

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

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| TO <i>Hess</i> | DATE <i>6-20-11</i> |
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| DIRECTOR'S USE ONLY | | ACTION REQUESTED | |
| 1. LOG NUMBER <i>1011574</i> | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action | | |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Yeck, Deps, CUS file Jacobbs</i> | | | |

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

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



June 14, 2011

RECEIVED

JUN 20 2011

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

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Re: South Carolina Title XIX State Plan Amendment, Transmittal #10-015

Dear Mr. Keek:

We have reviewed South Carolina's State Plan Amendment (SPA) 10-015, which was submitted to the Atlanta Regional Office on December 15, 2010. This amendment was submitted to eliminate the coverage of the optional services for dental, hospice, podiatry, routine eye exams with refractions, eyeglasses for adults, and reduced the number of home health visits from seventy five to fifty.

The State withdrew the hospice change early in the process and addressed all of the services and related issues contained in a request for additional information (RAI) satisfactory. CMS also had questions related to the number of home health visit reductions and received sufficient documentation that the reduction in the number of home health visits would not adversely impact beneficiaries.

Based on the information provided, we would like to inform you that South Carolina SPA 10-015 was approved on May 25, 2011. The effective date is February 1, 2011. The signed CMS-179 and the approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Tandra Hodges at (404) 562-7409.

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

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 430.10

7. FEDERAL BUDGET IMPACT: FMAP 70.04%
a. FFY 2011 (\$12,477,725)
b. FFY 2012 (\$18,716,587)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Limitation Supplement, Pages 3a, 4, 4b, 5a, 6 & 7a

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

Attachment 3.1-A, Limitation Supplement Pages 3a, 4, 4b, 5a, 6 and 7a

10. SUBJECT OF AMENDMENT:

Elimination of the optional services coverage for dental, hospice, podiatry and routine eye exams with refraction and eyeglasses for adults and the reduction in the home health visits per year.

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:

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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Emma Forkner

16. RETURN TO:

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

13. TYPED NAME:

Emma Forkner

14. TITLE:

Director

15. DATE SUBMITTED:

December 15, 2010

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

12/15/10

18. DATE APPROVED:

05/25/11

19. EFFECTIVE DATE OF APPROVED MATERIAL: 02/01/11

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:

Jackie Glaze

Associate Regional Administrator

Division of Medicaid & Children's Health Ops

21. TYPED NAME:

Jackie Glaze

23. REMARKS:

Approved with following change as authorized by State Agency on email and letter dated 6/13/11.

Block # 8 changed to read: Attachment 3.1-A, Limitation Supplement pages 3a, 4, 4b, 4c, 5, 5a and 6.

Block #9 changed to read: A Attachment 3.1-A, Limitation Supplement pages 3a, 4, 4b, 4c, 5 (new), 5a and 6.

exempt from the twelve (12) visit limitation. Ambulatory care exams include all physician office examinations for general medical diagnoses and specialty care. Included in the ambulatory care restrictions are rural health clinic encounters and initial psychiatric visits. Surgery, therapy, family planning, diagnostic tests, monitoring, and maintenance management are not included in the twelve (12) visits limitation.

Hospital Services rendered by a physician are not restricted but are subject to the pre-admission review process, medical necessity criteria and the limitations included in the hospital section of the plan.

All services listed in the Current Procedural Terminology Text (CPT), and the HCPCS Supplemental Coding Manual are allowed services unless restricted in the Medicaid Physician, Clinical and Ancillary Services Manual. These services include, but are not limited to, general medical care, diagnostic services, therapeutic services, reconstructive and medically necessary surgeries, maternal care, family planning, rehabilitative and palliative services, lab, x-ray, injectable drugs, and dispensable and supplies not restricted in other areas of the plan or the Medicaid provider manuals.

Speech, physical, and occupational therapy coverage for beneficiaries over the age of 21 is limited to the provision of services when one of the following requirements are met: (1) the attending physician prescribes therapy in the plan of treatment during an inpatient hospital stay and therapy continues on an outpatient basis until that plan of treatment is concluded; (2) the attending physician prescribes therapy as a direct result of outpatient surgery; or (3) the attending physician prescribes therapy to avoid an inpatient hospital admission.

For EPSDT eligible beneficiaries under the age of 21 speech and hearing services are covered based on medical necessity and must be prior authorized by South Carolina Department of Health and Environmental Control (SCDHEC), The Department of Disabilities and Special Needs or a school district. For physical, and occupational therapy, services are available through rehabilitation centers certified by SCDHEC, and through individual practitioners who are licensed by either the South Carolina Board of Physical Therapy Examiners or the South Carolina Board of Occupational Therapy and enrolled in the South Carolina Medicaid program.

Vision care services are defined as those that are medically necessary for the diagnosis and treatment of conditions of the visual system and the provision of lenses and/or frames as applicable. Routine eye examination with refraction is covered for EPSDT eligible children under the age of 21. This benefit is limited to one every 365 days, if medically necessary. Any other medically necessary vision care services are covered during the 365 day period for adults and EPSDT eligible beneficiaries under the age of 21. One pair of eyeglasses is available during a 365 day period to beneficiaries eligible under the EPSDT program. Additional lenses can be approved if the prescription changes at least one-half diopter (0.50) during the 365-day period.

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: SC 09-010

6a. PODIATRIST. Effective February 1, 2011 podiatry services will only be covered for recipients under 21 years of age when medical necessity has been established. Podiatry services must conform to the guidelines and limitations as specified under Musculoskeletal System/Podiatry Services Section of the Professional Services Manual. Podiatry providers are licensed practitioners and provide services within the scope of practice as defined under State law and in accordance with the requirements of CFR 440.60(a)

6b. OPTOMETRIST. Vision Care services are those which are reasonable and necessary for the diagnosis and treatment of conditions of the visual system and the provision of lenses and/or frames as applicable. Optometry providers are licensed practitioners and provide services within the scope of practice as defined under State law and in accordance with the requirements of CFR 440.60(a)

Covered Services:

B. Services for EPSDT recipients are as follows:

1. Routine eye examinations with refraction is limited to one every 365 days, when medically necessary.
2. Glasses, if prior approved by the State Health and Human Services Finance Commission.
3. One original and one replacement or repair of the original pair of glasses per fiscal year, if prior approved by the South Carolina State Department of Health and Human Services.

Non-Covered Services:

1. Visual Therapy or training.
2. Tinted lenses.
3. Training lenses.
4. Lenses covered as a separate service (except replacements).
5. Protective lenses.
6. Oversize lenses.
7. Lenses for unaided VA less than 20/30 + or -.50 sphere.
8. Plastic lenses for prescription less than + or -4 diopters.
9. No allowable benefits for optometric hypnosis, broken appointments, or charges for special reports.

6c. CHIROPRACTORS: Chiropractic services are those which are limited to manual manipulation of the spine for the purpose of correcting subluxation demonstrated on x-ray. For the purpose of this program, subluxation means an incomplete dislocation, off-centering, misalignment, fixation or abnormal spacing of the vertebrae anatomically that is demonstrable on a radiographic film (x-ray).

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: SC 06-014

Social Work Services to Enhance the Effectiveness of Home Health Services:

Under the direction of a plan of care which has been signed by a physician, qualified medical social services may be provided to Medicaid home health recipients under the direct care of a Medicare certified home health agency contracted with the State Medicaid agency.

Specific services necessitate the skills and capabilities of a qualified medical social worker to be performed safely and effectively. Medical social service functions must be provided by a social worker with a graduate degree from an accredited school of social work. All practitioners must be licensed in accordance with federal and state requirements; be supervised by the clinical director of the home health agency; meet all requirements found in CFR440.60, and be employed by a Medicare certified home health agency that is contracted with SCDHHS to provide services.

Services provided must be identified during an assessment process of the social, emotional, and environmental issues and focused on the medical condition or the rate of recovery of the patient. The assessment must also include the relationship of the patient's medical and nursing requirements to the patient's home situation, financial resources and availability of community resources.

The medical social services staff identifies and obtains referrals to community resources on behalf of the patient; advocates through consultation, liaison, and interdisciplinary collaboration for the services for the patient, whose risk status may interfere with the achievement of the home health goals; and interface with the resolution of identified patient problems that cannot be resolved.

A continuous evaluation process is implemented to assess the achievement of specified goals and to address the impact on the patient's illness, need for care, response to treatment, and adjustment to care.

Medical social services furnished to the patient's family member or a caregiver on a short-term basis when the home health agency can demonstrate that a brief intervention (that is two or three visits) by a medical social worker is necessary to remove a clean and direct impediment to the effective treatment of the patient's medical condition or to his or her rate of recovery. To be considered "clear and direct," the behavior or actions of the family member must plainly obstruct, contravene, or prevent the patient's medical treatment or rate of recovery. Medical social services to address general problems that do not clearly and directly impede treatment or recovery as well as long-term social services furnished to family members, such as ongoing alcohol counseling, are not covered.

7. HOME HEALTH CARE SERVICES - Home health services are provided by a licensed and certified home health agency to eligible beneficiaries who are affected by illness or disability.

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: SC 06-014

The services are based on physician orders that are reviewed every sixty (60) days. The home health agency must be certified to participate under Title XVIII (Medicare), meet the conditions governing participation as certified by the South Carolina Department of Health and Environmental Control, and have an approved Certificate of Need (CON). The home health agency must also be in compliance with all federal, state, and local laws.

Home health services provided are consistent with 42 CFR 440.70 and include the following mandatory services: skilled nursing services on an intermittent basis, home health aide services and medical supplies, equipment and appliances suitable for use in the home. Optional home health services that may be provided include: physical therapy, speech therapy and occupational therapy.

Covered services must be ordered by the beneficiary's physician as part of a written plan of care consistent with the functions the practitioner is legally authorized to perform. The practitioner must review and sign this plan of care at least every sixty (60) days as stated in 42 CFR 440.70 (a)(2). The practitioner ordering home health services or reviewing the plan of care may not have a significant ownership interest in or a significant financial or contractual relationship with the home health agency.

COVERED SERVICES INCLUDE:

- **NURSING SERVICES:** Nursing services provide direct patient care including, but not limited to, assessment, teaching, injections, changing dressings, catheter care, and skilled monitoring of symptoms. As stated in 42 CFR 440.70, nursing services must be provided on a part-time or intermittent basis by a registered nurse. The nurse must be currently licensed by South Carolina and trained in administrative and clinical record keeping.
- **HOME HEALTH AIDE SERVICES:** Home health aide services are of a personal care nature, are medically oriented, are provided in the home, and include assistance in activities of daily living and retaining self-help skills. These services must be prescribed by a physician in accordance with a plan of care and supervised by a registered nurse. As stated in 42 CFR 484.4, all home health aides must have completed a training and competency evaluation program.
- **MEDICAL SUPPLIES, EQUIPMENT AND APPLIANCES:** As stated in 42 CFR 440.70 (b)(3), medical supplies, equipment, and appliances must be suitable for use in the home. A recipient's need for medical supplies, equipment, and appliances must be reviewed by a physician annually. The frequency of further physician review of a recipient's continuing need for the items is determined on case-by-case basis, based on the nature of the item prescribed.
- **PHYSICAL THERAPY, OCCUPATIONAL THERAPY, and SPEECH THERAPY:** Physical therapy, occupational therapy, or speech pathology services are provided by a home health agency or by a facility licensed by the State of South Carolina to provide medical rehabilitation services. Therapists providing these services meet the provider qualifications at 42 CFR 440.110.

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: New page

When home health services are provided, the service a patient receives is counted in visits. A visit is a face-to-face encounter between a patient and any qualified home health professional whose services are reimbursed under the Medicaid program and ordered by a physician as part of a written plan of care every sixty (60) days.

Home health agency visits are limited to a total of fifty (50) per recipient per state fiscal year for all mandatory and optional home health services for beneficiaries over the age of 21 and does not apply to children. For situations where it is medically necessary for a beneficiary to exceed the fifty (50) visit limitation, a request for additional visits accompanied by supporting medical documentation which would document the necessity for the additional home health visits will be reviewed by the South Carolina Department of Health and Human Services medical reviewer for approval. In accordance with EPSDT requirements any therapy service that is provided beyond the limits would require prior approval if determined medically necessary.

9. CLINIC SERVICES:

Clinic services are limited to outpatient ambulatory centers that provide medical services which include all primary, preventive, therapeutic, and rehabilitative services. Covered Clinic services include:

a. AMBULATORY SURGICAL CENTERS: Medical coverage is limited to medically necessary services provided by certified and licensed ambulatory surgical centers that meet the conditions for Medicare coverage as established in 42 CFR, Part 416, Subpart B, (Conditions for coverage), and as evidenced by an agreement with HCFA,

The surgical procedures covered are limited to those described under 42 CFR Part 416, Subpart B, (Scope of Benefits), and those procedures published in the South Carolina Medicaid Physician and Clinical Services Manual, with appropriate revisions and updates.

b. END STAGE RENAL DISEASE CLINICS: Medicaid coverage includes all medically necessary treatments and services for incenter or home dialysis as described in the South Carolina Medicaid Physician and Clinical Services Manual.

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: SC 06-014

9. Clinic Services Cont.

Medicaid coverage is limited to services provided by licensed ESRD clinics meeting the Medicare requirements outlined in 42 CFR Part 250 and participating in Medicare as evidenced by a Medicare agreement.

c. **MENTAL HEALTH CLINICS:** Medicaid coverage is limited to outpatient Mental Health Clinics meeting the standards as determined by the South Carolina Department of Mental Health and services as outlined in the South Carolina Mental Health and Quality Assurance Manuals.

d. **COUNTY HEALTH DEPARTMENT:** Medicaid coverage includes all primary, preventive, therapeutic and rehabilitative services that are medically justified and rendered under the supervision of a physician, and a written physician protocol as described in the Physician and Clinical Services Manual and through contract with the Single State Agency.

These services include all primary diagnostic and treatment services, maternal and child health care, and family planning services as described in the Physician and Clinical Services Manual and elsewhere in the State Plan.

Coverage is limited to health clinics licensed by, or contracted with, or under the auspices of the South Carolina Department of Health and Environmental Control.

10. DENTAL SERVICES

Dental services for recipients under 21 include any medically necessary dental services.

11.a PHYSICAL THERAPY

Physical Therapy Services:

Other physical therapy services not related to EPSDT must be provided in accordance with SCDHHS hospital, physician, and home health manuals.

SC 10-015
EFFECTIVE DATE: 02/01/11
RO APPROVAL: 05/25/11
SUPERSEDES: SC 10-011

GENERAL EXCLUSIONS: As provided by Section 1927(d) of the Social Security Act, certain outpatient drugs may be excluded from coverage. Those excluded are:

- A. Medications used for weight control (except lipase inhibitors).
- B. Pharmaceuticals deemed less than effective by the Drug Efficacy Study Implementation (DESI) Program.
- C. Over-the-counter (OTC) pharmaceuticals that are not in the Medicaid drug rebate program and those products that are otherwise excluded from Medicaid coverage in this section.
- D. Topical forms of minoxidil when used for hair loss.
- E. Agents when used to promote fertility. (Effective March 1, 1991)

As provided by Section 1927(k) (2) of the Social Security Act, certain other exclusions are:

- F. Investigational/experimental pharmaceuticals or products without FDA approval under the Federal Food, Drug, and Cosmetic Act.

As provided by Section 1927(k) (3) of the Social Security Act, certain other exclusions are:

- G. Injectable table pharmaceuticals administered by the physician in his office, in a clinic or in a mental health center.

Drug Prior Authorizations can be requested by the prescribing physician or pharmacist with needed documentation for items excluded from coverage and those drugs requiring special authorization as outlined in the Pharmaceutical Services Medicaid Manual, except those drugs ruled ineffective (DESI) by the Federal Government.

- 12c. PROSTHETIC OR ORTHOTIC APPLIANCES. Approval from the State Office is required prior to the provision of the prosthetic or orthotic appliance. Supplies, equipment, and appliance limitations are specified in the Durable Medical Equipment Provider Manual, and follow Medicare limitations.

- 12d. EYEGLASSES Coverage for eyeglasses will be limited to recipients under 21 years of age when medical necessity has been established. One pair of eyeglasses is available during a 365 day period to beneficiaries eligible under the EPSDT program. Additional lenses can be approved if the prescription changes at least one half diopter (0.50) during the 365 day period.

- 13c. PREVENTIVE SERVICE FOR PRIMARY CARE ENHANCEMENT

A. Definition of Service - Preventive Services for Primary Care Enhancement (PSPCE) are services, including assessment and evaluation, furnished by physicians or other licensed practitioners of the healing arts acting within the scope of practice under State law which are furnished in order to:

- Prevent disease, disability, and other health conditions or their progression;
- Prolong life; and
- Promote physical and mental health and efficiency.