

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

ACTION REFERRAL

TO <i>Mellets</i>	DATE <i>11-2-07</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000237	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Myers, Ms. Forkner,</i> <i>J</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.			

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OFFICE OF DIRECTOR**

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4.			

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4120
Atlanta, Georgia 30303-8909

CENTERS for MEDICARE & MEDICAID SERVICES



Log: Wlls

c: Myers, ET

"Nec: Act"

RECEIVED

October 24, 2007

NOV 09 2007

Ms. Susan B. Bowling, Acting 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 #07-001

Dear Ms. Bowling:

We have reviewed South Carolina's State Plan Amendment (SPA) 07-001, which was submitted to the Atlanta Regional Office on March 13, 2007. This amendment proposes to adjust the reimbursement rates for Psychological Evaluation, Therapy, and Audiological Services by equalizing the rate paid in schools and the community. CMS appreciates the State's cooperation in working with CMS to transition the South Carolina Medicaid Children's Rehabilitation Services program.

Under regulations at 42 CFR 430.12(c)(i), States are required to amend State Plans whenever necessary to implement changes in Federal law, regulations, policy interpretations, or court decisions. On May 25, 2007, CMS placed a final rule, CMS-2258-FC (Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership) on display at the Federal Register that can be found at 72 Fed. Reg. 29748 (May 29, 2007), that would modify Medicaid reimbursement. Because of this regulation, some or all of the payments under this plan amendment may no longer be allowable expenditures for Federal Medicaid matching funds. Public Law 110-28, enacted on May 25, 2007, instructed CMS to take no action to implement this final regulation for one year. CMS will abide by the time frames specified by the statute. Approval of the subject State Plan amendment does not relieve the State of its responsibility to comply with changes in Federal laws and regulations and to ensure that claims for Federal funding are consistent with all applicable requirements.

Ms. Susan B. Bowling, Acting Director
Page 2

Based on the information provided, we are pleased to inform you that South Carolina SPA 07-001 is approved. The effective date is January 1, 2007. The signed CMS-179 and the approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Elaine Elmore at (404) 562-7408.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay Gavens", written in black ink.

Jay Gavens
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 07-001

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
January 1, 2007

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:

a. FFY 2007 \$ 4,642 (\$8.9 million x 75% x 69.54%)
b. FFY 2008 \$ 6,211 (\$8.9 million x 69.79%)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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

Attachment 3.1-A, Limitation Supplement; Pages 1b.1, 1b.2, 1b.3, 1b.4,
1b.4a, 1b.4b, 1b.4c, 1b.4d, 1b.4e and 6b
Attachment 4.19-B, Pages 2a, 2a.1 and 2a.2

Attachment 4.19-B, Pages 2a and 2a.1

10. SUBJECT OF AMENDMENT:
Audiological Services, Psychological Evaluation and Therapy Services Rate adjustment

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:

16. RETURN TO:

//s//

13. TYPED NAME:
Robert M. Kerr

14. TITLE:
Director

15. DATE SUBMITTED:
March 13, 2007

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
March 13, 2007

PLAN APPROVED - ONE COPY ATTACHED

18. DATE APPROVED:
October 23, 2007

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2007

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Jay Gavens

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

23. REMARKS:

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

1. TRANSMITTAL NUMBER:
SC 07-001

2. STATE
South Carolina

FOR: HEALTH CARE FINANCING ADMINISTRATION

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
January 1, 2007

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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:

a. FFY 2007 \$ 3,703 (\$7.1 million x 75% x 69.54%)
b. FFY 2008 \$ 4,955 (\$7.1 million x 69.79%)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

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

Attachment 3.1-A, Limitation Supplement; Pages 1b.4, 1b.4.a, 1b.4.b,
and 1b.4.c
Attachment 4.19-B, Pages 2a and 2a.1

Attachment 3.1-A, Limitation Supplement; Pages 1b.4
Attachment 4.19-B, Pages 2a and 2a.1

10. SUBJECT OF AMENDMENT:

Autiological Services and Therapy Services Rate adjustment

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

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

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Robert M. Kerr

14. TITLE:

Director

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March 13, 2007

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

4. b. EPSDT cont.

The State assures that this provision of EPSDT will not restrict an individual's free choice of providers in violation of 1902 (a) (23) of the Act.

1. Eligible recipients will have free choice of providers of EPSDT services. They will have the freedom of choice to switch providers if and when they desire.
2. Eligible recipients will have free choice of providers under other medical care under the State Plan. Providers will assure that freedom of choice of physicians and other medical care providers are maintained at all times.

Assurance 1905(a) Services: The state assures that EPSDT eligible clients have access to Section 1905(a) services not specifically listed in the state plan when they are medically necessary. Services provided as described in Section 1905(a) to correct or ameliorate defects and physical and mental illnesses and conditions not specified in the state plan will be provided if determined to be medically necessary by the appropriate agency staff. Any services beyond the limitations noted in the State Plan must be available based on a medical necessity determination.

Referrals for rehabilitative therapy services must be made by physician or other licensed practitioner of the healing arts and all Medicaid and state supervisory requirements must be adhered to. Referral means that the physician or other licensed practitioner of the healing arts has asked another qualified health provider to recommend, evaluate or perform therapies, treatment or other clinical activities to or on behalf of the beneficiary being referred. It includes any necessary supplies or equipment.

"Under the direction of" means that for physical therapy, occupational therapy, and services for individuals with speech, hearing and language disorders under 42 CFR 440.110, the Medicaid qualified therapists providing direction are licensed practitioners of the healing arts qualified under State law to diagnose and treat individuals with the disability or functional limitations at issue, are working within the scope of practice defined in State law and are supervising each individual's care. The qualified therapists must, at a minimum, have face-to-face contact with the beneficiary initially and periodically as needed, be familiar with the treatment plan as recommended by the referring physician or other licensed practitioner of the healing arts practicing under State law, have continued involvement in the care provided, and review the need for continued services throughout treatment. The supervising therapists must also assume professional responsibility for the services provided under their direction and monitor the need for continued services. The supervising therapists must spend as much time as necessary directly supervising services to ensure beneficiaries are receiving services in a safe and efficient manner in accordance with accepted standards of practice. Moreover, the supervising therapists must ensure that individuals working under their direction have contact information to permit them direct contact with the supervising therapists as necessary during the course of treatment. In all cases, documentation must be kept supporting the supervision of services and ongoing involvement in the treatment. Absent appropriate service documentation, Medicaid payment for services may be denied providers.

TN No.: 07-001

Supersedes

TN No.: 05-006

Approval Date: 10/23/07

Effective Date: 01/01/07

4.b EPSDT cont.

PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND SERVICES FOR INDIVIDUALS WITH SPEECH, HEARING AND LANGUAGE DISORDERS

Physical Therapy Services: In accordance with 42 CFR 440.110(a), physical therapy means services prescribed by a Physician or other Licensed Practitioner of the Healing Arts (LPHA) within the scope of his or her practice under state law and provided to a beneficiary by or under the direction of a qualified Physical Therapist. It includes any necessary supplies and equipment. Physical Therapy Services involve evaluation and treatment to prevent, alleviate, or compensate for movement dysfunction and related functional problems for maximum reduction of physical or mental disability and restoration of a beneficiary to his/her best possible functional level. Specific services rendered: Physical Therapy Evaluation, Individual and Group Therapy (a group may consist of no more than six children).

Specific services provided include:

Physical Therapy Evaluation: A Physical Therapy Evaluation is a comprehensive evaluation that should be conducted in accordance with the American Physical Therapy Association and South Carolina Board of Physical Therapy Examiners guidelines, the physician or other LPHA, the Physical Therapist's professional judgment, and the specific needs of the child. The evaluation should include a review of available medical history records, an observation of the patient, and an interview, when possible. The evaluation must include diagnostic testing and assessment, and a written report with recommendations.

Individual and Group Physical Therapy: Individual or Group Physical Therapy is the implementation of specialized Physical Therapy programs that incorporate the use of appropriate modalities; performance of written and/or oral training of teachers and/or family regarding appropriate Physical Therapy activities/therapeutic positioning in the school or home environment; recommendations on equipment needs; and safety inspections and adjustments of adaptive positional equipment. Physical Therapy performed on behalf of one child should be documented and billed as Individual Physical Therapy. Physical Therapy performed on behalf of two or more children should be documented and billed as Group Physical Therapy. A group may consist of no more than six children.

Providers of Physical Therapy Services include:

- **Physical Therapist (PT).** In accordance with 42 CFR 440.110 (a)(2)(i)(ii), a qualified physical therapist is an individual who is currently licensed by the South Carolina Board of Physical Therapy Examiners. (i) A graduate of a program of physical therapy approved by both the Committee on Allied Health Education and Accreditation of the American Medical Association and the American Physical Therapy Association or its equivalent; and (ii) where applicable, licensed by the State.

TN No.: 07-001

Supersedes

TN No.: 05-006

Approval Date: 10/23/07

Effective Date: 01/01/07

4.b EPSDT Cont.

- **Physical Therapist Assistant (PTA)** is an individual who is currently licensed by the South Carolina Board of Physical Therapy Examiners. A physical therapy assistant provides services under the direction of a qualified physical therapist.

Occupational Therapy Services: In accordance with 42 CFR 440.110(b)(1), Occupational Therapy means services prescribed by a Physician or other Licensed Practitioner of the Healing Arts within the scope of his or her practice under state law and provided to a beneficiary by or under the direction of a qualified Occupational Therapist. It includes any necessary supplies and equipment. Occupational therapy services are channels to improve or restore functional abilities for maximum reduction of physical or mental disability and restoration of a beneficiary to his/her best possible functional level. Occupational Therapy Services are related to Self-Help Skills, Adaptive Behavior, Fine/Gross Motor, Visual, Sensory Motor, Postural, and Emotional Development that have been limited by a physical injury, illness, or other dysfunctional condition. Occupational Therapy involves the use of purposeful activity interventions and adaptations to enhance functional performance. Specific services rendered: Occupational Therapy Evaluation, Individual and Group Occupational Therapy (a group may consist of no more than six children), Fabrication of Orthotic, Fabrication of Thumb and Finger Splints.

Specific services provided include:

Occupational Therapy Evaluation: An Occupational Therapy Evaluation is a comprehensive evaluation that should be conducted in accordance with the American Occupational Therapy Association and South Carolina Board of Occupational Therapy guidelines, the physician or other LPHA referral, the Occupational Therapist's professional judgment, and the specific needs of the child. The evaluation should include a review of available medical history records and an observation of the patient and interview, when possible. The evaluation must include diagnostic testing and assessment and a written report with recommendations.

Individual and Group Occupational Therapy: Individual or Group Occupational Therapy is the implementation of specialized Occupational Therapy programs that incorporate the use of appropriate interventions, occupational therapy activities in the school or home environment, and recommendations on equipment needs and adaptations of physical environments. Occupational therapy performed directly to or on behalf of one child should be documented and billed as Individual Occupational Therapy. Occupational Therapy performed for two or more individuals should be documented and billed as Group Occupational Therapy. A group may consist of no more than six children.

Fabrication of Orthotics for upper and lower extremities and Thumb and Finger Splints: Fabrication of Orthotic is the fabrication of orthotics for lower and upper extremities, and the Fabrication of Thumb Splint and Finger Splint is the fabrication of orthotic for the thumb and likewise, the fabrication of Finger Splint is the fabrication of orthotic for the finger.

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Effective Date: 01/01/07

TN No.: 05-006

4.b EPSTD cont.

Providers of Occupational Therapy include:

- **Occupational Therapist (OT).** In accordance with 42 CFR 440.110 (b)(2)(i)(ii) A qualified occupational therapist is an individual who is - (i) Certified by the National Board of Certification for Occupational Therapy; or (ii) A graduate of a program in occupational therapy approved by the Committee on Allied Health Education and Accreditation of the American Medical Association and engaged in the supplemental clinical experience required before certification by the National Board of Certification for Occupational Therapy.

- **Occupational Therapy Assistant (OTA)** is an individual who is currently licensed as a Certified Occupational Therapy Assistant (COTA/L or OTA) by the South Carolina Board of Occupational Therapy who works under the direction of a qualified occupational therapist pursuant to 42 CFR 440.110(b)(2)(i) or (ii).

Speech-Language Pathology Services: In accordance with 42 CFR 440.110(c) (1), Speech-Language Pathology Services include diagnostic, screening, preventive, or corrective services provided by or under the direction of a Speech-Language Pathologist, for which a patient is referred by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under State law. It includes any necessary supplies and equipment. Speech-Language Pathology Services means evaluative tests and measures utilized in the process of providing Speech-Language Pathology Services and must represent standard practice procedures. Only standard assessments (i.e., Curriculum-Based Assessments, Portfolio Assessments, Criterion Referenced Assessments, Developmental Scales, and Language Sampling Procedures) may be used. Tests or measures described as "teacher-made" or "informal" are not acceptable for purposes of Medicaid reimbursement. Specific services rendered: Speech Evaluation, Individual Speech Therapy, and Group Speech Therapy (a group may consist of no more than six children).

Specific services provided include:

Speech Evaluation: Upon receipt of the physician or other LPHA referral a Speech Evaluation is conducted. This is a face-to-face interaction between the Speech-Language Pathologist, Speech-Language Pathology, Assistant, Speech-Language Pathology Intern or Speech-Language Pathology Therapist and the child for the purpose of evaluating the child's dysfunction and determining the existence of a speech disorder. Evaluation should include review of available medical history records and must include diagnostic testing and assessment, and a written report with recommendations.

Speech Re-evaluation includes a face-to-face interaction between the Speech-Language Pathologist and the child for the purpose of evaluating the child's progress and determining if there is a need to continue therapy. Reevaluation may consist of a review of available medical records and diagnostic testing and/or assessment, but must include a written report with recommendations.

TN No.: 07-001
Supersedes 05-006
TN No.: 05-006

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Effective Date: 01/01/07

4.b EPSTD cont.

Individual Speech Therapy: Individual Speech Therapy is the delivery of remedial services for identified speech and/or language handicaps to a child whose speech and/or language patterns deviate from standard based on evaluation and testing, including training of teacher or parent. Individual Speech Therapy services may be provided in a regular education classroom.

Group Speech Therapy: Group Speech Therapy is the delivery of remedial services for identified speech and/or language handicaps in a group setting to children whose speech and/or language patterns deviate from standard based on evaluation and testing, including training of teacher or parent. A group may consist of no more than six children. Group Speech Therapy services may be provided in a regular education classroom.

Providers of Speech-Language Pathology Services include:

- **Speech-Language Pathologist** in accordance with 42 CFR 440.110 (c)(2)(i)(ii)(iii) is an individual who meets one of the following conditions: (i) Has a Certificate of Clinical Competence from the American Speech and Hearing Association. (ii) Has completed the equivalent educational requirements and work experience necessary for the certificate. (iii) Has completed the academic program and is acquiring supervised work experience to qualify for the certificate.
- **Speech-Language Pathology Assistant** is an individual who is currently licensed by the South Carolina Board of Examiners in Speech-Language Pathology. The Speech-Language Pathology Assistant works under the direction of a qualified Speech-Language Pathologist pursuant to 42 CFR 440.110(c)(2)(i) and (ii).
- **Speech-Language Pathology Intern** is an individual who is currently licensed by the South Carolina Board of Examiners in Speech-Language Pathology and is seeking the academic and work experience requirements established by the American Speech and Hearing Association (ASHA) for the Certification of Clinical Competence in Speech-Language Pathology. The Speech-Language Pathology Intern works under the direction of a qualified Speech-Language Pathologist pursuant to 42 CFR 440.110(c)(2)(i) and (ii).
- **Speech-Language Pathology Therapist** is an individual who does not meet the credentials outlined in the 42 CFR 440.110(c)(2)(i)(ii) and (iii) that must work under the direction of a qualified Speech-Language Pathologist.

Audiological Services: In accordance with 42 CFR 440.110(c)(1), Audiological Services for individuals with hearing disorders means diagnostic, screening, preventive, or corrective services provided by or under the direction of an audiologist, for which a patient is referred by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under state law. A referral occurs when the physician or other LPHA has asked

TN No.: 07-001

Supersedes

TN No.: New

Approval Date: 10/23/07

Effective Date: 01/01/07

4.b EPSDT cont.

a. Licensed Audiologist to recommend, evaluate, or perform therapies, treatment, or other clinical activities for the beneficiary. It includes any necessary supplies and equipment. Services involve testing and evaluation of hearing-impaired children less than 21 years of age who may or may not be improved with medication or surgical treatment. This includes services related to hearing aid use.

Specific services rendered: Pure Tone Audiometry, Audiological Evaluation, Audiological Re-Evaluation, Tympanometry (Impedance Testing), Electrocochleography, Auditory Evoked Potentials; Comprehensive, Auditory Evoked Potentials; Comprehensive Re-check, Evoked Otoacoustic Emission; Limited, Evoked Otoacoustic Emissions; Comprehensive or Diagnostic Evaluation, Hearing Aid Examination and Selection, Hearing Aid Check; Hearing Aid Re-Check, Evaluation of Auditory Rehabilitation Status, Fitting/Orientation/Checking of Hearing Aid, Dispensing Fee, Right Ear Impression, Left Ear Impression.

Specific services provided include:

Pure Tone Audiometry: In pure tone audiometry, earphones are placed and the patient is asked to respond to tones of different pitches (frequencies) and intensities. The threshold is recorded for a number of frequencies in each ear. This service may be performed six times during the course of a 12-month period.

Audiological Evaluation: In comprehensive audiometry, earphones are placed and the patient is asked to respond to tones of different pitches (frequencies) and intensities. The threshold is recorded for a number of frequencies on each ear. Bone thresholds are obtained in a similar manner except a bone oscillator is used on the mastoid or forehead to conduct the sounds. The patient is also asked to repeat bisyllabic (spondee) words. The threshold is recorded for each ear. The word discrimination score is the percentage of spondee words that a patient can repeat correctly at a given intensity level above speech reception threshold in each ear. This service may be performed once during the course of a 12-month period.

Audiological Re-Evaluation: An audiological re-evaluation is when appropriate components of the initial evaluation are re-evaluated and provided as a separate procedure. The necessity of an audiological re-evaluation must be appropriately documented. This service may be performed six times during the course of a 12-month period.

Tympanometry (Impedance Testing): Using an ear probe, the eardrum's resistance to sound transmission is measured in response to pressure changes. This service may be performed six times during the course of a 12-month period.

TN No.: 07-001
Superseded

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Effective Date: 01/01/07

TN No.: New

4.b EPSDT cont.

Electrocochleography: An electrocochleography tests the internal components of the implanted receiver and connected electrode array. This procedure verifies the integrity of the implanted electrode array and is completed immediately after the operation. This procedure is to be completed only by a licensed Audiologist on a cochlear implant team and may be performed once per implantation.

Auditory Evoked Potentials - Comprehensive: Electrodes are placed in various locations on the scalp and electrical recordings are made in response to auditory stimulations. There is no frequency limitation on this procedure.

Auditory Evoked Potentials - Comprehensive Re-Check: Electrodes are placed in various locations on the scalp and electrical recordings are made in response to auditory stimulations. There is no frequency limitation on this procedure.

Evoked Otoacoustic Emission - Limited: A probe tip is placed in the ear canal. The probe tip emits a repeated clicking sound that passes through the tympanic membrane, middle ear space, and then to the outer hair cells of the inner ear. Computerized equipment is then able to record an echo off of the hair cell in the inner ear. There is no frequency limitation on this procedure.

Evoked Otoacoustic Emissions - Comprehensive or Diagnostic Evaluation: A probe tip is placed in the ear canal. The probe tip emits a repeated clicking sound that passes through the tympanic membrane, middle ear space, and then to the outer hair cells of the inner ear. Computerized equipment is then able to record an echo off of the hair cell in the inner ear. There is no frequency limitation on this procedure.

Hearing Aid Examination and Selection: History of hearing loss and ears are examined, medical or surgical treatment is considered if possible, and the appropriate type of hearing aid is selected to fit the pattern of hearing loss. This service may be performed six times during the course of a 12-month period.

Hearing Aid Check: The audiologist inspects the hearing aid and checks the battery. The aid is cleaned and the power and clarity are checked using a special stethoscope, which attaches to the hearing aid. This service may be performed six times during the course of a 12-month period.

Hearing Aid Re-Check: The audiologist inspects the hearing aid and checks the battery. The aid is cleaned and the power and clarity are checked using a special stethoscope, which attaches to the hearing aid. This service may be performed six times during the course of a 12-month period.

TN No.: 07-001

Supersedes

Approval Date: 10/23/07

Effective Date: 01/01/07

TN No.: New

4. b EPSDT cont.

Evaluation of Auditory Rehabilitation Status: This service involves the measurement of patient responses to electrical stimulation used to program the speech processor and functional gain measurements to assess a patient's responses to his or her cochlear implant. Instructions should be provided to the parent/guardian, teacher, and/or patient on the use of a cochlear implant device to include care, safety, and warranty procedures. This procedure is to be completed only by a licensed Audiologist on a cochlear implant team and may be performed 10 times during the course of a 12-month period.

Fitting/Orientation/Checking of Hearing Aid: Includes hearing aid orientation, hearing aid checks, and electroacoustic analysis. The service may be provided six times during the course of a 12-month period.

Dispensing Fee: The dispensing fee is time spent handling hearing aid repairs. This service may be performed six times during the course of a 12-month period.

Right Ear Impressions: Taking of an ear impression; please specify one or two units for one or two ears. This service may be performed six times during the course of a 12-month period.

Left Ear Impressions: Taking of an ear impression; please specify one or two units for one or two ears. This service may be performed six times during the course of a 12-month period.

Providers of Audiology services include:

Audiologist: All Medicaid-qualified audiology providers (Licensed Audiologists) operating in the State of South Carolina adhere to the provider qualifications found in 42 CFR 440.110(c)(3)

Psychological Evaluation and Testing Services: In accordance with 42 CFR 440.130, Psychological Testing and Evaluation recommended by a physician or other licensed practitioner of the hearing arts, within the scope of his practice under State law, includes evaluation of the intellectual, emotional, and behavioral status and any resulting distress and/or dysfunction. Service components include screening, diagnostic interview, testing and/or assessment.

Providers of Psychological Evaluation and Testing Services include:

Psychologist is an individual that holds a doctoral degree in psychology from an accredited college or university, and has a valid and current state license as a Ph.D. or Psy. D. with a specialty in Clinical, Counseling, or School Psychology as approved by the SC State Board of Examiners in Psychology.

TN No.: 07-001

Supersedes

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Effective Date: 01/01/07

TN No.: 05-006

4.b EPSDF cont.

School Psychologist I-is an individual that is currently certified by the State Department of Education and holds a master's degree from a regionally or nationally accredited college/university with an advanced program for the preparation of school psychologists and qualifying score on the SC State Board of Education required examination.

School Psychologist II- is an individual that is currently certified by the State Department of Education and holds a specialist degree from a regionally or nationally accredited college/university with an advanced program for the preparation of school psychologists, and qualifying score on the SC State Board of Education required examination.

School Psychologist III- is an individual that is currently certified by the State Department of Education and holds a doctoral degree from a regionally or nationally accredited college/university with an advanced program for the preparation of school psychologists, qualifying score on the State Board of Education required examination, and completion of an advanced program approved for the training of school psychologists.

Psycho-educational Specialist is an individual that holds a (60 hour) master's degree plus 30 hours or a doctoral degree in school psychology from a regionally accredited institution approved by NASP or APA or its equivalent, certification by the South Carolina Department of Education as a school psychologist level II or III, two years experience as a certified school psychologist (at least one year of which is under the supervision of a licensed psycho-education specialist), and satisfactory score on the PRAXIS Series II exam. The SC Board of Examiners licenses this individual.

TN No.: 07-001
Supersedes
TN No.: 05-006

Approval Date: 10/23/07

Effective Date: 01/01/07

13d. REHABILITATIVE SERVICES. The following services are considered rehabilitative services:

Outpatient mental health rehabilitative services meeting standards as determined by the South Carolina Department of Health and Human Services.

Alcohol and Drug Abuse Services are those services that are provided in order to achieve a maximum reduction of physical or mental disability and restoration of a recipient to his best possible function level. Services are available to all Medicaid recipients in South Carolina. Services are recommended by a licensed physician or other licensed practitioners of the healing arts, and are rendered by, or under the direct supervision of a licensed professional in the health or human services field or credentialed professional in the alcohol and drug abuse field. Services are available through the local alcohol and other drug treatment commissions. All facilities are accredited by the Rehabilitation Accreditation Commission as rehabilitation centers. Most facilities provide outpatient services and inpatient residential care at 16 beds or less, and no room and board is charged to Medicaid. Services are rendered based on the American Society for Addiction Medicine (ASAM) Levels of Care. Eligible provider programs must be licensed by the South Carolina Department of Health and Environmental Control for chemically dependent or addicted persons, and meet the standards established by the Department of Health and Human Services and the South Carolina Department of Alcohol and Other Drug Abuse Services.

EPSTD Children's Rehabilitative Services:

Children's Rehabilitative Services are those services provided by licensed/credentialed providers for the purpose of ameliorating, as much as possible, developmental disabilities and/or delays, improving the child's ability to function independently, and restoring maximum function through the use of diagnostic, therapeutic, and restorative services. Children's rehabilitation services shall be provided to special needs children with physical or emotional handicaps in accordance with the child's Individualized Family Service Plan (IFSP), Individualized Treatment Plan (ITP), or Individualized Education Plan (IEP). The following services are included as Children's Rehabilitative Services:

Psychological Evaluation and Testing Services: evaluation of intellectual, emotional and behavioral status and any resulting distress and/or dysfunction. Service components include screening, diagnostic interview, testing and/or assessment. **The reimbursement for Psychological Evaluation and Testing services provided by governmental entities and funded through certified public expenditure will end on June 30, 2008.**

Mental Health Counseling Services: therapeutic mental health services rendered in various environments by professional staff for the purpose of rehabilitation and restoration to an optimal level of functioning through the application of psychological principals, methods and procedures.

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Therapy Services:

Payment Methodologies for Therapy Services:

Therapy services are rendered by both governmental and private providers and are reimbursed on a fee for service basis. Reimbursable EPSDT Children's Rehabilitative therapy services include but are not limited to:

- A. Physical Therapy
 - Occupational Therapy
 - Speech/Language Pathology
 - Audiological Services
 - Psychological Evaluation and Testing
- B. Orientation & Mobility Services

A. Effective January 1, 2007, private and governmental providers (e.g. Local Education Agencies) of therapy services will be reimbursed at 100% of the South Carolina Medicare Physician Fee schedule.

Calculation of Therapy Rates With No Corresponding Medicare Rate:

Reimbursement rates for therapy services not priced under Medicare's resource based relative value scale (RBRVS), the State Health Plan, or by private insurers in the market were determined based upon Medicaid claims experience and the 2006 version of RBRVS for South Carolina.

Physician and professional claims for service dates during state fiscal year 2006 (paid through September 30, 2006) were re-priced based upon the allowances dictated by the 2006 version of RBRVS for South Carolina. This analysis revealed that, on average, the DHHS fee schedule was reimbursing 43.24% of charges.

The first step in establishing the allowance for the target procedure codes was to calculate the average submitted charge for each procedure code. The average submitted charge for the procedure code was then multiplied times the average percent of charges reimbursed. **Example:** During SFY 2006, the average unit submitted charge for procedure code 92590 was \$61.84. This average was then multiplied times the aggregate discount rate for all professional services (.4324) to produce a 2007 allowance of \$26.74.

No cost reports are required nor any cost settlements made to the governmental providers of rehabilitative therapy services due to the move to fee schedule payment rates. State developed fee schedule rates are the same for both governmental and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins.

Medicaid Therapy Services Provided by Governmental Entities and Funded Through Certified Public Expenditure:

Governmental providers of therapy services receive the same rates as private providers. In instances of Medicaid therapy services provided by governmental entities and non federal share provided through certified public expenditure, an annual cost report will be required to provide assurance of the expenditure of the non federal share. The reconciliation process is as follows:

1. Annual cost reports for therapy services completed by the governmental provider(s) based on financial format provided by SCDHHS. Annual cost reports also indicate service utilization statistics.

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2. For cost reporting purposes, allowable costs for Medicaid therapy services include:

Salaries and fringes of 1) personnel directly providing the therapy service, and 2) personnel providing billing documentation review and submission, performing training and quality assurance functions, and providing program oversight. Personnel costs are supported by time and effort reports or a time distribution system for all employees whose efforts are less than 100% for the Medicaid therapy service. Allowable costs also include purchased services, supplies, fixed charges, travel, and case services that can be directly assignable to the provision of these services. An allowance for overhead based on the federally approved indirect rate is also included. The cost reports are certified by the appropriate fiscal officers of the governmental units for their accuracy, documented service delivery, and that no other application for reimbursements (federal or state) has been made for these funds.

3. Annual cost reports received are reviewed for completeness, accuracy, and compliance with contractual requirements, and allowable costs based on OMB A-87 cost definitions.

4. Annual allowable reimbursement (actual allowable per unit cost per cost report multiplied by annual Medicaid service units) is compared to reimbursement received (industry rate paid during the cost report period multiplied by annual Medicaid service units). If the annual allowable reimbursement is less than the actual reimbursement received, a receivable will be established to recover federal funds not supported by the corresponding level of state matching funds.

The reimbursement for Psychological Evaluation and Testing services provided by governmental entities and funded through certified public expenditure will end on June 30, 2008.

- B. Orientation and Mobility Services are evaluation and treatment services provided to assist blind and visually impaired individuals achieve maximum independence. The fixed 15 minute rate, applied to both evaluation and treatment services as follows:

T1024/000	Orientation and Mobility Assessment
T1024/OTS	Orientation and Mobility Reassessment
T1024/OTM	Orientation and Mobility Services

This rate has been established at sixty percent (60%) of the average of the sum of the Medicare rates for the following three CPT codes:

97533	Sensory Integration
97535	Self Care Management Training
97537	Community/Work Reintegration

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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 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,

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