

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Hess/Saxon</i>	DATE <i>9-30-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000147</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Teck, Deps, CMS file</i> <i>See attached</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 4T20  
Atlanta, Georgia 30303-8909



September 26, 2011

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

**RECEIVED**

SEP 30 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Re: Request for Extension to Prepare South Carolina (SC) State Plan Amendments (SPAs) in  
Response to SPA 11-005 Companion Letter

Dear Mr. Keck:

The Centers for Medicare & Medicaid Services (CMS) Regional Office is in receipt of your September 23, 2011 request for an extension to resolve SC SPA 11-005 outstanding Companion Letter issues. As requested, the CMS Regional Office is granting SC an extension of 60 days which expires November 22, 2011 to submit SPAs to address the coverage and reimbursement issues identified.

CMS will continue to work cooperatively with your staff and address any questions your staff may have during the extension period. To assist us with our monitoring and oversight, we ask that you provide us with an update of the progress being made toward the preparation of these SPAs within 30 days of the date of this letter. If you have any questions, please contact Tandra Hodges at (404) 562-7409 or Yvette Moore at (404) 562-7327.

Sincerely,

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



December 8, 2011

Ms. Jackie L. Glaze  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909

Answer  
for Reg  
1474  
589

**Re: South Carolina Title XIX State Plan Amendment SC 11-020**

Dear Ms. Glaze:

The South Carolina Department of Health and Human Services (SCDHHS) is submitting the subject state plan amendment (SPA) for your review and approval. This SPA is submitted as Part I in response to the letter of companion to our approval of South Carolina State Plan Amendment 11-005 of June 23, 2011.

**Reimbursement**

**Other Laboratory and X-Ray Services 4.19-B; Page 2, Section 3**

1. This provision references a payment methodology that is end dated as of June 30, 2009. Based on this language SC is no longer authorized to make payments under this methodology. Please submit a new payment methodology for this service.

**Response:** The Physician Services fee schedule rates are effective for services provided on or after the implementation date as outlined in the Physician Section 5, Attachment 4.19-B, Page 2a.2. Medicaid Bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's web site at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>. Page attached.

**Family Planning Services and Supplies 4.19-B, Page 2a.2, Section 4.c**

2. This section provides for reimbursement "at an established fee schedule" based on cost. For the Family Planning specific fee schedule as discussed in this section, please add the following language to this section:

"Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of (ex. case management for persons with chronic mental illness). The agency's fee schedule rate was set as of (insert date here) and is effective for services provided on or after that date. All rates are published (ex. on the agency's website)."

**Response:** The Physician Services fee schedule rates are effective for services provided on or after the implementation date as outlined in the Physician Section 5, Attachment 4.19-B, Page 2a.2. Medicaid Bulletins informing the providers of the fee schedule rate changes, as well as the fee schedule itself, are available on the agency's web site at <http://www.scdhhs.gov/ServiceProviders/FeeSchedules.asp>. Page attached.

**Professional Trauma Fund 4.19-B, Page 2b and 2b1**

3. This section implies that the Primary Care Incentive Payments were discontinued effective July, 1, 1998. Please remove this language from the plan pages.

**Response:** Page attached.

**Medical Social Services 4.19-B, Page 3.1, Continuation of Section 6d**

4. In order to maintain consistency between the coverage and reimbursement pages, please rename this service to Social Work Services as this is what is currently approved under the other licensed practitioner benefit. There is no benefit in Medicaid known as Medical Social Services.

**Response:** This service was eliminated July 11, 2011 therefore this section is now deleted.

**Clinical Services and Dental Services 4.19-B, Page 3a**

5. CMS issued a companion letter on 4/4/11 for SC-11-001 addressing these services. We await the State's response.

**Response:** Submitted in response to companion letter of 4/4/11 for SC-11-001.

**Preventive Services 4.19-B, Page 6**

6. This methodology limits reimbursement to the "lower of actual allowable Medicaid costs or the maximum rate cap established for each level of service." However, the plan does not provide a cost identification methodology in the state plan.
  - a. The State should revise this page to clearly describe how "actual allowable Medicaid costs" are determined (i.e. direct costs, indirect cost methodology, use of a CMS approved time study, allocation statistic, interim rate methodology, uniform cost report, reconciliation, and settlement process).
  - b. The State should also describe how the maximum rate cap will be established or include the effective date of when it was set and the publication source.

**Response:** The Department will sunset the current cost based reimbursement rate effective June 30, 2012 and replace it with a market based reimbursement rate effective July 1, 2012.

**Coverage**

**Nurse Practitioner Services**

7. On Attachment 3.1-A, page 8a, item 23, the State notes that they don't provide pediatric and family nurse practitioner services. This is a mandatory benefit category. If the State doesn't have any of these types of nurse practitioners in their State, then that must be noted in the State plan. When the State says that these services are not provided, it infers that the State is not providing mandatory services, which is not allowable.

**Response:** In South Carolina Nurse Practitioner services are not licensed by specialty type such as Pediatric or Family nurse practitioners. The only specialty designation is for Nurse Midwives which holds all of the same authority as that of a Nurse Practitioner with an emphasis related to midwifery. Nurse Practitioner services are covered at Attachment 3.1-A, limitation supplement, page 4a section 6.d. A note has been added to this page indicating that this service is covered at 6.d. Page Attached.

### **Physician Services**

8. On Attachment 3.1-A, limitation supplement, page 3a, paragraph 1, the State notes that rural health clinic encounters are included in the 12 visit limitation to ambulatory care visits. This is not allowable as limitations to benefits cannot be combined. Rural Health Clinic services are a separate Medicaid benefit category; therefore, any limitation to this service must be placed in the corresponding section and cannot be combined with any other benefit category. Please remove this from the physician services section and provide assurance that these visit limitations are no longer being combined.

**Response:** SCDHHS has removed the language from the state plan. The twelve visit limit to ambulatory care services is a check point. Additional visits may be requested based on medical necessity. Page attached.

9. On Attachment 3.1-A, limitation supplement, page 3a, paragraph 4, the State notes that there are restrictions for speech therapy, speech and hearing examinations, physical therapy, occupational therapy, and vision services. Please describe these restrictions - because they may be actual limitations that will need to be included in the State plan.

**Response:** For adults over the age of 21, SCDHHS covers speech therapy, physical therapy, and occupational therapy. However these services must be prescribed and monitored by a physician. Further we require that these services are prescribed as the result of a hospital stay and needs to be continued after the recipient has been released from the hospital; that these services are prescribed after outpatient surgery; and/or would prevent the recipient from being admitted into the hospital.

Vision care services are covered for adults over the age of 21 if they are medically necessary to diagnosis and treat conditions of the visual system. A routine eye exam with refraction is not covered for recipients over the age of 21.

10. On Attachment 3.1A, limitation supplement, page 3a, under Preventive Care, the State describes what type of preventive services they provide. This is in the incorrect section of the State plan.
- The 1<sup>st</sup> paragraph under "Preventive Care" is about well baby care which should be in the EPSDT section of the State plan – item 4b.
  - The 2<sup>nd</sup> paragraph which mentions immunizations for beneficiaries under EPSDT should be in the EPSDT section. The influenza, pneumonia, and hepatitis

Ms. Jackie L. Glaze  
Page Four

vaccinations for adults can remain in this section or it can be placed in the preventive section of the State plan – item 13c.

- The 3<sup>rd</sup> paragraph and the remaining verbiage belong in the preventive section of the State plan – item 13c.

**Response:** Bullet number one, well baby care, are routine newborn care services that are generally provided in a hospital and are not the same as EPSDT. This verbiage should remain in the plan where it currently resides.

Bullet number two, page attached with required changes.

Bullet number three, page attached with required changes.

### **Preventive Services**

11. On Attachment 3.1A, limitation supplement, page 6 and 6a, item 13c, preventive services. The State describes "Preventive Services for Primary Care Enhancement." Please describe what this program actually is and how it operates.

**Response:** The Preventive Services for Primary Care Enhancement program is designed to provide patient education, health and behavior intervention to enhance the individual's practice of healthy behaviors, prevent deterioration of chronic conditions, and promote the full and appropriate use of primary medical care when the need for intervention is identified.

Recipients are referred to contracted providers that include nurses and/or other practitioners of the healing arts for assessment and referral to additional services if needed. The Nurses and/or practitioners of the healing arts provide patient education and needs assessments to determine what services are needed to reduce risk factors. Recipient can receive 15 hours of services annually if approved by a physician as medically necessity.

### **Psychologists Services**

12. The State describes psychologist services in item 6d on Attachment 3.1-A Limitation Supplement, page 4a. Please clarify what "other psychological services not related to EPSDT" are, and how they relate to services provided by licensed psychologists under Federal regulations at 42 CFR 440.60. If these services do not relate to the services in 6.d provided by licensed psychologists, please remove.

**Response:** We have deleted this language from Attachment 3.1-A, Limitation Supplement, page 4a. Corrected page attached.

If additional information is needed or if you have questions, please contact Deirdra T. Singleton at (803) 898-2647.

Sincerely,



Anthony E. Keck  
Director

AEK/sh  
Enclosures

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

1. TRANSMITTAL NUMBER:  
SC 11-020

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  
10/01/11

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:

42 CFR Part 440 Subpart A

7. FEDERAL BUDGET IMPACT: FMAP

a. FFY 2011 \$

b. FFY 2012 \$

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, pages 6 & 8a

Attachment 3.1-A, Limitation Supplement, pages 3a, 3a.1, 4a, 6, and 6.1

Attachment 4.19-B, pages 2, 2a.2, 2b, 3 and 6

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

Attachment 3.1-A, pages 6 & 8a

Attachment 3.1-A, Limitation Supplement, pages 3a, 3a.1, 4a, & 6

Attachment 4.19-B, pages 2, 2a.2, 2b, 2.b1, 2.c, 3 and 6

(Pages 2b.1 & 2c should be deleted)

10. SUBJECT OF AMENDMENT:

Companion Letter with approval of SC 11-005. Same Page Issues.

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:



13. TYPED NAME:

Anthony E. Keck

14. TITLE:

Director

15. DATE SUBMITTED:

December 8, 2011

16. RETURN TO:

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

17. DATE RECEIVED		18. DATE APPROVED	
19. EFFECTIVE DATE OF APPROVED MATERIAL		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME		22. TITLE	
23. REMARKS			



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

12/14/11  
Can use same format as  
12/14/11  
109589  
to

TO <i>Hess/Saxon</i>	DATE <i>9-30-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>10-147</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>10/8/11</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
<i>CC: Mr. Beck, Dep. CUS file</i>	<input type="checkbox"/> FOIA DATE DUE _____
<i>with completion 9/30/11</i>	<input checked="" type="checkbox"/> Necessary Action

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SEP 30 2011

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September 26, 2011

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