

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Singleton</i>	DATE <i>2-21-12</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOC NUMBER <i>100326</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Dep, CMS F.L</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 Street, SW, Suite 4120  
Atlanta, Georgia 30303-8909

February 13, 2012

**RECEIVED**

FEB 17 2012

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

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

Re: South Carolina Title XIX State Plan Amendment, Transmittal #11-011

Dear Mr. Keck:

We have reviewed the proposed amendment to the South Carolina Medicaid State Plan SC 11-011 that was received in the Regional Office on July 14, 2011. This State plan amendment allows South Carolina Department of Health and Human Services to implement a second round of rate reductions by reducing various non-institutional provider payments ranging from two (2 percent) to seven (7 percent) of the rate in effect on April 4, 2011. These reductions are in addition to a three (3 percent) reduction taken on April 4, 2011.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment SC 11-011. This SPA was approved on February 10, 2012. The effective date of this amendment is July 11, 2011. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Yvette Moore at 404-562-7327.

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive, flowing style.

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:  
SC 11-011

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

4. PROPOSED EFFECTIVE DATE  
07/11/11

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: RMAP

42 CFR Part 440 Subpart A

a. FFY 2011 \$(8,236,048)  
b. FFY 2012 \$(32,944,196)

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 0 & 0a

Attachment 4.19-B, Page 0 & 0a

10. SUBJECT OF AMENDMENT:  
Provider service rate reductions

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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

13. TYPED NAME:  
Anthony E. Keck

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

14. TITLE:  
Director

15. DATE SUBMITTED:  
July 11, 2011

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 07/14/11

18. DATE APPROVED: 02/10/12

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:  
*Jackie Glaze*

21. TYPED NAME:  
Jackie Glaze

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

23. REMARKS:

Approved with the following changes to item 4 as authorized by State Agency on email dated 08/31/11:

Block #8 changed to read: Attachment 3.1-A pages 1b-4a, 1c and 4b; Attachment 4.19-B pages 0 and 0a  
Block #8 changed to read: Attachment 3.1-A, pages 1b-4a, 1c and 4b; Attachment 4.19-B pages 0 and 0a

**4.b EPSDT 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. The qualifications for a Speech-Language Pathology Therapist are (a) Bachelor's Degree in Speech-Language Pathology from a school or program approved by the State Board of Education for the preparation of speech language pathologists (b) Minimum qualifying score(s) on the area examination(s) required by the State Board of Education.

**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

SC 11-011  
EFFECTIVE DATE: 07/11/11  
RO APPROVAL: 02/10/12  
SUPERSEDES: SC 07-001

**4. b EPSDR continued:**

Home Based Private duty nursing services are available in the home to all recipients under age 21 who are found to be in need of such services on the basis of State established medical necessity criteria. The services must be ordered by the attending physician and must be provided by a Licensed Practical Nurse (LPN) or a Registered Nurse (RN), licensed by the State Board of Nursing for South Carolina. Immediate family members cannot be reimbursed for providing these services. Home Based Private duty nursing services meet the requirements at 42 CFR 440.80.

The State will not preclude the provision of private duty nursing services during those hours of the day that the beneficiary's normal life activities take her outside of her home to attend school. Private duty nursing services rendered during those hours when the beneficiary's normal life activities take him or her outside of the home are coverable.

Personal Care services are available to all recipients under age 21 who live at home and who are found to be in need of such services on the basis of state established medical necessity criteria. Personal Care Services are designed to enable participants to accomplish tasks that they would normally do for themselves if they did not have a disability. This assistance may take the form of hands-on assistance (performing a task for the person) or cuing to prompt the participant to perform a task. Such assistance may include assistance in activities of daily living (bathing, dressing, toileting, transferring, maintaining continence, etc.). Instrumental Activities of Daily Living (IADL's) including home support (cleaning, laundry, shopping, home safety and errands) may be done as a part of the assistance given in the provision of activities of daily living. Personal care services may be provided on an episodic or on a continuing basis and are performed by personal care agencies. Personal care services are furnished in the participant's home. Any services authorized outside a home setting must be prior approved by the State. Personal care agencies must meet SCDHHS scope of service requirements. A licensed nurse must oversee all direct care staff of a personal care agency. Personal Care Aides must be able to communicate effectively with both participants and supervisors, be fully ambulatory, capable of aiding with recipient's activities of daily living, capable of following a care plan, criminal background checks must verify that the participant has never been involved in substantiated abuse or neglect, be at least 18 years of age, pass a competency test and complete yearly training. The amount and duration of services must be prior authorized and re-authorized based on the recipient/s medical needs at regular intervals by the DHHS. Immediate family members cannot be reimbursed for providing these services.

The following policy applies to both home based private duty nursing and personal care services. Reimbursement for personal care and home based private duty nursing services, may be made to certain family members who meet South Carolina Medicaid provider qualifications. The following family members cannot be reimbursed: The spouse of a Medicaid consumer; A parent of a minor Medicaid consumer; A step parent of a minor Medicaid consumer; A foster parent of a minor Medicaid consumer; Any other legally responsible guardian of a Medicaid consumer. All other qualified family members can be reimbursed for their provision of the services listed above. Should there be any question as to whether a paid caregiver falls in any of the categories listed above, SCDHHS legal counsel will make a determination.

Physical and occupational therapy services as prescribed by a licensed physician, identified as a needed service through an EPSDR exam or evaluation and identified on a prior authorized treatment plan.

SC 11-011  
EFFECTIVE DATE: 07/11/11  
RO APPROVAL: 02/10/12  
SUPERSEDES: SC 08-030

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 11-011  
EFFECTIVE DATE: 07/11/11  
RO APPROVAL: 02/10/12  
SC 10-015

Medicaid SP Section 419-B (Reimbursement) Review

The South Carolina Department of Health and Human Services (SCDHHS) will revise and/or reduce reimbursement to providers effective for services provided on or after July 11, 2011 by the amount indicated. Providers incurred a 3% reduction for services provided on or after April 4, 2011. These reductions are in addition to the previous reduction.

**Exempt from Reductions**

The following are exempt from these reductions:

- J-Codes
- Hospice (except for room and board)
- Federally Qualified Health Center/Rural Health Center (FQHC/RHC) encounter rate
- Program for All-inclusive Care for the Elderly (PACE)
- Inpatient and outpatient hospital services provided by qualifying burn intensive care unit hospitals, critical access hospitals, isolated rural, small rural and certain large rural hospitals as defined by Rural/Urban Commuting Area classes. These large rural hospitals must also be located in a Health Professional Shortage Area (HPSA) for primary care for total population
- Services provided by state agencies
- Catawba tribal members are exempt when services are rendered by the Catawba Service Unit in Rock Hill, South Carolina and when referred to a specialist or other medical provider by the Catawba Service Unit.

SERVICE	4.19-B PAGE/SECTION	COMMENTS
Other Laboratory and X-Ray Services	Page 2/Section 3	Reduce reimbursement by 7%
Physician Services	Page 2a.2/Section 5	<ul style="list-style-type: none"> <li>• Pediatric Subspecialist – 2% rate reduction (except Neonatologists)</li> <li>• Reduce Labor and Delivery reimbursement from \$1164 to \$1100 for Vaginal delivery and \$1000 for C-section delivery</li> <li>• Family Practice, General Practice, Osteopath, Internal Medicine, Pediatrics, Geriatrics - 2% rate reduction</li> <li>• Anesthesiologists – 3% rate reduction</li> <li>• All other physicians except Obstetrics, OB/GYN, Maternal Fetal Medicine - 5% rate reduction</li> <li>• EPSDT Well Visit codes – 2% rate reduction</li> </ul>
Private Duty Nursing	Page 2 and 4.19-D, page 30	Reduce reimbursement by 4%.
Children's Personal Care	Page 2.1	Reduce reimbursement by 2%
Medical Professionals Podiatrists' Services	Page 3/Section 6.a	Podiatrist reimbursement reduced by 7%
Optometrists' Services (Vision Care Services)	Page 3/Section 6.b	5% for Optometrist to be consistent with Ophthalmologists
Chiropractor's Services	Page 3/Section 6.c	Chiropractor reimbursement reduced by 7%
Certified Registered Nurse Anesthetist(CRNA)	Page 3/section 6.d	CRNA reduced 3% reflected from Anesthesiologist rate

Medicaid SP Section 419-B (Reimbursement) Review

Nurse Practitioner	Page 3	Nurse Practitioner reduction reflected as a percentage of applicable physician rate
Psychologists	Page 3	Psychologist reimbursement reduced by 7%
Licensed Midwives' Services	Page 3	Licensed Nurse Midwife reduction reflected as a percentage of applicable physician rate
Physical Therapy Occupational Therapy	Page 3b/Section 11.a & 11b	All therapy services reduced by 7%
Speech/Language and Audiological Services	Page 3b/Section 11.c Page 6.2/Section 17	All therapy services reduced by 7%
Nurse Midwife Services		Nurse Midwife Services reduction reflected as a percentage of applicable physician rate
Integrated Personal Care	Page 6e of 3.1-A	Reduce reimbursement by 7%.
Home Health Services	Pages 3.1, 3a & 5/Section 12c; Att. 3.1A, page 4B	Reduce reimbursement by 4%. Eliminate medical social work visits.
Clinical Services:	Page 3a/Section 9	Reduce reimbursement by 4%. (Exempt FOHCS and RHCS) <i>(Covers ambulatory surgical centers, end stage renal disease clinics, mental health clinics and county health departments.</i>
Dental Services	Page 3a/Section 10	Aggregate reduction of 3%.
Prescribed Drugs	Page 3b/Section 12.a	Reduce dispensing fee from \$4.05 to \$3.00. Reduce reimbursement from AWP minus 13% to 16%.
Prosthetic Devices and Medical Supplies Equipment and Services (DME)	Page 5/Section 12.c	Expenditure reductions through updated state specific fee schedule
Transportation	Page 6h-6h.4/Section 24a	Reduce reimbursement by 4% for non-broker provided transportation.

SC: 11-011  
EFFECTIVE DATE: 07/11/11  
RO APPROVED: 02/10/12  
SUPERSEDES: SC 11-005