

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

**ACTION REFERRAL**

<b>TO</b> <i>Hess</i>	<b>DATE</b> <i>1-4-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
<b>1. LOG NUMBER</b> <div style="text-align: center; font-size: 1.2em;">1011246</div>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
<b>2. DATE SIGNED BY DIRECTOR</b> <i>cc: Mr. Keck, Dept, CUS file</i> <div style="text-align: center; font-size: 2em; color: red;">✓</div>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____  <input type="checkbox"/> FOIA DATE DUE _____  <input checked="" type="checkbox"/> Necessary Action

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

December 22, 2011

**RECEIVED**

JAN 03 2012

Mr. Anthony E. Keck, 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 #11-016

Dear Mr. Keck:

We have reviewed South Carolina's State Plan Amendment (SPA) 11-016, which was submitted to the Atlanta Regional Office on September 28, 2011. South Carolina submitted the proposed State Plan Amendment as part of Section 2301 of the Affordable Care Act to establish conditions and guidelines for care provided in Freestanding Birthing Centers.

Based on the information provided, we would like to inform you that South Carolina SPA 11-016 was approved on December 21, 2011. The effective date is September 15, 2011. 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 Yvette Moore at (404) 562-7327.

Sincerely,

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

Enclosures

**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**

**5. TYPE OF PLAN MATERIAL (Check One):**

☒ **NEW STATE PLAN**

☐ **AMENDMENT TO BE CONSIDERED AS NEW PLAN**

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

**6. FEDERAL STATUTE/REGULATION CITATION:**  
Section 2301 of the Affordable Care Act 2010

**7. FEDERAL BUDGET IMPACT:**

a. FFY 2012  
b. FFY 2013

\$ N/A  
\$ N/A

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

Attachment 3.1-A Page 10

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 3.1-A, Limitation Supplement Page 10a  
Attachment 4.19-B Page 6h.4

Attachment 3.1-A, Limitation Supplement Page 10a  
Attachment 4.19-B Page 6h.4

**10. SUBJECT OF AMENDMENT:**

The Patient Protection and Affordable Care Act (P.L. 111-148) as Amended by the Health Care and Education Act of 2010 (P.L. 11-152), Title II, Subtitle D, Section 2301 establishes care provided in free-standing birth centers as a mandatory Medical Service.

**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:**

September 28, 2011

**16. RETURN TO:**

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

**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:**

09/28/11

**18. DATE APPROVED:**

12/2/11

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**

PLAN APPROVED - ONE COPY ATTACHED

**20. SIGNATURE OF REGIONAL OFFICIAL:**

**21. TYPED NAME:**

Jackie Chaze

**22. TITLE:**

Assistant Regional Administrator  
Division of Medicaid & Children Health Ops

**23. REMARKS:**

Approved with the following changes to item 4 as authorized by State Agency on email dated 12/15/11:  
Block #4 changed to read: September 15, 2011; Block #5 changed to read: Amendment  
Block #6 changed to read: Attachment 3.1-A, page 10, attachment 3.1-A, Limitation Supplement page 10a, and Attachment 4.19-B pages 3, 6h.4  
and 6h.5 Block #9 changed to read: Attachment 3.1-A, Limitation Supplement page 10a and Attachment 4.19-B pages 3 and 6h.4.

28. (i) Licensed or Otherwise State-Approved Freestanding Birth Centers

Provided: ☐ No limitations ☒ With limitations

None licensed or approved

Please describe any limitations: See ATTACHMENT 3.1-A, LIMITATION SUPPLEMENT,  
PAGE 10a

28. (ii) Licensed or Otherwise State-Recognized covered professionals providing services in the  
Freestanding Birth Center

Provided: ☐ No limitations ☒ With limitations (please describe below)

☐ Not Applicable (there are no licensed or State approved Freestanding Birth Centers)

Please describe any limitations: See ATTACHMENT 3.1-A, LIMITATION SUPPLEMENT,  
PAGE 10a

Please check all that apply:

☒ (a) Practitioners furnishing mandatory services described in another benefit category and otherwise covered under the State plan (i.e., physicians and certified nurse midwives).

☒ (b) Other licensed practitioners furnishing prenatal, labor and delivery, or postpartum care in a freestanding birth center within the scope of practice under State law whose services are otherwise covered under 42 CFR 440.60 (e.g., lay midwives, certified professional midwives (CPMs), and any other type of licensed midwife). \*

☐ (c) Other health care professionals licensed or otherwise recognized by the State to provide these birth attendant services (e.g., doula, lactation consultant, etc.). \*

\*For (b) and (c) above, please list and identify below each type of professional who will be providing birth center services:

Licensed Midwives

G.

Medical Supplies and Oxygen - The following items are included, however, the included items are not limited to this list: oxygen, supplies used for inhalation therapy, catheters and related supplies, dressings, disposable enema equipment or other irrigation supplies, I.V. solutions, disposable instrument trays, levine tubes and other supplies ordered by a physician or necessary to meet the needs of the resident because of the resident's medical condition.

24.e

EMERGENCY HOSPITAL SERVICES - These services are subject to the limitations found in the introduction to the Limitation Supplement to Attachment 3.1-A.

28(i)

Licensed or Otherwise State-Approved Freestanding Birth Centers: - Medicaid will provide coverage for Birthing Centers as long as they are licensed by the appropriate licensing and regulation agency(ies) and are an enrolled provider in Medicaid. Services will be limited to obstetrical services, newborn care and routine maternal care.

28(ii)

Licensed or otherwise State-Recognized covered professionals providing services in the Freestanding Birthing Center: - Medicaid coverage for Licensed Midwives and Certified Nurse Midwives includes all obstetrical services, newborn care and medical routine maternal care. All services must be medically necessary.

SC 11-016  
EFFECTIVE DATE: 09/15/11  
RO APPROVAL: 12/21/11  
SUPERSEDES: SC 08-024

Reimbursement for laboratory (pathology) services performed by individual practitioners is calculated as specified in 5.

End State Renal Disease - Reimbursement for ESRD treatments, either home or in center, will be an all inclusive fee based on the statewide average of the composite rates established by Medicare. The reimbursement will be an all inclusive fee to include the purchase or rental, installation and maintenance of all equipment.

6.a Podiatrists' Services:

Reimbursement is calculated in the same manner as for Physicians' services. Refer to 5.

6.b Optometrists' Services (Vision Care Services):

Payment will be according to an established fee schedule for all services not provided through the sole source contract. Effective February 1, 1982.

6.c Chiropractor's Services:

Reimbursement is calculated in the same manner as for Physicians' services. Refer to 5.

6.d

Certified Registered Nurse Anesthetist (CRNA): CRNAs under the medical direction of a surgeon will be reimbursed at 90 percent of the Anesthesiologist reimbursement rate. CRNAs under the medical direction of an Anesthesiologist will receive 50 percent of the reimbursement rate. Refer to 5 Physician Services.

Nurse Practitioner: Reimbursement is calculated at 80 percent of the rate for Physician Services. Refer to 5.

Psychologists: Psychological services are reimbursed at an established statewide fee schedule as based on the Methodology outlined in the Physician Section 5, Attachment 4.19-B, Page 2a. All requirements identified under CFR 447.200ff and 447.300ff shall be met.

Medical Social Services: Governmental and non-governmental providers of Medical Social Services are reimbursed using the same payment methodology as those services described under the Medicaid Home Health benefit. See Section Attachment 4.19-B, Section 7. There is a standard co-payment of \$2.00 per home visit when applicable.

7.

Home Health Services:

Nursing Services, Home Health Aide Services, Physical Therapy, Occupational Therapy, Speech Pathology, and Audiology are provided and reimbursed based on the lesser of allowable Medicare costs, charges, or the Medicare cost limits. At the end of each Home Health Agency's fiscal year end, an actual cost report must be submitted which is used for the purpose of completing a cost settlement based on the lesser of allowable Medicare costs, charges, or the Medicare cost limits.

SC No: 11-016  
Effective Date: 09/15/11  
NO APPROVAL: 12/21/11  
SUPERSEDES: SC 11-001

Depreciation is allowed on provider owned vehicles. A state agency or school based provider may allocate costs of fleet operations if applicable.

1. **Indirect costs:** To provide for the administrative and overhead costs the provider incurred to support the Medicaid Transportation contract, the provider is allowed to apply their specific indirect rate. For state agency providers, this will be the indirect rate as approved by USDHHS. For local school districts, this will be the unrestricted indirect rate as calculated by the SDE in cooperation with the United States Department of Education.

2. **Service Utilization Statistics:** Service units are passenger miles. As cost is based on services provided to all passengers (i.e. total passengers), annual units of service projections are based on total passenger miles.

**Annual Cost Reports (State Agency and School Based):**

Annual cost reports are required of all state agency providers of non-emergency transportation services described above to ensure that these providers have not received reimbursements in excess of actual allowable costs.

For all state agency providers of non-emergency transportation, the budgeted rate established at the beginning of the contract year represents their maximum per passenger mile reimbursement rate for the year. Cost reconciliation based on the annual cost reports of public providers is completed. If a state agency provider's interim payments exceed the actual allowable costs of non-emergency transportation services, the SCDHHS will establish a receivable to recover the excess payments. No additional payments will be made to a provider as a result of the cost reconciliation process.

For Local Education Agencies also participating in the Administrative Claiming Program, services associated with coordinating and scheduling of transportation services are specifically excluded from allowable Administrative Claiming activities.

28(i)

Licensed or Otherwise State-Approved Freestanding Birth Centers: For services provided at a birthing center, the facility payment will be no more than 50 percent of a normal vaginal hospital delivery. The provider shall append a TC modifier to the vaginal delivery code when billing the all-inclusive facility fee. The Licensed or Otherwise State Approved Freestanding Birth Centers facility fee schedule rate is effective for services provided on or after the implementation date as outlined in the Physician Section 5, Attachment 4.19-B, Page 2a.2.

SC 11-016  
EFFECTIVE DATE: 09/15/11  
RO APPROVAL: 12/21/11  
SUPERSEDES: SC 11-002

28(ii) Licensed or otherwise State-Recognized covered professionals providing services in the Freestanding Birthing Center: Reimbursement for midwifery services for a normal vaginal birth are based on the lesser of billed charges, or 100% of the allowed provider reimbursement for a routine delivery\*.

All other obstetrical services provided by midwives are reimbursed at the allowed provider reimbursement (\*) based on South Carolina's Physician Fee Schedule.

- \* Allowed provider reimbursement is based on provider type, i.e. certified nurse midwife or licensed midwife. A certified nurse midwife receives 100% of the allowable reimbursement based on the South Carolina Physician's Fee Schedule while a licensed midwife receives 65 percent of the allowable reimbursement.

SC 11-016  
EFFECTIVE DATE: 09/15/11  
RO APPROVAL: 12/21/11  
SUPERSEDES: New Page