DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Wells	7-27-06

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000116	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR _____ cc: Bowling ✓	[ ] Prepare reply for appropriate signature DATE DUE _____ [ ] FOIA DATE DUE _____ [X] 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
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Leg. Wells
"Nec. Action"
cc: Bowling

July 17, 2006

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

Re: South Carolina Title XIX State Plan Amendment, Transmittal #05-007

Dear Mr. Kerr:

We have reviewed South Carolina's State Plan Amendment (SPA) 05-007 which was submitted to the Atlanta Regional Office on May 23, 2005. This State Plan Amendment revises the payment method to directly reimburse hospice agencies for room and board furnished in a Nursing Facility. Based on the information provided, we are pleased to inform you that South Carolina SPA 05-007 was approved on July 12, 2006. The effective date is July 1, 2005.

Copies of the signed CMS-179 form and approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Elaine Elmore at (404) 562-7408.

Sincerely,

Renard L. Murray

Renard L. Murray, D.M.
Associate Regional Administrator
Division of Medicaid & Children's Health

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

REVISED

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 05-007

2. STATE: South Carolina

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

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

4. PROPOSED EFFECTIVE DATE
07/01/05

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:

§1905(o)(3) of the Social Security Act.

7. FEDERAL BUDGET IMPACT:

a. FFY 2005 -0-
b. FFY 2006

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Limitation Supplement, Pages 6e & 7a
Attachment 4.19-B, Pages 6.2 & 6.3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

Attachment 3.1-A, Limitation Supplement , Pages 6e & 7a
Attachment 4.19-B, Page 6.2

10. SUBJECT OF AMENDMENT:
Implementation of direct payment system to hospice agencies for room and board furnished in a Nursing Facility.

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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Robert M. Kerr

14. TITLE:
Director

15. DATE SUBMITTED:
May 19, 2005

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:
May 23, 2005

18. DATE APPROVED:
July 12, 2006

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2005

20. SIGNATURE OF REGIONAL OFFICIAL:
Renard L. Murray

21. TYPED NAME:
Renard L. Murray, D.M.

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

23. REMARKS:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

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§1905(o)(3) of the Social Security Act.

7. FEDERAL BUDGET IMPACT:

a. FFY 2005 N/A
b. FFY 2006

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Limitation Supplement, Page 7a
Attachment 4.19-B, Page 6.9

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

Attachment 3.1-A, Limitation Supplement , Page 7a
Attachment 4.19-B, Page 6.9

10. SUBJECT OF AMENDMENT:
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21. TYPED NAME:

22. TITLE:

23. REMARKS:

provided will be based on the individual's needs and set forth in a care plan developed by licensed practitioner of the healing arts, within their scope of practice under South Carolina law. All requirements of 42 CFR 440.167 will be met.

Integrated personal care service will be available to eligible individuals who require an integrated set of services available on a 24-hour basis. Services are provided in a non-medical environment that promotes individuals to reach and maintain their peak functional level and delay the need for nursing facility care. The medical criteria will include the following elements:

- Inability to live alone due to an inadequate support system;
- In need of assistance to sustain maximum functional level; and
- A minimum of two functional dependencies or one functional dependency and one cognitive impairment.

Eligible providers must be able to provide the integrated set of personal care services on q 24-hour basis and maintain a standard license under South Carolina Department of Health and Environmental Control Regulation 61-84.

The integrated personal care service provider must directly provide the following services, which must be specified in the resident's care plan:

- Medical monitoring,
- Medication administration, and
- Provision of assistance with ADL's.

Payment will be made to the employer of the personal care aide providing care. Integrated Personal Care services shall be paid by unit. A unit is one hour of service. No more than four units will be authorized per day. Reimbursement will be based on a rate determined from analyzing available comparable services and cost data.

14.b Skilled Nursing Facility Services for Individuals Age 65 or Older in Institutions for Mental Disease. (a) Must meet utilization control criteria for admission. (b) Must meet standards for certification of need.

Basic services and items furnished in an IMD facility that are included in the per diem rate and must not be charged to the patient include the following:

A. Nursing Services - Include all nursing services to meet the total needs of the resigned, the administration of treatments and medications as ordered by the physician, assistance with mobility (walking or wheelchair), and routine nursing supplies. Nursing supplies include, but are not limited to such items as syringes, air mattress, I.V. supplies, adhesive tape, canes, ice bags,

All providers (i.e., private and public) of rehabilitative services for Primary Care Enhancement will be required to submit annual cost reports for each level of service for which they are reimbursed. The cost reports shall include the actual costs of providing each service level as well as service delivery data utilizing the established defined unit of service. These reports will be used to analyze the appropriateness and reasonableness of the reimbursement rates as well as to verify that the Medicaid reimbursement does not exceed the actual allowable costs of providing services. Cost settlements will be performed each year as a result of the submission of the annual cost reports. However, Medicaid reimbursement will be limited to the lower of actual allowable Medicaid costs or the maximum rate cap established for each level of service. The maximum rate cap for each level of service will be established each year using the financial and service delivery data of the largest volume provider of the service. Additionally, future reimbursement rates for providers will be the lesser of the providers' actual unit cost or the maximum rate that has been established.

Integrated Personal Care Service - The rate paid to providers of Integrated Personal Care services equals the rate paid to providers of Personal Care Aide II services. This methodology is described under page 2, paragraph 4.b of Attachment 4.19-B. A unit of service equates to one hour. This rate does not cover room and board services provided to Medicaid recipients. State developed fee schedule rates are the same for both public and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins.

17. Nurse Midwife Services:

Self-employed - Reimbursement is calculated at 80% of the current physician allowable amount for the delivery and 100% of the current physician allowable amount.

Employed - Reimbursement is calculated at 100% of the current physician allowable amount.

18. Hospice Services:

With the exception of payment for physicians services reimbursement for hospice services is made at one of four predetermined rates for each day in which an individual is under the care of the hospice. The rate is no lower than the rates used under Part A of Title XVIII Medicare, adjusted to disregard cost offsets attributable to Medicare coinsurance, using the same methodology used under Part A. The four rates are prospective rates. There are no retroactive adjustments other than the limitation on payments for inpatient care. The rate paid for any particular day varies depending on the level of care furnished to the individual.

In addition to the four reimbursement rates of the services described below, Hospice providers are also required to reimburse nursing facilities and ICF/MR facilities for the Hospice Long Term Care Room and Board per diem. This amount is paid to the hospice on behalf of an individual residing in a Nursing Facility or Intermediate Care Facility for the mentally retarded. The Hospice Agency is responsible for reimbursing the nursing facility at no less than 100% of the daily room and board rate.

The four reimbursement rates are applicable to the type and intensity of the services (level of care) furnished to the individual for that day. The four levels of care into which each day of care is classified are:

- Routine Home Care
- Continuous Home Care
- Inpatient Respite Care
- General Inpatient Care

For continuous home care, the amount of payment is determined based on the number of hours of care furnished to the patient on that day.

The Hospice Agency will bill Medicaid for the room and board provided to Medicaid beneficiaries who elect hospice and who continue to reside in nursing facilities or intermediate care facilities for the mentally retarded. Upon receipt of the Medicaid reimbursement, the Hospice providers will forward the reimbursement to the facility in which the Medicaid beneficiary resides.

Limitations on Inpatient Care

Payments to a hospice for inpatient care must be limited according to the number of days of inpatient care furnished to Medicaid patients. The requirements found in 42 CFR 418.302(f)(1)-(5) will be imposed when implementing the limitations on inpatient care.