SA	254.0	11.34	0.24	0.01	-	-	0.03	-	-	-	264.6	12.70	0.28
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	892.3	75.04	5.58	0.22	-	-	(0.08)	-	-	-	927.5	74.01	5.72
Office/Home Visits/Consults	4,580.6	100.83	38.49	1.54	-	(0.29)	0.12	-	-	-	4,729.3	101.14	39.86
Pathology/Lab	2,646.3	25.62	5.65	0.23	-	(0.13)	0.33	-	-	-	2,693.2	27.09	6.08
Radiology	721.7	15.80	0.95	0.04	-	-	(0.01)	-	-	-	752.1	15.64	0.98
Office Administered Drugs	393.5	225.98	7.41	0.32	-	(0.01)	0.32	-	-	-	409.9	235.35	8.04
Physical Exams	12,342.0	46.38	47.70	1.90	-	(0.19)	(0.38)	-	-	-	12,784.4	46.02	49.03
Therapy	1,429.3	25.61	3.05	0.13	-	-	0.07	-	-	-	1,490.2	26.17	3.25
Vision	162.1	11.11	0.15	0.01	-	-	0.01	-	-	-	172.9	11.80	0.17
Other Professional	2,267.5	29.95	5.66	0.23	-	(0.10)	0.11	-	-	-	2,319.5	30.52	5.90
Subtotal Professional			**$ 135.24**										**$ 140.43**
Total Medical Costs			**$ 256.63**										**$ 268.44**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 1 - 6, Male & Female SFY 2027 Member Months: 1,993,680 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	51.0	$ 2,717.49	$ 11.54	$ 0.56	$ 0.00	$ 0.00	$ (0.41)	$ 0.00	$ 0.00	$ (0.78)	50.0	$ 2,619.07	$ 10.91
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	0.5	1,006.75	0.04	-	-	-	-	-	-	-	0.5	1,006.75	0.04
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 11.58**										**$ 10.95**
Outpatient Hospital													
Surgery	69.4	$ 1,436.51	$ 8.31	$ 0.59	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.25	76.4	$ 1,438.08	$ 9.16
Non-Surg - Emergency Room	490.1	331.76	13.55	0.98	-	-	0.13	-	-	0.40	540.0	334.65	15.06
Non-Surg - Other	309.0	132.81	3.42	0.24	-	-	-	-	-	0.10	339.7	132.81	3.76
Observation Room	4.4	1,191.21	0.44	0.03	-	-	-	-	-	0.01	4.8	1,191.21	0.48
Treatment/Therapy/Testing	241.0	224.03	4.50	0.32	-	-	-	-	-	0.14	265.7	224.03	4.96
Other Outpatient	58.0	304.18	1.47	0.11	-	-	-	-	-	0.04	63.9	304.18	1.62
Subtotal Outpatient Hospital			**$ 31.69**										**$ 35.04**
Retail Pharmacy													
Prescription Drugs	3,832.3	$ 56.99	$ 18.20	$ 1.50	$ 2.03	$ 0.00	$ 0.29	$ 0.00	$ (0.16)	$ 1.06	4,371.4	$ 62.92	$ 22.92
Subtotal Retail Pharmacy			**$ 18.20**										**$ 22.92**
Ancillary													
Transportation	52.5	$ 118.77	$ 0.52	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	54.6	$ 118.77	$ 0.54
DME/Prosthetics	1,768.0	16.43	2.42	0.10	-	-	0.21	-	-	(0.01)	1,833.8	17.80	2.72
Dental	235.7	86.06	1.69	0.06	-	(0.01)	(0.39)	-	-	(0.01)	241.2	66.66	1.34
Incontinence Supplies	3,174.2	0.60	0.16	0.01	-	-	0.02	-	-	-	3,372.6	0.68	0.19
Other Ancillary	92.3	93.63	0.72	0.03	-	-	-	-	-	-	96.1	93.63	0.75
Subtotal Ancillary			**$ 5.51**										**$ 5.54**
Professional													
Inpatient and Outpatient Surgery	216.3	$ 146.49	$ 2.64	$ 0.10	$ 0.00	$ 0.00	$ (0.05)	$ 0.00	$ 0.00	$ 0.04	227.7	$ 143.86	$ 2.73
Anesthesia	136.1	103.19	1.17	0.04	-	-	(0.06)	-	-	0.02	143.0	98.16	1.17
Inpatient Visits	105.6	123.84	1.09	0.05	-	-	(0.02)	-	-	0.01	111.4	121.69	1.13
MH/SA	1,898.1	34.96	5.53	0.25	-	-	0.56	-	-	0.09	2,014.8	38.30	6.43
ASD Services	5,389.3	15.27	6.86	-	-	-	0.18	2.53	-	0.13	7,479.1	15.56	9.70
Emergency Room	510.1	73.64	3.13	0.12	-	-	(0.04)	-	-	0.05	537.8	72.74	3.26
Office/Home Visits/Consults	3,176.2	100.01	26.47	1.06	-	(0.17)	(0.02)	-	-	0.38	3,328.6	99.93	27.72
Pathology/Lab	2,254.5	24.80	4.66	0.20	-	(0.07)	0.25	-	-	0.07	2,351.2	26.08	5.11
Radiology	367.1	17.00	0.52	0.02	-	-	(0.01)	-	-	0.01	388.2	16.69	0.54
Office Administered Drugs	433.5	43.46	1.57	0.06	-	(0.01)	0.03	-	-	0.02	452.8	44.25	1.67
Physical Exams	2,159.3	60.96	10.97	0.43	-	(0.09)	(0.03)	-	-	0.16	2,257.7	60.80	11.44
Therapy	8,935.8	24.01	17.88	0.76	-	-	0.74	-	-	0.27	9,450.5	24.95	19.65
Vision	349.0	25.10	0.73	0.03	-	-	0.09	-	-	0.01	368.1	28.04	0.86
Other Professional	2,202.7	28.44	5.22	0.21	-	(0.05)	0.10	-	-	0.08	2,303.9	28.96	5.56
Subtotal Professional			**$ 88.44**										**$ 96.97**
Total Medical Costs			**$ 155.42**										**$ 171.42**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 7 - 13, Male & Female SFY 2027 Member Months: 2,359,464 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	28.3	$ 2,840.98	$ 6.71	$ 0.13	$ 0.00	$ 0.00	$ (0.27)	$ 0.00	$ 0.00	$ 0.51	31.0	$ 2,736.62	$ 7.08
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	52.8	549.68	2.42	0.10	-	0.09	(0.01)	-	-	0.20	61.3	547.72	2.80
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 9.13**										**$ 9.88**
Outpatient Hospital													
Surgery	37.7	$ 1,580.26	$ 4.96	$ 0.20	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.31	41.5	$ 1,583.15	$ 5.48
Non-Surg - Emergency Room	297.2	339.58	8.41	0.35	-	-	0.10	-	-	0.53	328.3	343.23	9.39
Non-Surg - Other	200.5	132.29	2.21	0.09	-	-	-	-	-	0.14	221.3	132.29	2.44
Observation Room	2.4	1,135.91	0.23	0.01	-	-	-	-	-	0.01	2.6	1,135.91	0.25
Treatment/Therapy/Testing	170.9	281.63	4.01	0.16	-	-	0.01	-	-	0.25	188.3	282.26	4.43
Other Outpatient	57.6	193.70	0.93	0.05	-	-	-	0.04	0.11	0.06	66.9	213.43	1.19
Subtotal Outpatient Hospital			**$ 20.75**										**$ 23.18**
Retail Pharmacy													
Prescription Drugs	4,609.4	$ 89.82	$ 34.50	$ 3.76	$ 4.19	$ 0.00	$ 0.34	$ 0.01	$ (1.58)	$ 2.76	5,481.9	$ 96.27	$ 43.98
Subtotal Retail Pharmacy			**$ 34.50**										**$ 43.98**
Ancillary													
Transportation	39.2	$ 116.39	$ 0.38	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.03	43.3	$ 116.39	$ 0.42
DME/Prosthetics	976.5	15.61	1.27	0.05	-	-	0.11	-	-	0.11	1,099.5	16.81	1.54
Dental	37.6	95.67	0.30	0.01	-	-	(0.06)	-	-	0.02	41.4	78.28	0.27
Incontinence Supplies	2,354.4	0.61	0.12	0.01	-	-	0.02	-	-	0.01	2,746.7	0.70	0.16
Other Ancillary	43.8	52.07	0.19	0.01	-	-	-	-	-	0.01	48.4	52.07	0.21
Subtotal Ancillary			**$ 2.26**										**$ 2.60**
Professional													
Inpatient and Outpatient Surgery	138.5	$ 142.10	$ 1.64	$ 0.06	$ 0.00	$ 0.00	$ (0.03)	$ 0.00	$ 0.00	$ 0.11	152.9	$ 139.74	$ 1.78
Anesthesia	56.8	109.91	0.52	0.02	-	-	(0.03)	-	-	0.04	63.3	104.23	0.55
Inpatient Visits	80.6	95.23	0.64	0.03	-	-	0.01	-	-	0.04	89.5	96.58	0.72
MH/SA	2,784.0	77.72	18.03	0.79	-	-	1.46	-	-	1.31	3,108.2	83.35	21.59
ASD Services	862.1	15.17	1.09	-	-	-	0.03	0.25	-	0.09	1,131.1	15.49	1.46
Emergency Room	308.9	75.75	1.95	0.07	-	-	(0.02)	-	-	0.13	340.6	75.05	2.13
Office/Home Visits/Consults	2,533.9	102.91	21.73	0.87	-	(0.13)	0.11	-	-	1.47	2,791.6	103.38	24.05
Pathology/Lab	1,889.9	20.00	3.15	0.13	-	(0.04)	0.17	-	-	0.23	2,081.9	20.98	3.64
Radiology	430.0	18.98	0.68	0.03	-	-	(0.02)	-	-	0.05	480.6	18.48	0.74
Office Administered Drugs	640.4	30.17	1.61	0.07	-	-	0.03	-	-	0.11	712.0	30.67	1.82
Physical Exams	979.8	74.58	6.09	0.24	-	(0.07)	0.06	-	-	0.41	1,073.2	75.25	6.73
Therapy	1,450.7	23.82	2.88	0.12	-	-	0.12	-	-	0.20	1,611.9	24.72	3.32
Vision	691.8	33.65	1.94	0.09	-	-	0.32	-	-	0.15	777.4	38.59	2.50
Other Professional	2,458.2	13.67	2.80	0.11	-	(0.02)	0.02	-	-	0.19	2,704.0	13.76	3.10
Subtotal Professional			**$ 64.75**										**$ 74.13**
Total Medical Costs			**$ 131.39**										**$ 153.77**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Male SFY 2027 Member Months: 759,396 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	69.6	$ 2,758.50	$ 16.01	$ 0.33	$ 0.00	$ 0.00	$ 0.47	$ 0.00	$ 0.00	$ (0.93)	67.0	$ 2,842.63	$ 15.88
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	115.1	510.70	4.90	0.21	-	0.16	0.06	-	-	(0.29)	117.0	516.85	5.04
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 20.91**										**$ 20.92**
Outpatient Hospital													
Surgery	49.9	$ 1,610.23	$ 6.69	$ 0.27	$ 0.00	$ 0.00	$ 0.02	$ 0.00	$ 0.00	$ 0.25	53.7	$ 1,614.70	$ 7.23
Non-Surg - Emergency Room	295.7	338.88	8.35	0.35	-	-	0.10	-	-	0.31	319.1	342.64	9.11
Non-Surg - Other	142.1	144.40	1.71	0.07	-	-	-	-	-	0.06	152.9	144.40	1.84
Observation Room	2.4	1,325.80	0.27	0.01	-	-	-	-	-	0.01	2.6	1,325.80	0.29
Treatment/Therapy/Testing	204.0	345.35	5.87	0.24	-	-	0.01	-	-	0.22	219.9	345.90	6.34
Other Outpatient	36.3	184.89	0.56	0.03	-	-	-	0.02	0.07	0.02	40.9	205.44	0.70
Subtotal Outpatient Hospital			**$ 23.45**										**$ 25.51**
Retail Pharmacy													
Prescription Drugs	3,860.8	$ 128.21	$ 41.25	$ 3.89	$ 2.55	$ 0.00	$ 0.31	$ 0.07	$ (3.68)	$ 2.82	4,495.4	$ 126.02	$ 47.21
Subtotal Retail Pharmacy			**$ 41.25**										**$ 47.21**
Ancillary													
Transportation	80.1	$ 131.83	$ 0.88	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	82.8	$ 131.83	$ 0.91
DME/Prosthetics	1,227.5	16.03	1.64	0.08	-	-	0.14	-	-	-	1,287.4	17.34	1.86
Dental	10.5	34.32	0.03	-	-	-	0.04	-	-	-	10.5	80.09	0.07
Incontinence Supplies	499.2	0.48	0.02	-	-	-	0.01	-	-	-	499.2	0.72	0.03
Other Ancillary	28.7	50.12	0.12	-	-	-	-	-	-	-	28.7	50.12	0.12
Subtotal Ancillary			**$ 2.69**										**$ 2.99**
Professional													
Inpatient and Outpatient Surgery	181.0	$ 165.07	$ 2.49	$ 0.10	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.18	201.4	$ 164.47	$ 2.76
Anesthesia	65.3	130.39	0.71	0.02	-	-	(0.03)	-	-	0.05	71.8	125.37	0.75
Inpatient Visits	161.6	90.60	1.22	0.05	-	-	0.02	-	-	0.10	181.4	91.93	1.39
MH/SA	1,883.7	70.33	11.04	0.48	-	-	0.95	-	-	0.88	2,115.8	75.72	13.35
ASD Services	17.2	13.95	0.02	-	-	-	-	0.06	-	-	68.8	13.95	0.08
Emergency Room	315.6	79.47	2.09	0.08	-	-	(0.03)	-	-	0.15	350.3	78.45	2.29
Office/Home Visits/Consults	1,891.3	101.77	16.04	0.65	-	(0.09)	0.11	-	-	1.17	2,095.3	102.40	17.88
Pathology/Lab	1,738.8	18.50	2.68	0.11	-	(0.02)	0.19	-	-	0.21	1,933.5	19.67	3.17
Radiology	612.6	24.29	1.24	0.05	-	-	(0.03)	-	-	0.09	681.8	23.76	1.35
Office Administered Drugs	2,929.5	20.69	5.05	0.20	-	-	0.04	-	-	0.37	3,260.1	20.83	5.66
Physical Exams	691.7	79.80	4.60	0.19	-	(0.06)	0.04	-	-	0.33	760.9	80.43	5.10
Therapy	833.4	24.19	1.68	0.07	-	-	0.06	-	-	0.13	932.6	24.96	1.94
Vision	575.8	34.80	1.67	0.08	-	-	0.27	-	-	0.14	651.7	39.77	2.16
Other Professional	1,844.2	13.73	2.11	0.08	-	(0.02)	0.02	-	-	0.16	2,036.5	13.85	2.35
Subtotal Professional			**$ 52.64**										**$ 60.23**
Total Medical Costs			**$ 140.94**										**$ 156.86**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 14 - 18, Female SFY 2027 Member Months: 720,912 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	53.1	$ 2,548.10	$ 11.27	$ 0.22	$ 0.00	$ 0.00	$ (0.17)	$ 0.00	$ 0.00	$ 4.69	76.2	$ 2,521.33	$ 16.01
Inpatient Well Newborn	0.2	609.56	0.01	-	-	-	-	-	-	-	0.2	609.56	0.01
Inpatient MH/SA	117.9	512.77	5.04	0.21	-	0.10	0.04	-	-	2.23	177.4	515.47	7.62
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 16.32**										**$ 23.64**
Outpatient Hospital													
Surgery	47.4	$ 1,448.78	$ 5.72	$ 0.23	$ 0.00	$ 0.00	$ 0.02	$ 0.00	$ 0.00	$ 0.15	50.5	$ 1,453.53	$ 6.12
Non-Surg - Emergency Room	441.5	352.80	12.98	0.53	-	-	0.14	-	-	0.34	471.1	356.36	13.99
Non-Surg - Other	201.3	153.21	2.57	0.10	-	-	-	-	-	0.07	214.6	153.21	2.74
Observation Room	5.0	847.71	0.35	0.01	-	-	-	-	-	0.01	5.2	847.71	0.37
Treatment/Therapy/Testing	335.7	246.63	6.90	0.28	-	-	0.02	-	-	0.18	358.1	247.30	7.38
Other Outpatient	39.4	118.75	0.39	0.02	-	-	0.01	0.01	0.05	0.01	43.5	135.32	0.49
Subtotal Outpatient Hospital			**$ 28.91**										**$ 31.09**
Retail Pharmacy													
Prescription Drugs	5,383.9	$ 89.13	$ 39.99	$ 3.75	$ 2.46	$ 0.00	$ 0.43	$ 0.04	$ (3.86)	$ 2.03	6,167.5	$ 87.24	$ 44.84
Subtotal Retail Pharmacy			**$ 39.99**										**$ 44.84**
Ancillary													
Transportation	94.7	$ 106.49	$ 0.84	$ 0.03	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.07	105.9	$ 106.49	$ 0.94
DME/Prosthetics	1,102.8	13.38	1.23	0.06	-	-	0.10	-	-	0.10	1,246.2	14.35	1.49
Dental	11.2	32.08	0.03	0.01	-	-	0.03	-	-	-	15.0	56.14	0.07
Incontinence Supplies	297.1	0.40	0.01	-	-	-	-	-	-	-	297.1	0.40	0.01
Other Ancillary	28.4	54.91	0.13	0.01	-	-	-	-	-	0.01	32.8	54.91	0.15
Subtotal Ancillary			**$ 2.24**										**$ 2.66**
Professional													
Inpatient and Outpatient Surgery	144.2	$ 152.31	$ 1.83	$ 0.08	$ 0.00	$ (0.01)	$ (0.01)	$ 0.00	$ 0.00	$ 0.14	160.7	$ 151.57	$ 2.03
Anesthesia	52.4	125.86	0.55	0.03	-	-	(0.03)	-	-	0.04	59.1	119.77	0.59
Inpatient Visits	172.6	88.30	1.27	0.05	-	-	0.04	-	-	0.10	193.0	90.79	1.46
MH/SA	1,854.4	96.74	14.95	0.66	-	-	1.29	-	-	1.28	2,095.1	104.13	18.18
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	452.1	80.69	3.04	0.12	-	-	(0.04)	-	-	0.23	504.2	79.73	3.35
Office/Home Visits/Consults	2,573.2	101.99	21.87	0.88	-	(0.14)	0.16	-	-	1.72	2,862.7	102.66	24.49
Pathology/Lab	3,501.4	17.55	5.12	0.22	-	(0.04)	0.47	-	-	0.44	3,925.4	18.98	6.21
Radiology	599.8	27.61	1.38	0.05	-	-	(0.01)	-	-	0.11	669.4	27.43	1.53
Office Administered Drugs	14,802.5	2.21	2.73	0.11	-	-	0.03	-	-	0.22	16,591.9	2.23	3.09
Physical Exams	756.8	79.60	5.02	0.20	-	(0.08)	0.06	-	-	0.39	833.7	80.46	5.59
Therapy	764.7	24.64	1.57	0.06	-	-	0.07	-	-	0.13	857.3	25.62	1.83
Vision	824.9	34.04	2.34	0.11	-	-	0.39	-	-	0.21	937.7	39.03	3.05
Other Professional	2,385.2	20.38	4.05	0.16	-	(0.04)	0.09	-	-	0.32	2,644.4	20.78	4.58
Subtotal Professional			**$ 65.72**										**$ 75.98**
Total Medical Costs			**$ 153.18**										**$ 178.21**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Male SFY 2027 Member Months: 118,980 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	157.4	$ 2,983.64	$ 39.14	$ 1.27	$ 0.00	$ 0.00	$ 2.79	$ 0.00	$ 0.00	$ 12.85	214.2	$ 3,139.93	$ 56.05
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	127.9	235.45	2.51	0.09	-	0.01	0.16	-	-	0.82	174.8	246.43	3.59
Other Inpatient	1.3	177.92	0.02	-	-	-	-	(0.02)	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 41.67**										**$ 59.64**
Outpatient Hospital													
Surgery	75.6	$ 1,765.08	$ 11.12	$ 0.39	$ 0.00	$ 0.00	$ 0.02	$ 0.00	$ 0.00	$ 3.31	100.8	$ 1,767.46	$ 14.84
Non-Surg - Emergency Room	437.8	334.95	12.22	0.43	-	-	0.10	-	-	3.65	584.0	337.00	16.40
Non-Surg - Other	86.8	149.22	1.08	0.04	-	-	-	-	-	0.32	115.8	149.22	1.44
Observation Room	5.4	2,128.10	0.96	0.03	-	-	-	-	-	0.29	7.2	2,128.10	1.28
Treatment/Therapy/Testing	339.4	411.55	11.64	0.41	-	-	0.04	-	-	3.46	452.2	412.61	15.55
Other Outpatient	39.7	232.77	0.77	0.03	-	-	-	0.02	0.04	0.25	55.2	241.47	1.11
Subtotal Outpatient Hospital			**$ 37.79**										**$ 50.62**
Retail Pharmacy													
Prescription Drugs	6,488.6	$ 132.38	$ 71.58	$ 5.31	$ 9.45	$ 0.00	$ 0.44	$ 0.03	$ (6.97)	$ 2.83	7,229.2	$ 137.23	$ 82.67
Subtotal Retail Pharmacy			**$ 71.58**										**$ 82.67**
Ancillary													
Transportation	124.2	$ 107.21	$ 1.11	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.30	160.1	$ 107.21	$ 1.43
DME/Prosthetics	2,253.9	16.50	3.10	0.07	-	-	0.31	-	-	0.94	2,988.3	17.75	4.42
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Ancillary	87.3	70.11	0.51	0.01	-	-	-	-	-	0.14	113.0	70.11	0.66
Subtotal Ancillary			**$ 4.72**										**$ 6.51**
Professional													
Inpatient and Outpatient Surgery	330.8	$ 153.81	$ 4.24	$ 0.08	$ 0.00	$ 0.00	$ (0.05)	$ 0.00	$ 0.00	$ 1.23	433.0	$ 152.42	$ 5.50
Anesthesia	121.7	126.16	1.28	0.03	-	-	(0.08)	-	-	0.35	157.9	120.08	1.58
Inpatient Visits	368.6	90.19	2.77	0.06	-	-	0.04	-	-	0.82	485.6	91.18	3.69
MH/SA	1,138.2	88.14	8.36	0.27	-	0.34	4.50	-	-	3.87	1,748.2	119.02	17.34
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	455.9	87.66	3.33	0.07	-	-	(0.08)	-	-	0.95	595.5	86.05	4.27
Office/Home Visits/Consults	1,861.7	102.36	15.88	0.32	-	(0.15)	0.23	-	-	4.68	2,430.3	103.49	20.96
Pathology/Lab	2,186.8	14.49	2.64	0.05	-	(0.01)	0.19	-	-	0.83	2,907.4	15.27	3.70
Radiology	884.2	29.45	2.17	0.04	-	-	(0.04)	-	-	0.62	1,153.1	29.03	2.79
Office Administered Drugs	8,052.1	7.66	5.14	0.11	-	-	(0.02)	-	-	1.50	10,574.3	7.64	6.73
Physical Exams	180.4	71.83	1.08	0.02	-	-	0.03	-	-	0.33	238.9	73.34	1.46
Therapy	617.7	26.22	1.35	0.03	-	-	0.01	-	-	0.40	814.5	26.37	1.79
Vision	108.8	55.14	0.50	0.01	-	-	0.07	-	-	0.17	148.0	60.81	0.75
Other Professional	1,109.5	20.12	1.86	0.04	-	(0.04)	0.05	-	-	0.55	1,437.6	20.53	2.46
Subtotal Professional			**$ 50.60**										**$ 73.02**
Total Medical Costs			**$ 206.36**										**$ 272.46**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 19 - 44, Female SFY 2027 Member Months: 905,520 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	158.3	$ 2,493.63	$ 32.90	$ 0.99	$ 0.00	$ 0.00	$ (0.26)	$ 0.00	$ 0.00	$ 4.48	184.6	$ 2,476.73	$ 38.11
Inpatient Well Newborn	1.3	732.71	0.08	-	-	-	-	-	-	0.01	1.5	732.71	0.09
Inpatient MH/SA	64.9	345.87	1.87	0.05	-	-	0.06	-	-	0.27	76.0	355.35	2.25
Other Inpatient	2.0	293.87	0.05	-	-	-	-	(0.05)	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 34.90**										**$ 40.45**
Outpatient Hospital													
Surgery	167.0	$ 1,298.02	$ 18.06	$ 0.63	$ 0.00	$ 0.00	$ 0.04	$ 0.00	$ 0.00	$ 2.44	195.3	$ 1,300.48	$ 21.17
Non-Surg - Emergency Room	851.0	363.53	25.78	0.92	-	-	0.28	-	-	3.50	996.9	366.90	30.48
Non-Surg - Other	251.6	172.21	3.61	0.13	-	-	-	-	-	0.48	294.1	172.21	4.22
Observation Room	18.8	606.56	0.95	0.03	-	-	-	-	-	0.13	22.0	606.56	1.11
Treatment/Therapy/Testing	845.3	283.91	20.00	0.71	-	-	0.05	-	-	2.70	989.5	284.51	23.46
Other Outpatient	130.0	192.94	2.09	0.08	-	-	-	0.04	0.12	0.31	156.7	202.13	2.64
Subtotal Outpatient Hospital			**$ 70.49**										**$ 83.08**
Retail Pharmacy													
Prescription Drugs	11,199.5	$ 93.12	$ 86.91	$ 6.53	$ 11.62	$ 0.00	$ 0.94	$ (0.12)	$ (7.67)	$ 7.11	12,941.8	$ 97.66	$ 105.32
Subtotal Retail Pharmacy			**$ 86.91**										**$ 105.32**
Ancillary													
Transportation	198.3	$ 98.04	$ 1.62	$ 0.03	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.29	237.5	$ 97.53	$ 1.93
DME/Prosthetics	2,879.9	10.21	2.45	0.05	-	-	0.22	-	-	0.48	3,502.9	10.96	3.20
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	591.5	0.61	0.03	-	-	-	-	-	-	0.01	788.6	0.61	0.04
Other Ancillary	97.2	103.72	0.84	0.02	-	-	-	-	-	0.15	116.9	103.72	1.01
Subtotal Ancillary			**$ 4.94**										**$ 6.18**
Professional													
Inpatient and Outpatient Surgery	416.9	$ 175.87	$ 6.11	$ 0.12	$ 0.00	$ (0.01)	$ (0.03)	$ 0.00	$ 0.00	$ 0.84	481.7	$ 175.12	$ 7.03
Anesthesia	181.5	121.67	1.84	0.03	-	-	(0.10)	-	-	0.24	208.1	115.90	2.01
Inpatient Visits	348.7	88.43	2.57	0.06	-	-	0.02	-	-	0.35	404.4	89.02	3.00
MH/SA	1,182.7	101.06	9.96	0.27	-	0.23	3.37	-	-	1.87	1,464.1	128.68	15.70
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	878.6	85.36	6.25	0.13	-	-	(0.13)	-	-	0.84	1,015.0	83.83	7.09
Office/Home Visits/Consults	3,500.9	101.29	29.55	0.60	-	(0.28)	0.52	-	-	4.11	4,025.7	102.84	34.50
Pathology/Lab	7,487.1	17.60	10.98	0.24	-	(0.04)	1.02	-	-	1.64	8,741.8	19.00	13.84
Radiology	1,493.7	39.12	4.87	0.10	-	-	-	-	-	0.67	1,729.9	39.12	5.64
Office Administered Drugs	27,656.6	5.84	13.47	0.27	-	(0.01)	0.08	-	-	1.87	32,029.9	5.87	15.68
Physical Exams	423.9	82.09	2.90	0.06	-	(0.02)	0.04	-	-	0.41	489.7	83.07	3.39
Therapy	616.0	26.50	1.36	0.02	-	-	0.04	-	-	0.20	715.6	27.17	1.62
Vision	166.8	58.26	0.81	0.02	-	-	0.11	-	-	0.13	197.7	64.94	1.07
Other Professional	2,330.8	32.90	6.39	0.13	-	(0.12)	0.21	-	-	0.89	2,659.1	33.85	7.50
Subtotal Professional			**$ 97.06**										**$ 118.07**
Total Medical Costs			**$ 294.30**										**$ 353.10**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: TANF - Age 45+, Male & Female SFY 2027 Member Months: 164,076 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	381.3	$ 3,141.17	$ 99.82	$ 2.83	$ 0.00	$ 0.00	$ (6.21)	$ 0.00	$ 0.00	$ 13.67	444.4	$ 2,973.47	$ 110.11
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	57.7	394.98	1.90	0.06	-	0.01	0.16	-	-	0.31	69.3	422.70	2.44
Other Inpatient	43.8	317.77	1.16	-	-	-	-	(1.16)	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 102.88**										**$ 112.55**
Outpatient Hospital													
Surgery	185.7	$ 1,851.15	$ 28.65	$ 1.02	$ 0.00	$ 0.00	$ 0.03	$ 0.00	$ 0.00	$ 6.71	235.8	$ 1,852.68	$ 36.41
Non-Surg - Emergency Room	572.6	380.13	18.14	0.65	-	-	0.27	-	-	4.31	729.2	384.58	23.37
Non-Surg - Other	268.4	152.00	3.40	0.12	-	-	-	-	-	0.80	341.0	152.00	4.32
Observation Room	12.7	1,378.52	1.46	0.05	-	-	-	-	-	0.34	16.1	1,378.52	1.85
Treatment/Therapy/Testing	1,136.6	566.64	53.67	1.90	-	-	0.11	-	-	12.59	1,443.5	567.56	68.27
Other Outpatient	295.2	182.09	4.48	0.17	-	-	0.03	0.08	0.25	1.13	386.2	190.80	6.14
Subtotal Outpatient Hospital			**$ 109.80**										**$ 140.36**
Retail Pharmacy													
Prescription Drugs	23,630.6	$ 109.93	$ 216.48	$ 16.43	$ 29.23	$ 0.00	$ 2.10	$ (0.12)	$ (17.11)	$ 29.57	28,638.8	$ 115.89	$ 276.58
Subtotal Retail Pharmacy			**$ 216.48**										**$ 276.58**
Ancillary													
Transportation	192.2	$ 104.87	$ 1.68	$ 0.04	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.41	243.7	$ 104.38	$ 2.12
DME/Prosthetics	3,895.1	20.33	6.60	0.14	-	-	0.62	-	-	1.78	5,028.3	21.81	9.14
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	5,283.6	0.55	0.24	0.01	-	-	0.02	-	-	0.06	6,824.6	0.58	0.33
Other Ancillary	232.8	78.35	1.52	0.03	-	-	-	-	-	0.37	294.1	78.35	1.92
Subtotal Ancillary			**$ 10.04**										**$ 13.51**
Professional													
Inpatient and Outpatient Surgery	980.3	$ 157.54	$ 12.87	$ 0.25	$ 0.00	$ (0.01)	$ (0.12)	$ 0.00	$ 0.00	$ 2.89	1,218.7	$ 156.36	$ 15.88
Anesthesia	371.6	114.96	3.56	0.07	-	-	(0.20)	-	-	0.76	458.3	109.72	4.19
Inpatient Visits	717.9	89.09	5.33	0.11	-	-	0.09	-	-	1.22	897.0	90.30	6.75
MH/SA	948.8	104.47	8.26	0.24	-	0.29	3.55	-	-	2.74	1,324.5	136.63	15.08
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	609.9	92.08	4.68	0.10	-	-	(0.10)	-	-	1.03	757.1	90.50	5.71
Office/Home Visits/Consults	4,825.4	105.22	42.31	0.86	-	(0.51)	0.85	-	-	9.65	5,965.9	106.93	53.16
Pathology/Lab	6,950.9	15.76	9.13	0.20	-	(0.06)	0.51	-	-	2.16	8,701.9	16.47	11.94
Radiology	2,450.5	38.74	7.91	0.15	-	-	(0.13)	-	-	1.76	3,042.2	38.22	9.69
Office Administered Drugs	31,842.5	11.90	31.57	0.63	-	(0.07)	(0.26)	-	-	7.07	39,538.3	11.82	38.94
Physical Exams	406.0	80.10	2.71	0.06	-	(0.02)	0.05	-	-	0.62	504.9	81.29	3.42
Therapy	1,707.3	25.58	3.64	0.08	-	-	0.08	-	-	0.84	2,138.8	26.03	4.64
Vision	223.4	63.40	1.18	0.02	-	-	0.14	-	-	0.30	283.9	69.31	1.64
Other Professional	3,202.3	23.38	6.24	0.12	-	(0.15)	0.13	-	-	1.41	3,910.5	23.78	7.75
Subtotal Professional			**$ 139.39**										**$ 178.79**
Total Medical Costs			**$ 578.59**										**$ 721.79**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SSI - Children SFY 2027 Member Months: 147,336 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	299.4	$ 3,332.37	$ 83.14	$ 2.47	$ 0.00	$ 0.00	$ (1.32)	$ 0.00	$ 0.00	$ 0.00	308.3	$ 3,280.99	$ 84.29
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	209.1	498.79	8.69	0.37	-	0.54	(0.01)	-	-	-	231.0	498.27	9.59
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 91.83**										**$ 93.88**
Outpatient Hospital													
Surgery	100.7	$ 1,600.32	$ 13.43	$ 0.96	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	107.9	$ 1,600.32	$ 14.39
Non-Surg - Emergency Room	491.3	373.24	15.28	1.10	-	-	0.15	-	-	-	526.6	376.66	16.53
Non-Surg - Other	623.0	159.11	8.26	0.59	-	-	-	-	-	-	667.5	159.11	8.85
Observation Room	13.1	1,180.95	1.29	0.09	-	-	-	-	-	-	14.0	1,180.95	1.38
Treatment/Therapy/Testing	739.8	423.53	26.11	1.86	-	-	0.02	-	-	-	792.5	423.83	27.99
Other Outpatient	89.8	277.96	2.08	0.17	-	-	-	0.12	0.22	-	102.3	303.76	2.59
Subtotal Outpatient Hospital			**$ 66.45**										**$ 71.73**
Retail Pharmacy													
Prescription Drugs	11,928.7	$ 213.20	$ 211.93	$ 21.12	$ 13.84	$ 0.00	$ 0.94	$ 0.22	$ (7.00)	$ 0.00	13,129.8	$ 220.31	$ 241.05
Subtotal Retail Pharmacy			**$ 211.93**										**$ 241.05**
Ancillary													
Transportation	158.0	$ 114.70	$ 1.51	$ 0.10	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	168.4	$ 114.70	$ 1.61
DME/Prosthetics	32,916.6	8.16	22.37	1.72	-	-	1.88	-	-	-	35,447.5	8.79	25.97
Dental	96.0	101.27	0.81	0.06	-	-	(0.03)	-	-	-	103.1	97.78	0.84
Incontinence Supplies	75,387.5	0.60	3.77	0.32	-	-	0.75	-	-	-	81,786.4	0.71	4.84
Other Ancillary	299.2	70.19	1.75	0.12	-	-	-	-	-	-	319.7	70.19	1.87
Subtotal Ancillary			**$ 30.21**										**$ 35.13**
Professional													
Inpatient and Outpatient Surgery	298.2	$ 165.02	$ 4.10	$ 0.30	$ 0.00	$ 0.00	$ 0.04	$ 0.00	$ 0.00	$ 0.00	320.0	$ 166.52	$ 4.44
Anesthesia	192.2	129.87	2.08	0.14	-	-	(0.10)	-	-	-	205.1	124.02	2.12
Inpatient Visits	631.2	113.31	5.96	0.44	-	-	0.15	-	-	-	677.8	115.96	6.55
MH/SA	6,002.1	54.64	27.33	2.11	-	-	2.31	-	-	-	6,465.5	58.93	31.75
ASD Services	68,320.1	15.24	86.76	-	-	-	1.61	15.34	-	-	80,399.8	15.48	103.71
Emergency Room	523.8	84.07	3.67	0.26	-	-	(0.05)	-	-	-	560.9	83.00	3.88
Office/Home Visits/Consults	4,033.3	108.18	36.36	2.58	-	(0.17)	0.10	-	-	-	4,300.6	108.46	38.87
Pathology/Lab	2,627.9	30.78	6.74	0.50	-	(0.07)	0.42	-	-	-	2,795.5	32.58	7.59
Radiology	792.9	22.85	1.51	0.11	-	-	(0.03)	-	-	-	850.7	22.43	1.59
Office Administered Drugs	10,638.7	32.36	28.69	2.05	-	(0.01)	0.07	-	-	-	11,395.2	32.43	30.80
Physical Exams	1,097.8	72.91	6.67	0.47	-	(0.07)	0.03	-	-	-	1,163.6	73.22	7.10
Therapy	23,599.6	23.53	46.27	3.42	-	-	1.65	-	-	-	25,343.9	24.31	51.34
Vision	675.2	35.01	1.97	0.16	-	-	0.30	-	-	-	730.0	39.94	2.43
Other Professional	3,937.6	40.59	13.32	0.95	-	(0.07)	0.14	-	-	-	4,197.7	40.99	14.34
Subtotal Professional			**$ 271.43**										**$ 306.51**
Total Medical Costs			**$ 671.85**										**$ 748.30**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SSI - Adults SFY 2027 Member Months: 368,052 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	1,496.7	$ 2,421.83	$ 302.06	$ 17.64	$ 0.00	$ 0.00	$ (12.46)	$ 0.00	$ 0.00	$ 0.78	1,588.0	$ 2,327.67	$ 308.02
Inpatient Well Newborn	0.2	2,384.53	0.04	-	-	-	-	-	-	-	0.2	2,384.53	0.04
Inpatient MH/SA	165.1	416.56	5.73	0.11	-	0.07	0.06	-	-	0.02	170.8	420.77	5.99
Other Inpatient	432.1	281.89	10.15	0.01	-	-	-	(10.13)	-	-	1.3	281.89	0.03
Subtotal Inpatient Hospital			**$ 317.98**										**$ 314.08**
Outpatient Hospital													
Surgery	244.3	$ 1,979.32	$ 40.29	$ 2.66	$ 0.00	$ 0.00	$ 0.10	$ 0.00	$ 0.00	$ 0.25	261.9	$ 1,983.90	$ 43.30
Non-Surg - Emergency Room	959.2	449.39	35.92	2.41	-	-	0.54	-	-	0.22	1,029.4	455.69	39.09
Non-Surg - Other	526.4	210.86	9.25	0.61	-	-	-	-	-	0.06	564.6	210.86	9.92
Observation Room	27.6	1,160.70	2.67	0.18	-	-	0.01	-	-	0.02	29.7	1,164.74	2.88
Treatment/Therapy/Testing	1,373.0	1,009.19	115.47	7.64	-	-	0.23	-	-	0.70	1,472.2	1,011.06	124.04
Other Outpatient	233.8	341.38	6.65	0.48	-	-	0.14	0.22	0.27	0.05	260.1	360.29	7.81
Subtotal Outpatient Hospital			**$ 210.25**										**$ 227.04**
Retail Pharmacy													
Prescription Drugs	31,603.1	$ 162.41	$ 427.72	$ 37.37	$ 64.26	$ 0.00	$ 3.30	$ (0.08)	$ (24.84)	$ 3.14	34,590.4	$ 177.23	$ 510.87
Subtotal Retail Pharmacy			**$ 427.72**										**$ 510.87**
Ancillary													
Transportation	789.0	$ 102.66	$ 6.75	$ 0.44	$ 0.00	$ 0.00	$ (0.03)	$ 0.00	$ 0.00	$ 0.03	844.0	$ 102.23	$ 7.19
DME/Prosthetics	24,189.7	12.09	24.38	1.77	-	-	2.34	-	-	0.11	26,055.1	13.17	28.60
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	17,354.8	0.57	0.83	0.06	-	-	0.10	-	-	0.01	18,818.5	0.64	1.00
Other Ancillary	757.6	79.67	5.03	0.33	-	-	-	-	-	0.02	810.3	79.67	5.38
Subtotal Ancillary			**$ 36.99**										**$ 42.17**
Professional													
Inpatient and Outpatient Surgery	1,190.8	$ 156.00	$ 15.48	$ 1.02	$ 0.00	$ (0.01)	$ (0.03)	$ 0.00	$ 0.00	$ 0.06	1,273.1	$ 155.71	$ 16.52
Anesthesia	435.2	118.56	4.30	0.27	-	-	(0.25)	-	-	0.02	464.6	112.10	4.34
Inpatient Visits	2,800.4	88.79	20.72	1.37	-	-	0.01	-	-	0.09	2,997.7	88.83	22.19
MH/SA	967.3	96.15	7.75	0.72	-	0.21	2.87	-	-	0.05	1,089.6	127.76	11.60
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,093.8	96.43	8.79	0.57	-	-	(0.21)	-	-	0.04	1,169.7	94.28	9.19
Office/Home Visits/Consults	5,233.0	110.96	48.39	3.23	-	(0.78)	1.33	-	-	0.21	5,520.7	113.85	52.38
Pathology/Lab	6,905.1	14.35	8.26	0.57	-	(0.08)	0.53	-	-	0.04	7,348.2	15.22	9.32
Radiology	3,237.9	37.99	10.25	0.66	-	-	(0.20)	-	-	0.05	3,462.1	37.29	10.76
Office Administered Drugs	53,766.1	15.38	68.92	4.56	-	(0.10)	0.21	-	-	0.29	57,471.6	15.43	73.88
Physical Exams	375.1	67.50	2.11	0.15	-	(0.02)	0.07	-	-	-	398.2	69.61	2.31
Therapy	1,255.5	25.14	2.63	0.18	-	-	0.08	-	-	0.01	1,346.2	25.85	2.90
Vision	181.9	64.00	0.97	0.07	-	-	0.08	-	-	-	195.0	68.92	1.12
Other Professional	5,124.6	42.97	18.35	1.21	-	(0.43)	0.40	-	-	0.08	5,364.8	43.86	19.61
Subtotal Professional			**$ 216.92**										**$ 236.12**
Total Medical Costs			**$ 1,209.86**										**$ 1,330.28**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: OCWI	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
SFY 2027 Member Months: 252,480 Category of Service	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	170.2	$ 1,976.83	$ 28.03	$ 1.10	$ 0.00	$ 0.00	$ (0.71)	$ 0.00	$ 0.00	$ 0.00	176.8	$ 1,928.65	$ 28.42
Inpatient Well Newborn	9.1	687.23	0.52	0.02	-	-	-	-	-	-	9.4	687.23	0.54
Inpatient MH/SA	102.7	345.99	2.96	0.06	-	0.01	0.06	-	-	-	105.1	352.84	3.09
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 31.51**										**$ 32.05**
Outpatient Hospital													
Surgery	371.2	$ 604.48	$ 18.70	$ 0.76	$ 0.00	$ 0.00	$ 0.06	$ 0.00	$ 0.00	$ 0.00	386.3	$ 606.35	$ 19.52
Non-Surg - Emergency Room	859.6	406.54	29.12	1.19	-	-	0.23	-	-	-	894.7	409.62	30.54
Non-Surg - Other	500.9	164.12	6.85	0.28	-	-	-	-	-	-	521.3	164.12	7.13
Observation Room	66.3	367.18	2.03	0.08	-	-	0.01	-	-	-	69.0	368.92	2.12
Treatment/Therapy/Testing	1,171.8	178.40	17.42	0.71	-	-	0.01	-	-	-	1,219.5	178.50	18.14
Other Outpatient	110.8	106.11	0.98	0.05	-	-	-	0.01	0.06	-	117.6	112.24	1.10
Subtotal Outpatient Hospital			**$ 75.10**										**$ 78.55**
Retail Pharmacy													
Prescription Drugs	8,435.6	$ 55.11	$ 38.74	$ 2.24	$ 3.98	$ 0.00	$ 0.57	$ (0.02)	$ (2.62)	$ 0.00	8,919.0	$ 57.71	$ 42.89
Subtotal Retail Pharmacy			**$ 38.74**										**$ 42.89**
Ancillary													
Transportation	224.5	$ 95.69	$ 1.79	$ 0.04	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	229.5	$ 95.16	$ 1.82
DME/Prosthetics	9,120.9	4.25	3.23	0.07	-	-	0.29	-	-	-	9,318.5	4.62	3.59
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	316.2	0.76	0.02	-	-	-	-	-	-	-	316.2	0.76	0.02
Other Ancillary	190.3	112.27	1.78	0.04	-	-	-	-	-	-	194.5	112.27	1.82
Subtotal Ancillary			**$ 6.82**										**$ 7.25**
Professional													
Inpatient and Outpatient Surgery	278.2	$ 162.62	$ 3.77	$ 0.08	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	$ 0.00	$ 0.00	284.1	$ 162.20	$ 3.84
Anesthesia	123.0	121.91	1.25	0.02	-	-	(0.06)	-	-	-	125.0	116.15	1.21
Inpatient Visits	542.5	81.84	3.70	0.08	-	-	0.03	-	-	-	554.3	82.49	3.81
MH/SA	1,269.7	95.83	10.14	0.24	-	0.08	1.72	-	-	-	1,309.8	111.59	12.18
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	977.1	80.56	6.56	0.13	-	-	(0.05)	-	-	-	996.5	79.96	6.64
Office/Home Visits/Consults	2,738.2	95.58	21.81	0.45	-	(0.12)	0.43	-	-	-	2,779.6	97.44	22.57
Pathology/Lab	9,538.8	19.35	15.38	0.34	-	(0.04)	1.47	-	-	-	9,724.9	21.16	17.15
Radiology	1,278.4	52.47	5.59	0.12	-	-	0.14	-	-	-	1,305.8	53.76	5.85
Office Administered Drugs	20,233.2	4.45	7.50	0.15	-	-	(0.05)	-	-	-	20,637.8	4.42	7.60
Physical Exams	618.4	52.78	2.72	0.05	-	(0.01)	-	-	-	-	627.5	52.78	2.76
Therapy	388.4	25.03	0.81	0.02	-	-	0.02	-	-	-	398.0	25.63	0.85
Vision	150.3	50.32	0.63	0.01	-	-	0.10	-	-	-	152.6	58.18	0.74
Other Professional	2,259.9	72.80	13.71	0.28	-	(0.17)	0.43	-	-	-	2,278.1	75.06	14.25
Subtotal Professional			**$ 93.57**										**$ 99.45**
Total Medical Costs			**$ 245.74**										**$ 260.19**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SMI Children	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
SFY 2027 Member Months: 208,997 Category of Service	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	145.6	$ 2,262.71	$ 27.46	$ 0.54	$ 0.00	$ 0.00	$ (0.26)	$ 0.00	$ 0.00	$ 0.00	148.5	$ 2,241.70	$ 27.74
Inpatient Well Newborn	0.1	929.36	0.01	-	-	-	-	-	-	-	0.1	929.36	0.01
Inpatient MH/SA	3,217.5	505.84	135.63	5.82	-	10.10	(1.62)	-	-	-	3,595.2	500.43	149.93
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 163.10**										**$ 177.68**
Outpatient Hospital													
Surgery	83.6	$ 1,522.21	$ 10.60	$ 0.43	$ 0.00	$ 0.00	$ 0.03	$ 0.00	$ 0.00	$ 0.00	87.0	$ 1,526.35	$ 11.06
Non-Surg - Emergency Room	853.6	390.39	27.77	1.13	-	-	0.26	-	-	-	888.3	393.91	29.16
Non-Surg - Other	365.0	150.58	4.58	0.19	-	-	-	-	-	-	380.1	150.58	4.77
Observation Room	10.2	1,101.03	0.94	0.04	-	-	-	-	-	-	10.7	1,101.03	0.98
Treatment/Therapy/Testing	503.1	262.35	11.00	0.45	-	-	0.04	-	-	-	523.7	263.26	11.49
Other Outpatient	278.4	267.68	6.21	0.30	-	-	-	0.34	0.67	-	307.1	293.86	7.52
Subtotal Outpatient Hospital			**$ 61.10**										**$ 64.98**
Retail Pharmacy													
Prescription Drugs	14,828.3	$ 74.40	$ 91.94	$ 9.22	$ 6.03	$ 0.00	$ 1.00	$ 0.11	$ (3.17)	$ 0.00	16,333.0	$ 77.24	$ 105.13
Subtotal Retail Pharmacy			**$ 91.94**										**$ 105.13**
Ancillary													
Transportation	429.0	$ 113.85	$ 4.07	$ 0.17	$ 0.00	$ 0.00	$ (0.02)	$ 0.00	$ 0.00	$ 0.00	446.9	$ 113.31	$ 4.22
DME/Prosthetics	4,062.6	8.80	2.98	0.13	-	-	0.23	-	-	-	4,239.8	9.45	3.34
Dental	15.0	64.09	0.08	0.01	-	-	0.06	-	-	-	16.9	106.82	0.15
Incontinence Supplies	4,400.4	0.55	0.20	0.01	-	-	0.04	-	-	-	4,620.5	0.65	0.25
Other Ancillary	325.6	43.86	1.19	0.05	-	-	-	-	-	-	339.2	43.86	1.24
Subtotal Ancillary			**$ 8.52**										**$ 9.20**
Professional													
Inpatient and Outpatient Surgery	241.3	$ 146.22	$ 2.94	$ 0.11	$ 0.00	$ 0.00	$ (0.03)	$ 0.00	$ 0.00	$ 0.00	250.3	$ 144.78	$ 3.02
Anesthesia	103.3	119.60	1.03	0.04	-	-	(0.06)	-	-	-	107.4	112.90	1.01
Inpatient Visits	1,254.0	77.03	8.05	0.35	-	-	0.66	-	-	-	1,308.5	83.08	9.06
MH/SA	17,615.8	71.73	105.30	4.62	-	0.01	9.09	-	-	-	18,390.4	77.66	119.02
ASD Services	1,190.7	15.52	1.54	-	-	-	0.03	0.05	-	-	1,229.3	15.81	1.62
Emergency Room	902.5	87.75	6.60	0.26	-	-	(0.11)	-	-	-	938.1	86.35	6.75
Office/Home Visits/Consults	5,125.8	114.53	48.92	1.99	-	(0.16)	0.63	-	-	-	5,317.5	115.95	51.38
Pathology/Lab	4,697.1	17.88	7.00	0.30	-	(0.04)	0.58	-	-	-	4,871.5	19.31	7.84
Radiology	987.0	26.02	2.14	0.09	-	-	(0.03)	-	-	-	1,028.5	25.67	2.20
Office Administered Drugs	14,566.0	1.90	2.31	0.10	-	-	0.05	-	-	-	15,196.6	1.94	2.46
Physical Exams	893.5	75.88	5.65	0.22	-	(0.07)	0.06	-	-	-	917.2	76.66	5.86
Therapy	1,302.2	25.16	2.73	0.12	-	-	0.08	-	-	-	1,359.4	25.86	2.93
Vision	964.7	34.95	2.81	0.13	-	-	0.47	-	-	-	1,009.3	40.54	3.41
Other Professional	3,338.9	23.68	6.59	0.27	-	(0.05)	0.15	-	-	-	3,450.4	24.21	6.96
Subtotal Professional			**$ 203.61**										**$ 223.52**
Total Medical Costs			**$ 528.27**										**$ 580.51**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SMI TANF Adults	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
SFY 2027 Member Months: 291,379 Category of Service	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	393.9	$ 2,701.37	$ 88.68	$ 2.65	$ 0.00	$ 0.00	$ (1.26)	$ 0.00	$ 0.00	$ (0.24)	404.6	$ 2,664.01	$ 89.83
Inpatient Well Newborn	0.7	821.19	0.05	-	-	-	-	-	-	-	0.7	821.19	0.05
Inpatient MH/SA	932.6	236.38	18.37	0.57	-	0.12	0.37	-	-	(0.05)	965.1	240.98	19.38
Other Inpatient	46.5	353.89	1.37	-	-	-	-	(1.37)	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 108.47**										**$ 109.26**
Outpatient Hospital													
Surgery	271.4	$ 1,683.47	$ 38.07	$ 1.35	$ 0.00	$ 0.00	$ 0.03	$ 0.00	$ 0.00	$ 0.08	281.6	$ 1,684.75	$ 39.53
Non-Surg - Emergency Room	1,368.9	381.76	43.55	1.55	-	-	0.34	-	-	0.09	1,420.5	384.63	45.53
Non-Surg - Other	430.2	162.07	5.81	0.21	-	-	-	-	-	0.01	446.5	162.07	6.03
Observation Room	24.9	1,014.02	2.10	0.07	-	-	-	-	-	0.01	25.8	1,014.02	2.18
Treatment/Therapy/Testing	1,388.9	347.57	40.23	1.42	-	-	0.12	-	-	0.09	1,441.1	348.57	41.86
Other Outpatient	292.5	210.43	5.13	0.19	-	-	0.01	0.10	0.28	0.02	310.2	221.65	5.73
Subtotal Outpatient Hospital			**$ 134.89**										**$ 140.86**
Retail Pharmacy													
Prescription Drugs	32,131.3	$ 105.69	$ 282.99	$ 21.97	$ 45.30	$ 0.00	$ 2.66	$ (0.28)	$ (16.20)	$ 0.86	34,691.7	$ 116.67	$ 337.30
Subtotal Retail Pharmacy			**$ 282.99**										**$ 337.30**
Ancillary													
Transportation	502.9	$ 98.07	$ 4.11	$ 0.08	$ 0.00	$ 0.00	$ (0.02)	$ 0.00	$ 0.00	$ 0.00	512.7	$ 97.61	$ 4.17
DME/Prosthetics	5,174.5	15.77	6.80	0.15	-	-	0.58	-	-	(0.01)	5,281.0	17.09	7.52
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	5,111.6	0.54	0.23	0.01	-	-	0.02	-	-	-	5,333.9	0.58	0.26
Other Ancillary	402.3	72.19	2.42	0.05	-	-	-	-	-	-	410.6	72.19	2.47
Subtotal Ancillary			**$ 13.56**										**$ 14.42**
Professional													
Inpatient and Outpatient Surgery	945.8	$ 166.85	$ 13.15	$ 0.27	$ 0.00	$ (0.01)	$ (0.07)	$ 0.00	$ 0.00	$ 0.01	965.2	$ 165.98	$ 13.35
Anesthesia	392.4	118.65	3.88	0.07	-	-	(0.23)	-	-	0.01	400.5	111.76	3.73
Inpatient Visits	1,049.1	85.56	7.48	0.15	-	-	0.15	-	-	0.01	1,071.5	87.24	7.79
MH/SA	6,137.6	95.47	48.83	1.19	-	0.40	9.67	-	-	0.08	6,347.5	113.75	60.17
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,445.9	89.88	10.83	0.21	-	-	(0.26)	-	-	0.01	1,475.3	87.77	10.79
Office/Home Visits/Consults	7,584.5	105.09	66.42	1.34	-	(0.51)	0.93	-	-	0.09	7,689.6	106.54	68.27
Pathology/Lab	10,257.2	16.52	14.12	0.31	-	(0.06)	1.20	-	-	0.02	10,453.3	17.90	15.59
Radiology	2,815.0	35.59	8.35	0.17	-	-	(0.10)	-	-	0.01	2,875.7	35.18	8.43
Office Administered Drugs	38,833.3	7.80	25.24	0.50	-	(0.03)	(0.17)	-	-	0.04	39,617.9	7.75	25.58
Physical Exams	507.1	77.62	3.28	0.06	-	(0.02)	0.06	-	-	0.01	514.8	79.02	3.39
Therapy	1,527.3	26.71	3.40	0.07	-	-	0.06	-	-	-	1,558.7	27.18	3.53
Vision	237.5	60.12	1.19	0.02	-	-	0.15	-	-	-	241.5	67.57	1.36
Other Professional	4,405.0	25.04	9.19	0.19	-	(0.16)	0.30	-	-	0.01	4,424.2	25.85	9.53
Subtotal Professional			**$ 215.36**										**$ 231.51**
Total Medical Costs			**$ 755.27**										**$ 833.35**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: SMI SSI Adults SFY 2027 Member Months: 188,157 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	1,673.6	$ 2,270.25	$ 316.62	$ 15.67	$ 0.00	$ 0.00	$ (6.92)	$ 0.00	$ 0.00	$ 2.03	1,767.1	$ 2,223.26	$ 327.40
Inpatient Well Newborn	0.1	856.67	0.01	-	-	-	-	-	-	-	0.1	856.67	0.01
Inpatient MH/SA	3,013.1	283.60	71.21	1.45	-	0.36	0.60	-	-	0.46	3,109.2	285.91	74.08
Other Inpatient	728.5	282.02	17.12	-	-	-	-	(17.12)	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 404.96**										**$ 401.49**
Outpatient Hospital													
Surgery	283.2	$ 1,975.90	$ 46.63	$ 2.61	$ 0.00	$ 0.00	$ 0.11	$ 0.00	$ 0.00	$ 0.32	301.0	$ 1,980.29	$ 49.67
Non-Surg - Emergency Room	1,892.9	436.91	68.92	3.87	-	-	0.61	-	-	0.48	2,012.4	440.55	73.88
Non-Surg - Other	573.4	181.02	8.65	0.48	-	-	-	-	-	0.06	609.2	181.02	9.19
Observation Room	40.4	1,276.68	4.30	0.24	-	-	0.01	-	-	0.03	43.0	1,279.48	4.58
Treatment/Therapy/Testing	1,566.6	661.05	86.30	4.83	-	-	0.19	-	-	0.59	1,665.0	662.42	91.91
Other Outpatient	346.6	210.53	6.08	0.36	-	-	0.04	0.12	0.33	0.05	376.8	222.31	6.98
Subtotal Outpatient Hospital			**$ 220.88**										**$ 236.21**
Retail Pharmacy													
Prescription Drugs	56,347.9	$ 156.60	$ 735.36	$ 66.37	$ 97.34	$ 0.00	$ 6.16	$ 0.03	$ (20.39)	$ 4.53	61,783.0	$ 172.75	$ 889.40
Subtotal Retail Pharmacy			**$ 735.36**										**$ 889.40**
Ancillary													
Transportation	1,964.9	$ 93.87	$ 15.37	$ 0.93	$ 0.00	$ 0.00	$ (0.10)	$ 0.00	$ 0.00	$ 0.04	2,088.9	$ 93.29	$ 16.24
DME/Prosthetics	20,492.9	13.95	23.83	1.57	-	-	1.99	-	-	0.06	21,894.6	15.04	27.45
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	33,475.9	0.59	1.65	0.11	-	-	0.17	-	-	0.01	35,910.5	0.65	1.94
Other Ancillary	2,219.8	59.95	11.09	0.68	-	-	(0.01)	-	-	0.02	2,359.9	59.90	11.78
Subtotal Ancillary			**$ 51.94**										**$ 57.41**
Professional													
Inpatient and Outpatient Surgery	1,526.5	$ 149.05	$ 18.96	$ 1.16	$ 0.00	$ (0.02)	$ (0.03)	$ 0.00	$ 0.00	$ 0.14	1,629.5	$ 148.83	$ 20.21
Anesthesia	569.3	115.52	5.48	0.31	-	-	(0.34)	-	-	0.04	605.6	108.78	5.49
Inpatient Visits	4,446.9	84.01	31.13	1.90	-	-	0.18	-	-	0.24	4,752.6	84.46	33.45
MH/SA	20,747.6	34.21	59.15	4.04	-	0.12	7.09	-	-	0.50	22,382.1	38.01	70.90
ASD Services	69.6	17.24	0.10	-	-	-	-	0.14	-	0.01	174.0	17.24	0.25
Emergency Room	2,099.2	95.24	16.66	0.98	-	-	(0.48)	-	-	0.12	2,237.8	92.66	17.28
Office/Home Visits/Consults	9,045.1	114.63	86.40	5.31	-	(1.01)	1.76	-	-	0.65	9,563.3	116.83	93.11
Pathology/Lab	9,378.1	14.08	11.00	0.71	-	(0.09)	0.74	-	-	0.09	9,983.4	14.96	12.45
Radiology	4,348.0	34.14	12.37	0.73	-	-	(0.28)	-	-	0.09	4,636.2	33.42	12.91
Office Administered Drugs	129,699.1	6.47	69.91	4.29	-	(0.06)	0.43	-	-	0.52	138,511.5	6.51	75.09
Physical Exams	498.1	65.53	2.72	0.17	-	(0.02)	0.08	-	-	0.02	529.2	67.35	2.97
Therapy	1,456.1	26.45	3.21	0.20	-	-	0.07	-	-	0.02	1,555.9	26.99	3.50
Vision	213.9	65.63	1.17	0.08	-	-	0.09	-	-	0.01	230.4	70.32	1.35
Other Professional	5,912.2	35.32	17.40	1.06	-	(0.44)	0.55	-	-	0.13	6,167.0	36.39	18.70
Subtotal Professional			**$ 335.66**										**$ 367.66**
Total Medical Costs			**$ 1,748.80**										**$ 1,952.17**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Foster Care Children SFY 2027 Member Months: 44,088 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	177.8	$ 2,275.71	$ 33.71	$ 1.39	$ 0.00	$ 0.00	$ 0.73	$ 0.00	$ 0.00	$ 0.00	185.1	$ 2,323.04	$ 35.83
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	5,261.7	623.86	273.55	12.36	-	35.44	(3.09)	-	-	-	6,181.2	617.86	318.26
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 307.26**										**$ 354.09**
Outpatient Hospital													
Surgery	105.5	$ 1,758.85	$ 15.46	$ 0.79	$ 0.00	$ 0.00	$ 0.09	$ 0.00	$ 0.00	$ 0.00	110.9	$ 1,768.59	$ 16.34
Non-Surg - Emergency Room	775.0	381.05	24.61	1.53	-	-	0.55	-	-	-	823.2	389.07	26.69
Non-Surg - Other	628.7	138.20	7.24	0.37	-	-	-	-	-	-	660.8	138.20	7.61
Observation Room	9.2	1,057.28	0.81	0.04	-	-	-	-	-	-	9.6	1,057.28	0.85
Treatment/Therapy/Testing	460.7	222.47	8.54	0.44	-	-	0.08	-	-	-	484.4	224.45	9.06
Other Outpatient	144.8	179.00	2.16	0.13	-	-	-	0.08	0.27	-	158.9	199.39	2.64
Subtotal Outpatient Hospital			**$ 58.82**										**$ 63.19**
Retail Pharmacy													
Prescription Drugs	13,449.7	$ 49.79	$ 55.80	$ 7.23	$ 7.55	$ 0.00	$ 0.88	$ 0.00	$ (2.83)	$ 0.00	15,192.3	$ 54.21	$ 68.63
Subtotal Retail Pharmacy			**$ 55.80**										**$ 68.63**
Ancillary													
Transportation	488.7	$ 123.27	$ 5.02	$ 0.13	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	501.3	$ 123.27	$ 5.15
DME/Prosthetics	7,638.9	7.89	5.02	0.14	-	-	0.62	-	-	-	7,851.9	8.83	5.78
Dental	192.7	72.22	1.16	0.03	-	-	(0.11)	-	-	-	197.7	65.55	1.08
Incontinence Supplies	41,198.0	0.53	1.81	0.06	-	-	0.54	-	-	-	42,563.6	0.68	2.41
Other Ancillary	295.4	58.90	1.45	0.04	-	-	-	-	-	-	303.6	58.90	1.49
Subtotal Ancillary			**$ 14.46**										**$ 15.91**
Professional													
Inpatient and Outpatient Surgery	327.3	$ 154.01	$ 4.20	$ 0.10	$ 0.00	$ 0.00	$ (0.13)	$ 0.00	$ 0.00	$ 0.00	335.0	$ 149.35	$ 4.17
Anesthesia	157.8	111.78	1.47	0.03	-	-	(0.07)	-	-	-	161.0	106.56	1.43
Inpatient Visits	1,251.2	82.00	8.55	0.24	-	-	1.03	-	-	-	1,286.3	91.61	9.82
MH/SA	85,176.8	42.55	302.02	8.20	-	-	23.97	-	-	-	87,489.4	45.84	334.19
ASD Services	6,081.5	16.14	8.18	-	-	-	-	(0.17)	-	-	5,955.1	16.14	8.01
Emergency Room	834.4	82.84	5.76	0.15	-	-	(0.01)	-	-	-	856.1	82.70	5.90
Office/Home Visits/Consults	5,310.8	109.63	48.52	1.25	-	0.04	1.18	-	-	-	5,452.0	112.23	50.99
Pathology/Lab	3,859.4	24.97	8.03	0.22	-	(0.02)	0.62	-	-	-	3,955.5	26.85	8.85
Radiology	856.2	20.32	1.45	0.04	-	-	(0.01)	-	-	-	879.8	20.19	1.48
Office Administered Drugs	6,889.8	0.94	0.54	0.02	-	-	0.01	-	-	-	7,145.0	0.96	0.57
Physical Exams	3,186.7	66.73	17.72	0.46	-	0.03	0.31	-	-	-	3,274.8	67.86	18.52
Therapy	15,889.3	22.59	29.91	0.84	-	-	3.53	-	-	-	16,335.5	25.18	34.28
Vision	1,323.6	43.52	4.80	0.15	-	-	1.07	-	-	-	1,365.0	52.92	6.02
Other Professional	3,549.1	32.39	9.58	0.25	-	(0.01)	0.48	-	-	-	3,638.0	33.97	10.30
Subtotal Professional			**$ 450.73**										**$ 494.53**
Total Medical Costs			**$ 887.07**										**$ 996.35**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: KICK	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
SFY 2027 Deliveries: 21,060 Category of Service	Utilization per 1,000	Cost per Service	Cost per Delivery	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	Cost per Delivery
Inpatient Hospital													
Inpatient Maternity Delivery	2,334.6	$ 1,806.24	$ 4,216.88	$ 22.69	$ 0.00	$ 0.00	$ 315.81	$ 0.00	$ 0.00	$ 0.00	2,347.2	$ 1,940.79	$ 4,555.38
Subtotal Inpatient Hospital			**$ 4,216.88**										**$ 4,555.38**
Outpatient Hospital													
Outpatient Hospital - Maternity	52.2	$ 526.00	$ 27.48	$ 1.11	$ 0.00	$ 0.00	$ 0.05	$ 0.00	$ 0.00	$ 0.00	54.4	$ 526.92	$ 28.64
Subtotal Outpatient Hospital			**$ 27.48**										**$ 28.64**
Professional													
Maternity Delivery	883.3	$ 1,056.28	$ 933.05	$ 18.06	$ 0.00	$ (0.08)	$ (34.47)	$ 0.00	$ 0.00	$ 0.00	900.4	$ 1,018.00	$ 916.56
Maternity Anesthesia	1,124.2	320.04	359.79	7.37	-	-	6.89	-	-	-	1,147.2	326.05	374.05
Maternity Office Visits	7,877.9	86.86	684.26	14.03	-	(2.22)	16.03	-	-	-	8,013.8	88.86	712.10
Maternity Radiology	5,139.5	73.67	378.61	7.95	-	(0.02)	16.85	-	-	-	5,247.2	76.88	403.39
Maternity Non-Delivery	2.6	81.57	0.21	0.01	-	-	0.01	-	-	-	2.7	85.27	0.23
Subtotal Professional			**$ 2,355.92**										**$ 2,406.33**
Total Medical Costs			**$ 6,600.28**										**$ 6,990.35**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Dual Community Well 18+ SFY 2027 Member Months: 1,174,608 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	629.5	$ 249.35	$ 13.08	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.46	$ 0.00	636.2	$ 258.02	$ 13.68
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	55.4	181.92	0.84	-	-	0.03	-	-	0.01	-	57.4	184.01	0.88
Other Inpatient	2.5	244.88	0.05	-	-	-	-	-	-	-	2.5	244.88	0.05
Subtotal Inpatient Hospital			**$ 13.97**										**$ 14.61**
Outpatient Hospital													
Surgery	119.3	$ 199.18	$ 1.98	$ 0.08	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.03	$ 0.00	124.1	$ 203.05	$ 2.10
Non-Surg - Emergency Room	221.7	90.92	1.68	0.07	-	-	0.02	-	0.03	-	231.0	93.52	1.80
Non-Surg - Other	319.6	36.79	0.98	0.04	-	-	-	-	0.02	-	332.7	37.52	1.04
Observation Room	9.1	92.09	0.07	-	-	-	-	-	-	-	9.1	92.09	0.07
Treatment/Therapy/Testing	819.9	135.52	9.26	0.39	-	-	0.01	-	0.16	-	854.5	137.91	9.82
Other Outpatient	61.3	105.74	0.54	0.02	-	-	0.01	-	0.01	-	63.6	109.52	0.58
Subtotal Outpatient Hospital			**$ 14.51**										**$ 15.41**
Retail Pharmacy													
Prescription Drugs	392.8	$ 40.63	$ 1.33	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ 0.00	434.1	$ 40.35	$ 1.46
Subtotal Retail Pharmacy			**$ 1.33**										**$ 1.46**
Ancillary													
Transportation	44.3	$ 27.09	$ 0.10	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	48.7	$ 27.09	$ 0.11
DME/Prosthetics	9,675.8	4.50	3.63	0.15	-	-	(0.01)	-	0.06	-	10,075.7	4.56	3.83
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	298.4	30.96	0.77	0.03	-	-	-	-	-	-	310.1	30.96	0.80
Other Ancillary	37.8	47.68	0.15	0.01	-	-	-	-	-	-	40.3	47.68	0.16
Subtotal Ancillary			**$ 4.65**										**$ 4.90**
Professional													
Inpatient and Outpatient Surgery	411.6	$ 22.16	$ 0.76	$ 0.04	$ 0.00	$ 0.00	$ 0.10	$ 0.00	$ 0.01	$ 0.00	433.2	$ 25.21	$ 0.91
Anesthesia	220.4	19.06	0.35	0.01	-	-	(0.03)	-	0.01	-	226.7	18.00	0.34
Inpatient Visits	389.7	23.10	0.75	0.04	-	-	0.29	-	0.01	-	410.5	31.87	1.09
MH/SA	5,783.5	14.69	7.08	0.31	-	-	0.60	-	0.12	-	6,036.7	16.12	8.11
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	64.4	22.37	0.12	-	-	-	-	-	-	-	64.4	22.37	0.12
Office/Home Visits/Consults	3,838.7	47.95	15.34	0.49	-	(0.05)	(3.57)	-	0.26	-	3,948.8	37.90	12.47
Pathology/Lab	799.9	5.55	0.37	0.01	-	(0.01)	-	-	0.01	-	799.9	5.70	0.38
Radiology	567.9	19.02	0.90	0.02	-	(0.01)	(0.29)	-	0.02	-	574.2	13.37	0.64
Office Administered Drugs	26,068.7	2.81	6.11	0.25	-	-	(0.01)	-	0.10	-	27,135.3	2.85	6.45
Physical Exams	54.4	17.64	0.08	-	-	-	-	-	-	-	54.4	17.64	0.08
Therapy	743.2	5.81	0.36	0.01	-	-	(0.06)	-	0.01	-	763.8	5.03	0.32
Vision	38.1	56.66	0.18	0.01	-	-	-	-	-	-	40.2	56.66	0.19
Other Professional	682.4	12.66	0.72	0.03	-	-	-	-	0.01	-	710.8	12.83	0.76
Subtotal Professional			**$ 33.12**										**$ 31.86**
Total Medical Costs			**$ 67.58**										**$ 68.24**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Dual Nursing Facility 18+ SFY 2027 Member Months: 127,392 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	2,130.4	$ 242.15	$ 42.99	$ 0.68	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 1.68	$ 0.00	2,164.1	$ 251.47	$ 45.35
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	50.4	395.42	1.66	-	-	-	-	-	0.01	-	50.4	397.80	1.67
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 44.65**										**$ 47.02**
Outpatient Hospital													
Surgery	107.6	$ 160.61	$ 1.44	$ 0.07	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.03	$ 0.00	112.8	$ 163.80	$ 1.54
Non-Surg - Emergency Room	176.1	83.12	1.22	0.06	-	-	0.02	-	0.02	-	184.8	85.72	1.32
Non-Surg - Other	174.3	33.05	0.48	0.02	-	-	-	-	0.01	-	181.6	33.71	0.51
Observation Room	10.4	69.54	0.06	-	-	-	-	-	-	-	10.4	69.54	0.06
Treatment/Therapy/Testing	285.0	151.18	3.59	0.17	-	-	0.01	-	0.07	-	298.5	154.40	3.84
Other Outpatient	30.6	47.05	0.12	0.01	-	-	-	-	-	-	33.2	47.05	0.13
Subtotal Outpatient Hospital			**$ 6.91**										**$ 7.40**
Retail Pharmacy													
Prescription Drugs	1,595.6	$ 6.24	$ 0.83	$ 0.08	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,749.4	$ 6.24	$ 0.91
Subtotal Retail Pharmacy			**$ 0.83**										**$ 0.91**
Ancillary													
Transportation	43.1	$ 33.45	$ 0.12	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	46.6	$ 33.45	$ 0.13
DME/Prosthetics	46,466.7	1.21	4.67	0.22	-	-	(0.01)	-	0.09	-	48,655.7	1.23	4.97
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	615.3	39.79	2.04	0.09	-	-	-	-	-	-	642.4	39.79	2.13
Other Ancillary	69.0	194.65	1.12	0.05	-	-	-	-	-	-	72.1	194.65	1.17
Subtotal Ancillary			**$ 7.95**										**$ 8.40**
Professional													
Inpatient and Outpatient Surgery	276.3	$ 16.94	$ 0.39	$ 0.02	$ 0.00	$ 0.00	$ 0.05	$ 0.00	$ 0.01	$ 0.00	290.5	$ 19.42	$ 0.47
Anesthesia	267.0	16.63	0.37	0.01	-	-	(0.03)	-	0.01	-	274.2	15.75	0.36
Inpatient Visits	6,247.9	26.60	13.85	0.89	-	-	5.36	-	0.27	-	6,649.4	36.76	20.37
MH/SA	902.1	24.61	1.85	0.10	-	-	0.15	-	0.04	-	950.9	27.01	2.14
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	279.4	11.17	0.26	0.01	-	-	(0.01)	-	0.01	-	290.1	11.17	0.27
Office/Home Visits/Consults	1,221.5	40.97	4.17	0.15	-	-	(1.02)	-	0.08	-	1,265.5	32.05	3.38
Pathology/Lab	195.3	3.69	0.06	-	-	-	-	-	-	-	195.3	3.69	0.06
Radiology	986.3	6.93	0.57	0.02	-	-	(0.19)	-	0.01	-	1,020.9	4.82	0.41
Office Administered Drugs	9,662.4	2.55	2.05	0.09	-	-	-	-	0.04	-	10,086.6	2.59	2.18
Physical Exams	6.4	18.87	0.01	-	-	-	-	-	-	-	6.4	18.87	0.01
Therapy	89.4	4.03	0.03	-	-	-	-	-	-	-	89.4	4.03	0.03
Vision	22.3	26.96	0.05	-	-	-	-	-	-	-	22.3	26.96	0.05
Other Professional	336.1	16.42	0.46	0.02	-	-	-	-	0.01	-	350.7	16.77	0.49
Subtotal Professional			**$ 24.12**										**$ 30.22**
Total Medical Costs			**$ 84.46**										**$ 93.95**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Dual Waiver 18+ SFY 2027 Member Months: 217,704 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	1,374.2	$ 238.91	$ 27.36	$ 0.43	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 1.00	$ 0.00	1,395.8	$ 247.51	$ 28.79
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	28.6	105.01	0.25	-	-	-	-	-	-	-	28.6	105.01	0.25
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 27.61**										**$ 29.04**
Outpatient Hospital													
Surgery	185.6	$ 188.19	$ 2.91	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.05	$ 0.00	194.5	$ 191.28	$ 3.10
Non-Surg - Emergency Room	277.0	96.61	2.23	0.10	-	-	0.03	-	0.04	-	289.4	99.51	2.40
Non-Surg - Other	406.8	34.22	1.16	0.05	-	-	-	-	0.02	-	424.3	34.79	1.23
Observation Room	20.2	71.37	0.12	0.01	-	-	-	-	-	-	21.9	71.37	0.13
Treatment/Therapy/Testing	1,006.5	133.30	11.18	0.52	-	-	0.02	-	0.18	-	1,053.3	135.58	11.90
Other Outpatient	66.8	93.48	0.52	0.02	-	-	0.01	-	0.01	-	69.3	96.94	0.56
Subtotal Outpatient Hospital			**$ 18.12**										**$ 19.32**
Retail Pharmacy													
Prescription Drugs	780.6	$ 31.21	$ 2.03	$ 0.20	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.02)	$ 0.00	857.5	$ 30.93	$ 2.21
Subtotal Retail Pharmacy			**$ 2.03**										**$ 2.21**
Ancillary													
Transportation	159.9	$ 29.28	$ 0.39	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	164.0	$ 30.01	$ 0.41
DME/Prosthetics	35,243.0	4.22	12.39	0.57	-	-	(0.02)	-	0.19	-	36,864.3	4.27	13.13
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	13,397.6	32.50	36.28	1.65	-	-	-	-	-	-	14,006.9	32.50	37.93
Other Ancillary	60.3	41.76	0.21	0.01	-	-	-	-	-	-	63.2	41.76	0.22
Subtotal Ancillary			**$ 49.27**										**$ 51.69**
Professional													
Inpatient and Outpatient Surgery	574.7	$ 20.46	$ 0.98	$ 0.05	$ 0.00	$ 0.00	$ 0.12	$ 0.00	$ 0.02	$ 0.00	604.1	$ 23.24	$ 1.17
Anesthesia	265.7	18.07	0.40	0.02	-	-	(0.04)	-	0.01	-	278.9	16.78	0.39
Inpatient Visits	640.6	22.66	1.21	0.07	-	-	0.47	-	0.02	-	677.7	31.34	1.77
MH/SA	3,691.9	18.69	5.75	0.28	-	-	0.49	-	0.09	-	3,871.7	20.49	6.61
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	73.6	16.30	0.10	-	-	-	-	-	-	-	73.6	16.30	0.10
Office/Home Visits/Consults	4,752.1	41.14	16.29	0.57	-	(0.08)	(3.79)	-	0.26	-	4,895.1	32.48	13.25
Pathology/Lab	1,069.1	5.16	0.46	0.02	-	(0.01)	-	-	0.01	-	1,092.4	5.27	0.48
Radiology	627.9	17.01	0.89	0.03	-	-	(0.29)	-	0.01	-	649.1	11.83	0.64
Office Administered Drugs	33,451.4	3.00	8.35	0.38	-	-	(0.01)	-	0.13	-	34,973.7	3.04	8.85
Physical Exams	59.0	16.28	0.08	-	-	-	-	-	-	-	59.0	16.28	0.08
Therapy	2,034.4	8.32	1.41	0.06	-	-	(0.22)	-	0.02	-	2,121.0	7.19	1.27
Vision	35.8	53.68	0.16	0.01	-	-	-	-	-	-	38.0	53.68	0.17
Other Professional	817.0	13.66	0.93	0.05	-	-	-	-	0.01	-	861.0	13.80	0.99
Subtotal Professional			**$ 37.01**										**$ 35.77**
Total Medical Costs			**$ 134.04**										**$ 138.03**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Non-Dual Nursing Facility 18+ SFY 2027 Member Months: 19,020 Category of Service	Base Year Adjusted Base Experience Utilization per 1,000	 Cost per Service	 PMPM	Trend Adjustments Utilization Adjustment	 Cost Adjustment	Reimbursement Adjustments Utilization Adjustment	 Cost Adjustment	Program and Policy Adjustments Utilization Adjustment	 Cost Adjustment	Acuity Adjustments Utilization Adjustment	SFY 2027 Projected Benefit Expense Utilization per 1,000	 Cost per Service	 PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	5,166.1	$ 2,133.78	$ 918.61	$ 15.04	$ 0.00	$ 0.00	$ (170.44)	$ 0.00	$ 0.00	$ 0.00	5,250.7	$ 1,744.26	$ 763.21
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	306.7	666.81	17.04	0.34	-	-	(0.22)	-	-	-	312.8	658.37	17.16
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 935.65**										**$ 780.37**
Outpatient Hospital													
Surgery	162.2	$ 1,295.95	$ 17.52	$ 0.35	$ 0.00	$ 0.00	$ 0.08	$ 0.00	$ 0.00	$ 0.00	165.5	$ 1,301.75	$ 17.95
Non-Surg - Emergency Room	773.5	473.79	30.54	0.62	-	-	0.24	-	-	-	789.2	477.44	31.40
Non-Surg - Other	239.3	116.34	2.32	0.05	-	-	-	-	-	-	244.4	116.34	2.37
Observation Room	15.0	625.37	0.78	0.02	-	-	0.02	-	-	-	15.4	641.00	0.82
Treatment/Therapy/Testing	1,066.7	296.32	26.34	0.53	-	-	0.42	-	-	-	1,088.2	300.95	27.29
Other Outpatient	123.3	180.98	1.86	0.04	-	-	0.01	0.07	0.07	-	130.6	188.33	2.05
Subtotal Outpatient Hospital			**$ 79.36**										**$ 81.88**
Retail Pharmacy													
Prescription Drugs	81,733.1	$ 49.65	$ 338.16	$ 32.51	$ 28.54	$ 0.00	$ (6.34)	$ (0.01)	$ (14.61)	$ 0.00	89,588.4	$ 50.67	$ 378.25
Subtotal Retail Pharmacy			**$ 338.16**										**$ 378.25**
Ancillary													
Transportation	2,158.6	$ 95.84	$ 17.24	$ 0.17	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,179.9	$ 95.84	$ 17.41
DME/Prosthetics	18,182.7	16.89	25.59	0.26	-	-	-	-	-	-	18,367.5	16.89	25.85
Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Incontinence Supplies	483.6	39.95	1.61	0.02	-	-	-	-	-	-	489.6	39.95	1.63
Other Ancillary	893.3	104.24	7.76	0.08	-	-	-	-	-	-	902.5	104.24	7.84
Subtotal Ancillary			**$ 52.20**										**$ 52.73**
Professional													
Inpatient and Outpatient Surgery	2,689.7	$ 75.00	$ 16.81	$ 0.17	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	2,716.9	$ 75.00	$ 16.98
Anesthesia	525.7	88.33	3.87	0.04	-	-	-	-	-	-	531.2	88.33	3.91
Inpatient Visits	24,819.5	78.06	161.46	1.62	-	-	-	-	-	-	25,068.5	78.06	163.08
MH/SA	1,213.2	96.24	9.73	0.11	-	-	1.18	-	-	-	1,226.9	107.78	11.02
ASD Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Room	1,230.9	94.76	9.72	0.10	-	-	-	-	-	-	1,243.5	94.76	9.82
Office/Home Visits/Consults	2,630.0	82.58	18.10	0.18	-	(0.02)	0.10	-	-	-	2,653.3	83.04	18.36
Pathology/Lab	8,346.6	10.09	7.02	0.07	-	-	-	-	-	-	8,429.9	10.09	7.09
Radiology	5,278.9	26.53	11.67	0.12	-	-	-	-	-	-	5,333.2	26.53	11.79
Office Administered Drugs	75,206.3	3.19	19.98	0.20	-	-	-	-	-	-	75,959.1	3.19	20.18
Physical Exams	58.2	55.67	0.27	-	-	-	-	-	-	-	58.2	55.67	0.27
Therapy	83.1	23.11	0.16	-	-	-	-	-	-	-	83.1	23.11	0.16
Vision	176.9	50.87	0.75	0.01	-	-	-	-	-	-	179.3	50.87	0.76
Other Professional	4,702.0	66.61	26.10	0.26	-	-	-	-	-	-	4,748.8	66.61	26.36
Subtotal Professional			**$ 285.64**										**$ 289.78**
Total Medical Costs			**$ 1,691.01**										**$ 1,583.01**

South Carolina Department of Health and Human Services
Medicaid Managed Care Program
State Fiscal Year 2027 Capitation Rate Development
Prospective Adjustments

Region: Statewide Rate Cell: Non-Dual Waiver 18+ SFY 2027 Member Months: 54,168 Category of Service	Base Year Adjusted Base Experience			Trend Adjustments		Reimbursement Adjustments		Program and Policy Adjustments		Acuity Adjustments	SFY 2027 Projected Benefit Expense		
	Utilization per 1,000	Cost per Service	PMPM	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Cost Adjustment	Utilization Adjustment	Utilization per 1,000	Cost per Service	PMPM
Inpatient Hospital													
Inpatient Medical/Surgical/Non-Delivery	2,844.6	$ 2,389.22	$ 566.37	$ 9.73	$ 0.00	$ 0.00	$ (82.36)	$ 0.00	$ 0.00	$ 0.00	2,893.5	$ 2,047.65	$ 493.74
Inpatient Well Newborn	-	-	-	-	-	-	-	-	-	-	-	-	-
Inpatient MH/SA	255.9	681.32	14.53	0.29	-	-	(0.02)	-	-	-	261.0	680.40	14.80
Other Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Inpatient Hospital			**$ 580.90**										**$ 508.54**
Outpatient Hospital													
Surgery	312.3	$ 1,769.61	$ 46.05	$ 0.93	$ 0.00	$ 0.00	$ 0.25	$ 0.00	$ 0.00	$ 0.00	318.6	$ 1,779.02	$ 47.23
Non-Surg - Emergency Room	1,193.1	408.04	40.57	0.84	-	-	1.32	-	-	-	1,217.8	421.05	42.73
Non-Surg - Other	632.0	166.89	8.79	0.18	-	-	-	-	-	-	645.0	166.89	8.97
Observation Room	35.0	617.49	1.80	0.04	-	-	0.06	-	-	-	35.8	637.63	1.90
Treatment/Therapy/Testing	1,373.7	520.13	59.54	1.20	-	-	0.29	-	-	-	1,401.3	522.61	61.03
Other Outpatient	213.5	246.20	4.38	0.09	-	-	0.03	0.10	0.23	-	222.7	260.21	4.83
Subtotal Outpatient Hospital			**$ 161.13**										**$ 166.69**
Retail Pharmacy													
Prescription Drugs	51,299.3	$ 177.17	$ 757.39	$ 82.86	$ 75.08	$ 0.00	$ (3.98)	$ (0.18)	$ (20.17)	$ 0.00	56,899.3	$ 187.91	$ 891.00
Subtotal Retail Pharmacy			**$ 757.39**										**$ 891.00**
Ancillary													
Transportation	1,814.0	$ 90.17	$ 13.63	$ 0.14	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,832.6	$ 90.17	$ 13.77
DME/Prosthetics	141,694.9	9.23	108.97	1.09	-	-	-	-	-	-	143,112.3	9.23	110.06
Dental	5.0	23.84	0.01	-	-	-	-	-	-	-	5.0	23.84	0.01
Incontinence Supplies	12,894.9	31.73	34.10	0.34	-	-	-	-	-	-	13,023.4	31.73	34.44
Other Ancillary	3,571.6	90.11	26.82	0.27	-	-	-	-	-	-	3,607.5	90.11	27.09
Subtotal Ancillary			**$ 183.53**										**$ 185.37**
Professional													
Inpatient and Outpatient Surgery	1,759.0	$ 112.97	$ 16.56	$ 0.17	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	1,777.1	$ 112.97	$ 16.73
Anesthesia	587.2	97.07	4.75	0.05	-	-	-	-	-	-	593.4	97.07	4.80
Inpatient Visits	4,984.0	84.56	35.12	0.35	-	-	-	-	-	-	5,033.6	84.56	35.47
MH/SA	8,171.7	36.65	24.96	0.29	-	0.04	3.15	-	-	-	8,279.7	41.22	28.44
ASD Services	602.6	15.33	0.77	-	-	-	-	1.29	-	-	1,612.1	15.33	2.06
Emergency Room	1,513.9	93.22	11.76	0.12	-	-	-	-	-	-	1,529.3	93.22	11.88
Office/Home Visits/Consults	9,881.0	98.07	80.75	0.81	-	(0.10)	0.63	-	-	-	9,967.9	98.83	82.09
Pathology/Lab	9,352.6	15.44	12.03	0.12	-	(0.01)	-	-	-	-	9,438.2	15.44	12.14
Radiology	4,032.0	32.83	11.03	0.11	-	-	-	-	-	-	4,072.2	32.83	11.14
Office Administered Drugs	94,258.0	7.48	58.75	0.59	-	-	-	-	-	-	95,204.6	7.48	59.34
Physical Exams	406.3	51.99	1.76	0.02	-	-	-	-	-	-	410.9	51.99	1.78
Therapy	4,831.6	23.32	9.39	0.09	-	-	-	-	-	-	4,877.9	23.32	9.48
Vision	107.4	74.87	0.67	0.01	-	-	-	-	-	-	109.0	74.87	0.68
Other Professional	6,830.6	50.14	28.54	0.28	-	(0.01)	-	-	-	-	6,895.2	50.14	28.81
Subtotal Professional			**$ 296.84**										**$ 304.84**
Total Medical Costs			**$ 1,979.79**										**$ 2,056.44**

Appendix 8: State Directed Payment PMPM Impacts by Rate Cell

South Carolina Department of Health and Human Services
SFY 2027 Medicaid Managed Care Capitation Rate Development
State Directed Payment PMPM Impacts by Rate Cell

Rate Cell Description	Rate Cell Code	SFY 2027 Projected Exposure	Certified Capitation Rate	Portion of the Capitation Rate Attributable to Each State Directed Payment							Aggregate Impact of All SDPs
				STP	HAWQ	Public Ambulance	Private Ambulance	Rural Hospital	IPP	State-Owned PRTF	
TANF Children											
TANF - 0 - 2 Months, Male & Female	**AH3**	74,232	$ 7,129.02	$ 173.75	$ 4,196.84	$ 1.75	$ 4.48	$ 0.12	$ 0.13	$ 0.00	$ 4,377.07
TANF - 3 - 12 Months, Male & Female	**AI3**	323,748	571.23	34.49	230.01	1.05	1.02	0.15	0.24	-	266.95
TANF - Age 1 - 6, Male & Female	**AB3**	1,993,680	300.02	8.70	93.85	0.59	0.56	0.14	0.29	-	104.13
TANF - Age 7 - 13, Male & Female	**AC3**	2,359,464	250.44	6.10	67.47	0.48	0.49	0.12	0.34	0.09	75.09
TANF - Age 14 - 18, Male	**AD1**	759,396	284.42	8.37	94.76	1.00	0.85	0.13	0.35	0.16	105.62
TANF - Age 14 - 18, Female	**AD2**	720,912	337.80	8.76	123.81	1.24	0.93	0.19	0.44	0.10	135.47
Subtotal TANF Children		**6,231,432**	**$ 379.16**	**$ 10.99**	**$ 143.39**	**$ 0.71**	**$ 0.68**	**$ 0.14**	**$ 0.33**	**$ 0.07**	**$ 156.30**
TANF Adult											
TANF - Age 19 - 44, Male	**AE1**	118,980	$ 543.80	$ 11.01	$ 225.01	$ 1.99	$ 1.18	$ 0.21	$ 0.74	$ 0.00	$ 240.13
TANF - Age 19 - 44, Female	**AE2**	905,520	746.64	19.98	329.35	2.84	1.45	0.42	1.08	-	355.12
TANF - Age 45+, Male & Female	**AF3**	164,076	1,352.13	31.01	516.11	2.66	1.60	0.56	2.97	-	554.91
Subtotal TANF Adult		**1,188,576**	**$ 809.92**	**$ 20.60**	**$ 344.68**	**$ 2.73**	**$ 1.44**	**$ 0.42**	**$ 1.31**	**$ 0.00**	**$ 371.19**
Disabled											
SSI - Children	**SO3**	147,336	$ 1,183.52	$ 25.13	$ 338.65	$ 1.75	$ 1.73	$ 0.17	$ 0.97	$ 0.54	$ 368.95
SSI - Adults	**SP3**	368,052	2,627.85	52.93	1,107.97	10.31	6.32	1.58	5.54	0.07	1,184.72
Subtotal Disabled		**515,388**	**$ 2,214.95**	**$ 44.98**	**$ 888.04**	**$ 7.86**	**$ 5.01**	**$ 1.18**	**$ 4.23**	**$ 0.20**	**$ 951.51**
SMI											
SMI Children	**VV3**	208,997	$ 1,226.51	$ 18.26	$ 502.88	$ 4.36	$ 5.81	$ 0.39	$ 1.15	$ 10.10	$ 542.95
SMI TANF Adults	**TP3**	291,379	1,543.61	38.66	548.18	5.85	2.91	0.54	3.72	0.12	599.98
SMI SSI Adults	**UP3**	188,157	3,547.93	65.09	1,304.66	21.59	11.34	1.27	9.80	0.36	1,414.11
Subtotal SMI		**688,533**	**$ 1,995.08**	**$ 39.69**	**$ 741.15**	**$ 9.70**	**$ 6.09**	**$ 0.69**	**$ 4.60**	**$ 3.21**	**$ 805.15**
OCWI	**WG2**	252,480	$ 962.61	$ 35.98	$ 629.33	$ 2.60	$ 1.87	$ 0.33	$ 0.57	$ 0.00	$ 670.68
Foster Care Children	**FG3**	44,088	2,001.54	17.01	851.54	6.57	5.07	0.72	1.41	35.44	917.76
KICK	**MG2/NG2**	21,060	7,223.49	-	-	-	-	0.05	-	-	0.05
Standard Population Subtotal		**8,920,497**	**$ 708.93**	**$ 17.19**	**$ 276.62**	**$ 2.17**	**$ 1.51**	**$ 0.29**	**$ 1.03**	**$ 0.48**	**$ 299.28**
Dual											
Dual Community Well 18+	**DJ3**	1,174,608	$ 79.69	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.05	$ 0.00	$ 0.03	$ 0.08
Dual Nursing Facility 18+	**IJ3**	127,392	109.71	-	-	-	-	0.03	-	-	0.03
Dual Waiver 18+	**EJ3**	217,704	161.18	-	-	-	-	0.06	-	-	0.06
Subtotal Dual		**1,519,704**	**$ 93.88**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.05**	**$ 0.00**	**$ 0.02**	**$ 0.07**
Non-Dual LTSS											
Non-Dual Nursing Facility 18+	**ZJ3**	19,020	$ 3,620.84	$ 92.38	$ 1,759.58	$ 42.90	$ 20.38	$ 2.22	$ 0.00	$ 0.00	$ 1,917.47
Non-Dual Waiver 18+	**XJ3**	54,168	3,709.59	91.41	1,377.93	25.11	11.20	4.33	-	-	1,509.99
Subtotal Non-Dual LTSS		**73,188**	**$ 3,686.53**	**$ 91.66**	**$ 1,477.12**	**$ 29.74**	**$ 13.59**	**$ 3.78**	**$ 0.00**	**$ 0.00**	**$ 1,615.88**
Dual/LTSS Population Subtotal		**1,592,892**	**$ 258.95**	**$ 4.21**	**$ 67.87**	**$ 1.37**	**$ 0.62**	**$ 0.22**	**$ 0.00**	**$ 0.02**	**$ 74.31**
Total		**10,513,389**	**$ 640.75**	**$ 15.22**	**$ 245.00**	**$ 2.05**	**$ 1.37**	**$ 0.28**	**$ 0.87**	**$ 0.41**	**$ 265.20**

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