

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Hutto</i>	DATE <i>8-29-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000087</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Sayon</i> <i>cleared 9/10/13, letter attached</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-10-13</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input 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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AUG 28 2013

Department of Health & Human Services  
OFFICE OF THE DIRECTOR*State of South Carolina*  
*Department of Mental Health***MENTAL HEALTH COMMISSION:**Alison Y. Evans, PsyD, Chair  
Joan Moore, Vice Chair  
Jane B. Jones  
Everard Rutledge, PhD  
J. Buxton Terry

August 27, 2013

2414 Bull Street • P.O. Box 485  
Columbia, SC 29202  
Information: (803) 898-8581**John H. Magill**  
State Director of Mental HealthMs. Elizabeth Hutto, Interim Deputy Director/CFO  
South Carolina Department of Health and Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202Dear Ms. Hutto, *Beth*

After further review of the Department of Mental Health (DMH) June 30, 2012 nursing home and psychiatric hospital cost reports it is apparent the change from retrospective to prospective payments using 2010 rate information trended forward should be rebased based on the June 30, 2012 cost per day trended forward.

Below are the requested rebased rates and calculations:

Nursing Facilities	Roddey	Tucker	Campbell	Victory House
FYE 6/30/12 Allowable Cost Per Day	\$287.24	\$282.63	\$163.29	\$175.49
Market basket Update (FY 13 = 2.5 and estimated FY 14 = 2.5 (1.025*1.025 = 1.05063))	1.05063	1.05063	1.05063	1.05063
<b>Requested 10/1/13 Trended Cost Per Day</b>	<b>\$301.78</b>	<b>\$296.94</b>	<b>\$171.56</b>	<b>\$184.37</b>
PPS Rate Effective 10/1/12	\$261.63	\$303.98	\$180.54	\$188.81

Psychiatric Hospitals & RTF's	Bryan	Harris	Hall	Hall Directions (RTF)
FYE 6/30/12 Allowable Cost Per Day	\$464.27	\$475.62	\$932.14	\$719.55
Market basket Update FY 13 = 2.6 and estimated FY 14 = 2.6 (1.026*1.026 = 1.05268)	1.05268	1.05268	1.05268	1.05268
<b>Requested 10/1/13 Trended Cost Per Day</b>	<b>\$488.73</b>	<b>\$500.67</b>	<b>\$981.25</b>	<b>\$757.46</b>
PPS Rate Effective 10/1/12	\$403.79	\$519.79	\$932.57	\$621.35

Based on the above calculations DMH is requesting the opportunity to rebase nursing facilities, psychiatric hospitals and residential treatment facility PPS rates effective October 1, 2013. Thank you in advance for your consideration and should you have any questions please contact me at (803) 898-8343.

Sincerely,

David A. Schaefer  
Director of Financial Services

CC: Mr. Jeff Saxon, SME

**MISSION STATEMENT**

To support the recovery of people with mental illnesses.





South Carolina  
Department of Mental Health  
2414 Bull Street • Columbia, SC 29201

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Please Log to  
Hutto

Cc: TK, Saxon



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Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Ms. Elizabeth Hutto, Interim Deputy Director/CFO  
South Carolina Department of Health and Human Services  
P.O. Box 8206  
Columbia, South Carolina 29202

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September 10, 2013

Mr. David A. Schaefer, Director of Financial Services  
South Carolina Department of Mental Health  
2414 Bull Street  
Columbia, SC 29202

Dear Mr. Schaefer:

We have reviewed your August 27, 2013 request to update the South Carolina Department of Mental Health's Medicaid reimbursement rates for its nursing facilities, long term psychiatric hospitals, and psychiatric residential treatment facility based upon the Fiscal Year End (FYE) June 30, 2012 Medicaid cost reports. Due to your agency's conversion of its accounting system which led to the delay in the submission of the FYE June 30, 2011 and June 30, 2012 Medicaid cost reports and the unavailability of these reports for use in the development of the October 1, 2012 payment rates, the agency has agreed to update the Medicaid rates for the providers requested based upon the results of the desk audited cost reports and the use of the appropriate CMS Market Basket rates of inflation. However, because a proposed public notice (with a thirty day comment period) and a final public notice must be prepared and printed prior to the effective date of the Medicaid rate change, the earliest that the updated rates can be effective will be November 1, 2013. Finally, because a state plan amendment will have to be prepared, the updated Medicaid payment rates will not be reflected within MMIS for payment until the agency has received CMS approval of this state plan amendment.

Thank you for your assistance in this matter. If you or your staff should have any questions, please contact Jeff Saxon at 898-1023.

Sincerely,



Elizabeth Hutto  
Interim Deputy Director/CFO

EH/JS