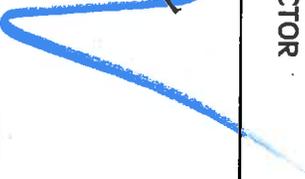


**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR**

**ACTION REFERRAL**

<b>TO</b> <i>Wells</i>	<b>DATE</b> <i>10/13/06</i>
---------------------------	--------------------------------

<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <i>000307</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 checked="" type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

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

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



October 3, 2006

RECEIVED

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

OCT 13 2006  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Re: South Carolina Title XIX State Plan Amendment, Transmittal #05-014

Dear Mr. Kerr:

We have reviewed South Carolina's State Plan Amendment (SPA) 05-014, received on December 19, 2005, which proposes to implement a diabetes disease management program through local licensed professional providers. Based on the information provided, we are pleased to inform you that South Carolina SPA 05-014 was approved on September 29, 2006. The effective date is January 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 Elaine Elmore at (404) 562-7408.

Sincerely,

A handwritten signature in black ink that reads "Renard L. Murray". The signature is written in a cursive style.

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

Enclosure

**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**

1. TRANSMITTAL NUMBER: MA 05-014  
2. STATE: South Carolina  
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
January 1, 2006

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 2005-2006                      \$53,730  
b. FFY 2006-2007                      \$71,639

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Pages 6a.1, 6a.2, 6a.3 & 6a.4

Attachment 4.19-B, Pages 6, 6.1, 6.2, & 6.3

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

Attachment 3.1-A, Pages 6a.1, 6a.2, 6a.3, 6a.4 & 6a.5  
Attachment 4.19-B, Pages 6, 6.1 & 6.2

10. SUBJECT OF AMENDMENT:

This State Plan Amendment document is structured to utilize a single SPA to support inclusion of chronic care management services to meet a variety of beneficiary needs, including those with a single serious chronic disease, as well as those with multiple unspecified chronic conditions or specific combinations of chronic diseases.

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 designed by the Governor to review and approve all State Plans.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Robert M. Kerr*

13. TYPED NAME:

Robert M. Kerr

16. RETURN TO:

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

14. TITLE:

Director

15. DATE SUBMITTED:

December 19, 2005

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

December 19, 2005

18. DATE APPROVED:

September 29, 2006

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2006

20. SIGNATURE OF REGIONAL OFFICIAL:

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

21. TYPED NAME:

Renard L. Murray, D.M.

22. TITLE: Associate Regional Administrator

23. REMARKS:

- Approved with the following changes authorized by the SA on e-mail dated 10-3-06:
- Item 8: Changed to read "Attachment 3.1-A, Pages 6a.5 and 6a.6 and Attachment 4.19-B, Page 6k"
- Item 9: Delete "Attachment 3.1-A, Pages 6a.1, 6a.2, 6a.3, 6a.4 and 6a.5 and Attachment 4.19-B, Pages 6, 6.1 and 6.2"

13.c. Preventive Services - Diabetes Management

A. Definition of Service - Diabetes Management Services provide medically necessary, comprehensive diabetes management and counseling services to diabetics of any age who the primary care provider determines will benefit from management services. The program is intended to improve and/or maintain the health of beneficiaries by providing counseling, education and instructions to beneficiaries in the successful health self-management of diabetes. After a medical assessment and referral by their primary care provider, beneficiaries receive services that help them adhere to their medical plan of care. Individual and/or group interventions encourage patient education related to his/her diabetes (e.g., nutrition, wound care, foot care) and behavior modification to encourage lifestyle changes that will improve health and reduce the severity of diabetes. Feedback to the primary care provider assists with medical monitoring of the beneficiary. The primary objective of Diabetes Management Services is to help the Medicaid-eligible beneficiary adapt to the chronic diagnosis of diabetes by learning self-management skills.

B. Plan of Care Requirements - The Diabetes Management Plan of Care must be designed to enhance the beneficiary's ability to understand and manage his/her medical condition relative to diabetes and the possible complications resulting from that disease state. The plan of care must include the following:

- Assessment/evaluation of the beneficiary's health status, individual needs, and knowledge level of his/her disease.
- Development of a goal-oriented plan of care (in conjunction with the physician and beneficiary) that addresses identified needs and specifies the services necessary and specifies on-going communication with the primary care provider; and
- Guidance/counseling to limit the development/progression of the disease

C. Medical Necessity Criteria for Diabetes Management Services - The plan of care must include findings that Diabetes Management Services are medically necessary to help the individual Medicaid-eligible beneficiary adapt to the chronic diagnosis of diabetes by learning self-management skills. The primary care provider must refer the beneficiary for services and the provider will maintain communication with the referring primary care provider.

D. Special Conditions - In order to be covered services, they must be included in the plan of care and involve direct contact. Services may be rendered in either individual or group settings.

SC: 05-014  
EFFECTIVE DATE: 01/01/06  
RO APPROVAL: 09/29/06  
SUPERSEDES: New

E. Qualification of Providers - Providers of Diabetes Management must be practitioners of the healing arts licensed by the State acting within the scope of their practice under State law (e.g., physicians, pharmacists, nurse practitioners, registered dietitians, registered nurses, licensed master social workers, licensed baccalaureate social workers, licensed practical nurses). Providers must also meet the requirements established by South Carolina Department of Health and Human Services for enrollment and billing, which includes one of the following criteria:

- Provider adheres to National standards for Diabetes Self-Management Education which requires programmatic management by a Certified Diabetes Educator (CDE), or
- Provider is an American Diabetes Association (ADA) recognized program, or
- Provider is recognized by the Indian Health Service (IHS)

SC: 05-014

EFFECTIVE DATE: 01/01/06

RO APPROVAL: 09/29/06

SUPERSEDES: New

13c Preventive Services continued:

Diabetes Management

A diabetes management program, as defined in Attachment 3.1-A, Limitation Supplement, Pages 6a.5 and 6a.6 must be managed by a Certified Diabetes Educator and adhere to the National Standards for Diabetes Self-Management Education or be a program recognized by the American Diabetes Association or Indian Health Service. The services are provided in accordance with the policies and procedures outlined in the Diabetes Management Manual.

S0315 Disease management program--Initial Assessment/Initiation of Program  
S9445 Patient Education - Patient education, not otherwise classified, non-physician provider, Individual per session  
S9455 Diabetic management program - Group session  
S0316 Follow-Up/Reassessment

The payment rates for individual and group diabetes disease management were initially established at 80% of the 2005 Medicare Fee Schedule using procedure codes G0108 and G0109 as the basis. Because the two Medicare procedure codes represent a thirty-minute unit and a Medicaid unit of service for diabetes disease management represents a fifteen-minute unit, the individual and group rate are further reduced by fifty percent.

Medicaid codes: S0315, S9445, and S0316  
(Medicare code: G0108 - Diabetes outpatient self-management training services, individual)  
Medicaid code: S9455  
(Medicare code: G0109 - Diabetes outpatient self-management training services, group)

State developed fee schedule rates are the same for both public and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are published in Medicaid Bulletins and will not exceed 100% of the Medicare fee schedule.

SC: 05-014  
EFFECTIVE DATE: 01/01/06  
RO APPROVAL: 09/29/06  
SUPERSEDES: New