

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleton/Chavis</i>	DATE <i>3-17-14</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000319</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Kost, Depa CMS file</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

March 10, 2014

**RECEIVED**

MAR 17 2014

Mr. Anthony E. Keck  
Director  
South Carolina Department of Health and Human Services (SCDHHS)  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Attention: Sheila Chavis

RE: Title XIX State Plan Amendment, SC 13-005

Dear Mr. Keck:

We have reviewed the proposed State Plan Amendment, SC 13-005, which was received by the Atlanta Regional Office on December 20, 2013. This amendment amends the rate setting methodology for the Program for All-Inclusive Care for the Elderly (PACE) for rates effective November 1, 2013.

Based on the information provided, the Medicaid State Plan Amendment SC 13-005 was approved on March 10, 2014. The effective date of this amendment is November 1, 2013. We are enclosing the approved HCFA-179 and the plan pages.

If you have any questions or need any further assistance, please contact Elaine Elmore at (404) 562-7408, or Michelle White at (404) 562-7328.

Sincerely,

Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
13-005

2. STATE  
South Carolina

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
November 1, 2013

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 460.882 Section 1934 (d) Medicaid payment

7. FEDERAL BUDGET IMPACT:  
a. FFY 2014 \$ 471,814  
b. FFY 2015 \$ 514,706

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, page 6i & 6i.1 (New page)

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

Attachment 4.19-B, page 6i

10. SUBJECT OF AMENDMENT:

Program of All-Inclusive Care for the Elderly (PACE) rate update effective November 1, 2013

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Mr. Keck was designated by the Governor  
to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:  
Anthony E. Keck

14. TITLE:  
Director

15. DATE SUBMITTED:  
December 20, 2013

16. RETURN TO:

South Carolina Department of Health and Human Services  
Post Office Box 8206  
Columbia, SC 29202-8206

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
12/30/13

18. DATE APPROVED: 03/10/14

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
11/01/13

PLAN APPROVED - ONE COPY ATTACHED

21. TYPED NAME:  
Jackie Glaze

20. SIGNATURE OF REGIONAL OFFICIAL:  
*Jackie Glaze*

22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children Health Opns

23. REMARKS:

Program of all-Inclusive Care for the Elderly (PACE):

A. PACE Upper Limit Calculation:

1. Data is summarized from the FFS experience for individuals ages 55 and over who are nursing home eligible into the following populations:

- a. Dual eligible community residents enrolled in the CLTC waiver
- b. Medicaid only community resident enrolled in the CLTC waiver
- c. Dual eligible nursing home residents
- d. Medicaid only nursing home residents

Fee-for-service (FFS) experience is summarized by eligibility category and covered service category.

CLTC waiver services were included in the following service categories:

- Personal Care Services
- Attendant Care Services
- Adult Day Care Services
- Homemaker Services
- Home Meal Delivery

2. Adjustments are applied to reflect the contract period for each population.

In this step, adjustment factors are applied to reflect the differences between the base experience period and the MCO contract period.

IBNR Adjustment:

The fee-for-service data that is used in developing the Medicaid managed care rates include allowing for nine months of run-out for the base experience period. The Incurred, But Not Reported (IBNR) adjustment reflects an estimate of the claims that will be paid after the last payment dates incurred claims.

Reimbursement Adjustments:

Adjustments are made to reflect the difference in fee schedules between the base experience period and the contract period.

SC: 13-005  
EFFECTIVE DATE: 11/01/13  
RO APPROVAL: 03/10/14  
SUPERSEDES: SC 06-003

Trends:

Trend rates are derived from SC DHHS quarterly budget projections

Third Party Liability Adjustment:

A factor is used to adjust for third party liability (TPL) recoveries that are not included in the claims data for the Medicaid Only population.

Non-Emergency Transportation Add-On:

The base experience data does not include the cost of non-emergency transportation services provided by South Carolina's non-emergency transportation contractor. To account for this missing cost, a non-emergency transportation add-on is included in the PACE rate development.

3. Blend the Community and Nursing Home resident populations to develop the PACE UPL.

In this step, the projected cost for the community and nursing home resident population is blended for each eligibility group. The resulting blended cost is the PACE UPL for the contract period.

4. Calculate Capitation Rates

To calculate the PACE capitation rates, the projected cost for the community and nursing home resident population is blended for each eligibility group net of patient liability.

Then, an added allocation is given for patient liability consistent with the proportion of PACE enrollees that are expected to reside in a nursing home and pay the patient liability.

SC: 13-005  
EFFECTIVE DATE: 11/01/13  
RO APPROVAL: 03/10/14  
SUPERSEDES: New Page