

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR**

**ACTION REFERRAL**

|                           |                               |
|---------------------------|-------------------------------|
| <b>TO</b><br><i>Wills</i> | <b>DATE</b><br><i>1/27/09</i> |
|---------------------------|-------------------------------|

| <b>DIRECTOR'S USE ONLY</b>  | <b>ACTION REQUESTED</b>   |
|---|---|
| 1. LOG NUMBER<br><br><i>100047</i>  | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR<br><br><i>C. Emma Jackson</i><br><i>Dups - ? CMS</i><br> | <input type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE _____    |
|   | <input checked="" type="checkbox"/> Necessary Action<br>DATE DUE _____                |

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

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



July 22, 2009

RECORDED  
JUL 27 2009

Ms. Emma Forkner, 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 #08-004

Dear Ms. Forkner:

We have reviewed South Carolina's State Plan Amendment (SPA) 08-004, which was submitted to the Atlanta Regional Office on May 27, 2008. This amendment updates payment methodology for laboratory and x-ray services.

Based on the information provided, we are pleased to inform you that South Carolina SPA 08-004 was approved on July 20, 2009. The effective date is May 1, 2008. 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 or Philip Bailey at (615) 255-9305.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Kaye Justis".

Mary Kaye Justis, RN, MBA  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:  
SC 08 - 004

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  
May 1, 2008

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

6. FEDERAL STATUTE/REGULATION CITATION:

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

7. FEDERAL BUDGET IMPACT:  
a. FFY 2008 \$1,533,333  
b. FFY 2009 \$2,300,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 3.1-A, Page 1

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

Attachment 3.1-A, Page 1

Attachment 3.1-A, Limitation Supplement Page 1a

Attachment 3.1-A, Limitation Supplement Page 1a

10. SUBJECT OF AMENDMENT:

Clarify Lab and X-ray Services Reimbursement Methodology.

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:

Ms. 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:

May 27, 2008

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 05/27/08

18. DATE APPROVED: 07/20/09

19. EFFECTIVE DATE OF APPROVED MATERIAL:

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:

*Paul Roberts*

21. TYPED NAME: 05/20/08

Mary Kaye Justice, RN, MDA

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

23. REMARKS:

Approved with following changes as authorized by State Agency on email and letter dated 07/13/09

Block # 8 Add Attachment 4.13-B, Pages 2, 2.1 and 2a.2

Block # 9 Add Attachment 4.19-B, Pages 2, 2.1 and 2a.2

State/Territory: South Carolina

AMOUNT, DURATION, AND SCOPE OF MEDICAL  
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

- 
1. Inpatient hospital services other than those provided in an institution for mental diseases.  
 Provided:  No limitations  With limitations\*
  - 2.a. Outpatient hospital services.  
 Provided:  No limitations  With limitations\*
  - b. Rural health clinic services and other ambulatory services furnished by a rural health clinic.  
 Provided:  No limitations  With limitations\*  
 Not Provided:
  - c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with section 4231 of the State Medicaid Manual (HCFA-Pub.45-4).  
 Provided:  No limitations  With limitations\*
  - d. Ambulatory services offered by a health center receiving funds under section 329, 330, or 340 or the Public Health Service Act to a pregnant woman or individual under 21 years of age.  
 Provided:  No limitations  With limitations\*
  - e. Indian Health Service Facility Services.  
 Provided:  No limitations  With limitations\*  
 Provided:  No limitations  With limitations\*
  3. Other laboratory and x-ray services.  
 Provided:  No limitations  With limitations\*

\*Description provided on attachment

TN No. SC 08-004  
Supersedes MA 99-005  
TN No. MA 99-005

Approval Date: 07/20/09

Effective Date 05/01/08  
HCFA ID: 7986E

both programs; however, The Medicare (Title XVII) program is primarily responsible for reimbursement in these cases. Non-Medicare benefits will follow the South Carolina Medicaid State Plan as described in 42 CFR 337.371 (c) (2).

3. Other Laboratory and X-Ray Services:

Reimbursement is calculated as it is for physicians. Refer to 5.

4.b Early and Periodic Screening, Diagnosis and Treatment Screening Services:

For providers other than individual practitioners that provide EPSDT screening services, reimbursement will be made in accordance with the reimbursement methodology established for those provider types contained within Attachment 4.19-B. For example, Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) providing EPSDT screening services will be reimbursed their established Medicaid encounter rate.

Comprehensive Health and Developmental History including  
Assessment of both Physical and Mental Health Development  
Assessment of Nutritional Status  
Vision Screening  
Comprehensive Unclothed Physical Examination  
Hearing Screening  
Ear, Nose, Mouth and Throat Inspection  
Blood Pressure  
Developmental Assessment  
Anemia Screening  
Assessment of Immunization Status and Administration  
Health Education

Optional services as deemed medically necessary by the provider:

Lead Screening  
Sickle Cell Test  
Tuberculin Skin Test  
Parasite Test  
Urinalysis

Immunizations:

Vaccines for Medicaid eligible children are obtained through the State Health Agency as provided under the Vaccines for Children Program. An administration fee will be reimbursed to Medicaid providers who administer immunizations in conjunction with an EPSDT screening or other billable service, as well as, for "shots only" visits

Payments for EPSDT Services that are not otherwise covered:

Services not listed as covered services in the state agency manuals/state plan will be provided if determined to be medically necessary by the appropriate agency staff or consultants.

The methodology used to determine the reimbursement rate for services provided under his section is as follows:

First, the Medicare fee schedule is reviewed to determine if a Medicare rate exists for the service provided. If so, the agency will reimburse at the established percentage of the Medicare rate. If no Medicare rate exists for the service, we will then turn to the State Health Plan for South Carolina state employees and reimburse using this rate. If no rate is available there, we will then turn to our sister state Medicaid programs to determine if and how they reimburse for this service. In the event that the service is provided by an out of state provider, the South Carolina Medicaid rate will be established at the Medicaid rate reimbursed by the state Medicaid Program in which the provider is located. If none of

SC 08-004  
EFFECTIVE DATE: 05/01/08  
RO APPROVAL: 07/20/09  
SUPERSEDES: SC 04-009

the above methods work, the agency will look at a similar type service and determine a one-time reimbursement rate that is agreeable to both the agency and the provider based upon a review of charges (i.e. paying a percentage of billed charges), commercial market rates, or cost report data.

Private Duty Nursing Services Available to all Community Long Term Care Recipients Under 21:

Private Duty Nursing reimbursement rates are separately established for Registered Nurses (RN) and Licensed Practical Nurses (LPN). Salaries, fringe benefits, limited direct, and indirect costs are considered in the development of the hourly rates. Services are billed in fifteen (15) minute increments; therefore; four (4) units equate to an hour of care. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of Private Duty Nursing services and the fee schedule and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins. The agency's fee schedule rate was set as of July 1, 2007 and is effective for services provided on or after that date. Medicaid Bulletins are available on the agency's web site. The SCDHHS will limit the weekly reimbursement of Private Duty Nursing services provided by either a RN or LPN to the amount of weekly institutional care reimbursement based upon the intensive technical services reimbursement rate as established via Attachment 4.19-D of the South Carolina State Plan.

Personal Care (Aides) Services:

Personal Care (Aides) service reimbursement rates were initially established based upon projected service costs of providers. Separate payment rates are calculated for Personal Care I and Personal Care II services on an hourly basis. Annual provider cost reports are reviewed on an as needed basis to ensure the appropriateness of the payment rates in accordance with allowable cost definitions as outlined in OMB Circular A-87. Services are billed in six (6) minute increments; therefore; ten (10) units equate to an hour of care. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of Personal Care (Aides) services and the fee schedule and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins. The agency's fee schedule rate was set as of October 1, 2007 and is effective for services provided on or after that date. Medicaid Bulletins are available on the agency's web site.

SC 08-004  
EFFECTIVE DATE: 05/01/08  
RO APPROVAL: 07/20/09  
SUPERSEDES: New Page

These CPT codes were chosen and averaged as the activities performed as a part of Orientation and Mobility Services most closely identify with various components defined in the three CPT codes listed above. The Medicaid rate has been reduced from 100% of the Medicare average rate to acknowledge the differences in the credentials required for providers of Orientation and Mobility Services from those of the Medicare covered CPT codes.

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). Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of physician services (including pediatric sub-specialists) and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins. All physician services will be reimbursed based on a Fee Schedule that in the aggregate will not 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 agency's rates were set as of November 1, 2007 and are effective for services on or after that date. All rates are published on the agency web site at [www.scdhhs.gov](http://www.scdhhs.gov). 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,

SC 08-004  
EFFECTIVE DATE: 05/01/08  
RO APPROVAL: 07/20/09  
SUPERSEDES: SC 07-001