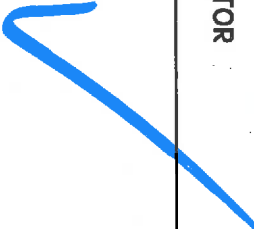


DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Mells</i>	DATE <i>7-27-06</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000115</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Bowling</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  
61 Forsyth St., Suite 4120  
Atlanta, Georgia 30303-8909



July 17, 2006

*Dog Wells*  
*11 Rec. Action*  
**RECEIVED**  
JUL 27 2006

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

*cc: Bowling*  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Re: South Carolina Title XIX State Plan Amendment, Transmittal #06-001

Dear Mr. Kerr:

We have reviewed South Carolina's State Plan Amendment (SPA) 06-001 which was submitted to the Atlanta Regional Office on January 20, 2006. This State Plan Amendment updates the payment methodology for Certified Registered Nurse Anesthetist and Anesthesiologist. The State changed the methodology so that CRNAs under the direct supervision of a surgeon will be reimbursed at 90 percent of the Anesthesiologist reimbursement rate. CRNAs under the medical direction of an Anesthesiologist will receive 50 percent of the Anesthesiologist reimbursement rate. The Anesthesiologist providing the medical directed supervision of a CRNA will be reimbursed at 60 percent of the physician's reimbursement rate. Based on the information provided, we are pleased to inform you that South Carolina SPA 06-001 was approved on July 12, 2006. The effective date is April 1, 2006.

Copies of the signed CMS-179 form and approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Selwyn White at (404) 562-7427.

Sincerely,

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

Enclosure

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

1. TRANSMITTAL NUMBER:  
MA 06-001

2. STATE  
South Carolina

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

TO: REGIONAL ADMINISTRATOR

4. PROPOSED EFFECTIVE DATE  
April 1, 2006

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:

7. FEDERAL BUDGET IMPACT: (1) - \$549\*.5\*.6932  
a. FFY 2006 \$190 (1)  
b. FFY 2007 \$381

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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

Attachment 4.19-B Pages 2a and 3

Attachment 4.19-B Pages 2a and 3

10. SUBJECT OF AMENDMENT:

Update payment methodology for CRNAs and Anesthesiologists

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:

*Robert M. Kerr*

16. RETURN TO:

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

13. TYPED NAME:

Robert M. Kerr

14. TITLE:

Director

15. DATE SUBMITTED:

January 19, 2006

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

January 20, 2006

18. DATE APPROVED:

July 12, 2006

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

April 1, 2006

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:

Nursing Services for Children Under 21:

Initial reimbursement to providers of nursing services for children under the age of 21 is made on the basis of an established fee schedule not to exceed the prevailing charges in the locality for comparable services under comparable circumstances. Reimbursement will be provided on a unit of a quarter of an hour basis for skilled nursing services and a per encounter basis for medication administration and other similar procedures. The current reimbursement rates are based on rates or fees reimbursed for similar services.

State and local government providers must submit annual actual cost and service delivery data. The State shall utilize Medicare reasonable cost principles as well as OMB Circular A-87 and other OMB circulars as may be appropriate during its review of actual allowable costs. Future reimbursement rates to state and local government providers shall be the lesser of actual allowable documented cost or the established fee.

4.c Family Planning Services and Supplies:

Family Planning Services are reimbursed at an established fee schedule based on cost or by the methodologies set forth in other sections of the Plan.

5. Physician Services:

Effective January 1, 2004, there is a standard co-payment of \$2.00 per office visit provided (42 CFR 447.55) when co-payment is applicable (42 CFR 447.53). State developed fee schedule rates are the same for both public and private pediatric sub-specialist providers and the fee schedule and any annual/periodic adjustments to the fee schedule are published. All physician services will be reimbursed based on a Fee Schedule not to exceed 100 percent of Medicare. For those procedures that are non-covered by Medicare, reimbursement is based on data collected within the Medicaid Management Information System or by a review conducted by medical personnel to establish the relative value. The Anesthesiologist providing the medical directed supervision of a Certified Registered Nurse Anesthetist (CRNA) will be reimbursed at 60 percent of the reimbursement rate.

Effective July 1, 2005, pediatric sub-specialist providers will receive an enhanced Medicaid rate for evaluation & management, medical & surgical procedure codes. These enhanced rates are established at 120 percent of the Medicare fee schedule for certain evaluation and management codes as determined by the state agency. All other CPT codes will be reimbursed at 100 percent of the Medicare fee schedule. Pediatric sub-specialist providers are those medical personnel that meet the following criteria: a) have at least 85% of their patients who are children 18 years or younger; b) practice in the field of Adolescent Medicine, Cardiology,

Reimbursement for laboratory (pathology) services performed by individual practitioners is calculated as specified in 5.

End State Renal Disease - Reimbursement for ESRD treatments, either home or in center, will be an all inclusive fee based on the statewide average of the composite rates established by Medicare. The reimbursement will be an all inclusive fee to include the purchase or rental, installation and maintenance of all equipment.

6.a Podiatrists' Services:

Effective January 1, 2004, there is a standard co-payment of \$1.00 per office visit provided (42 CFR 447.55) when co-payment is applicable (42 CFR 447.53). Reimbursement is calculated in the same manner as for Physicians' services. Refer to 5.

6.b Optometrists' Services (Vision Care Services):

Effective January 1, 2004, there is a standard co-payment of \$1.00 per office visit provided (42 CFR 447.55) when co-payment is applicable (42 CFR 447.53). Payment will be according to an established fee schedule for all services not provided through the sole source contract. Effective February 1, 1982.

6.c Chiropractor's Services:

Effective January 1, 2004, there is a standard co-payment of \$1.00 per office visit provided (42 CFR 447.55) when co-payment is applicable (42 CFR 447.53). Reimbursement is calculated in the same manner as for Physicians' services. Refer to 5.

6.d

Certified Registered Nurse Anesthetist(CRNA): CRNAs under the medical direction of a surgeon will be reimbursed at 90 percent of the Anesthesiologist reimbursement rate. CRNAs under the medical direction of an Anesthesiologist will receive 50 percent of the reimbursement rate. Refer to 5 Physician Services.

Nurse Practitioner: Effective January 1, 2004, there is a standard co-payment of \$2.00 per office visit when co-payment is applicable. Reimbursement is calculated at 80 percent of the rate for Physician Services. Refer to 5.

Psychologists: Psychological services are reimbursed at an established statewide fee schedule as based on the Methodology outlined in the Physician Section 5, Attachment 4.19-B, Page 2a. All requirements identified under CFR 447.200ff and 447.300ff shall be met.

Licensed Midwives' Services: Effective January 1, 2004, there is a standard co-payment of \$2.00 per office visit when co-payment is applicable. Reimbursement is calculated at 65% of the rate for physician services. Refer to 5a and 5b.

7. Home Health Services:

Nursing Services, Home Health Aide Services, Physical Therapy, Occupational Therapy, Speech Pathology, and Audiology are provided and reimbursed based on the lesser of allowable Medicare costs, charges, or the Medicare cost limits. At the end of each Home Health Agency's fiscal year end, an actual cost report must be submitted which is used for the purpose of completing a cost settlement based on the lesser of allowable Medicare costs, charges, or the Medicare cost limits.