

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

ACTION REFERRAL

| | |
|--------------------------------------|--------------------------------|
| TO <i>Jingleton/Chavis</i> | DATE <i>10-18-13</i> |
|--------------------------------------|--------------------------------|

| DIRECTOR'S USE ONLY | ACTION REQUESTED |
|---|---|
| 1. LOG NUMBER 000394 | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Deps, CMS file</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
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

June 10, 2013

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

RECEIVED

JUN 18 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Attention: Sheila Chavis

RE: Title XIX State Plan Amendment, SC 13-001

Dear Mr. Keck:

We have reviewed the proposed State Plan Amendment, SC 13-001, which was submitted to the Atlanta Regional Office on March 28, 2013. This state plan amendment allows primary care physicians that practice in family medicine, general internal medicine, pediatric medicine, and related subspecialists to receive increased payments for certain primary care services and vaccine administration in calendar years 2013 and 2014. This amendment is in compliance with the requirements of Section 1202 of the Affordable Care Act.

Based on the information provided, the Medicaid State Plan Amendment SC 13-001 was approved on June 10, 2013. The effective date of this amendment is January 1, 2013. We are enclosing the approved HCFA-179 and the plan pages.

As we are working in partnership to implement this important provision, we would greatly appreciate if you can inform us when your state begins to pay the increased rates to your providers. Additionally, to the extent you have information regarding the number of providers receiving the enhanced payments; we would appreciate that information as well.

If you have any additional questions or need further assistance, please contact Cheryl Wigfall at (803) 252-7299 or Cheryl.Wigfall@cms.hhs.gov.

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 13-001

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
January 1, 2013

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 447.405, 447.410, 447.415

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 \$18,109,000
b. FFY 2014 \$24,292,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 3 to Attachment 4.19-B, page 1, 2, 3, & 4

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

10. SUBJECT OF AMENDMENT:

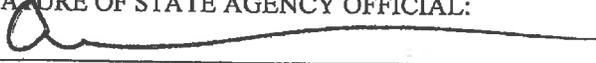
The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

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:
March 27, 2013

16. RETURN TO:

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

FOR REGIONAL OFFICE USE ONLY

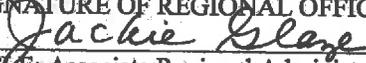
17. DATE RECEIVED:
03/28/13

18. DATE APPROVED: 06/10/13

PLAN APPROVED -- ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
01/01/13

20. SIGNATURE OF REGIONAL OFFICIAL:



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 7a and 7b as authorized by State Agency e-mails dated 06/07/13:

Block # 7a changed to read: FFY 13 \$17,821,781 and **Block # 7b changed to read :** FFY14 \$20,912,245.

Reimbursement Template -Physician Services

Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

- The rates reflect all Medicare site of service and locality adjustments.
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: _____

Method of Payment

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code.
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made: monthly quarterly semi-annually annually

Primary Care Services Affected by this Payment Methodology

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes).

SC 13-001
EFFECTIVE: DATE: 01/01/13
RO APPROVED: 6-10-13
SUPERSEDES: New Page

99224 E/M SUBSEQ OBS CARE PER DAY,LEVEL 1
99225 E/M SUBSEQ OBS CARE PER DAY,LEVEL 2
99226 E/M SUBSEQ OBS CARE PER DAY, LEVEL 3
99340 MD SUPV PT HM,DOM/RST HM/MONTH/30+ MIN
99355 PROLONGED PHY SERV OFF OR OP EA ADD 30 M
99357 PROLONGED PHY SERV IP EA ADD 30 MIN
99358 PROLONGED EVAL & MANAGEMENT SERV 1 HR
99359 PROLONGED EVAL & MANGEMENT EA ADD 30 MIN
99363 ANTICOAGULANT MGMT,WARFARIN,INIT 90 DAYS
99364 ANTICOAGULANT MGMT,WARFARIN,EA SUBSEQ 90
99366 TEAM CONF PROF W/PAT/FAM,30 MIN OR MORE
99367 TEAM CONF PROF W/PAT/FAM,30 MIN W/ PHYS
99368 TEAM CONF PROF NO PAT/FAM PRESENT,30MIN
99374 PHY CARE OVERSIGHT-HOM HLTH PAT;15-29MIN
99375 PHY CARE PLAN OVERSIGHT SERV 30-60 MIN
99377 PHY CARE OVERSIGHT-HOSPICE PAT;15-29MIN
99378 PHY CARE OVERSIGHT-HOSPICE PAT;30+ MINUT
99379 PHY CARE OVERSIGHT-NURS FAC PAT;15-29MIN
99380 PHY CARE OVERSIGHT-NURS FAC PAT;30+ MINU
99411 E/M PREVENT MED SERV GRP COUNSEL @ 30MIN
99412 E/M PREVENT MED SERV GRP COUNSEL @ 60MIN
99420 E/M OTHR PREV MED SERV ADMIN & INTERPRET
99429 E/M UNLISTED PREVENTIVE MEDICINE SERVICE
99441 PHONE E/M BY PHYS,EST PATIENT,5-10 MIN
99442 PHONE E/M BY PHYS,EST PATIENT,11-20 MIN
99443 PHONE E/M BY PHYS,EST PATIENT,21-30 MIN
99444 ONLINE E/M PHY,EST PT,NO VIS W/IN 7 DAY
99450 BASIC LIFE AND/OR DISABILITY EXAM
99455 WORK RELATED OR DISABILITY EX, TREAT PHY
99456 WORK RELATED/DISABILITY EX,NOT TREAT PHY

(Primary Care Services Affected by this Payment Methodology – continued)

The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

SC 13-001
EFFECTIVE:DATE:01/01/13
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SUPERSEDES: New Page

| | |
|--|----------|
| 99224 E/M SUBSEQ OBS CARE PER DAY,LEVEL 1 | 1/1/2011 |
| 99225 E/M SUBSEQ OBS CARE PER DAY,LEVEL 2 | 1/1/2011 |
| 99226 E/M SUBSEQ OBS CARE PER DAY, LEVEL 3 | 1/1/2011 |
| 99406 SMOK/TOBACCO CESSATION COUNS, 3-10 MIN | 2/1/2012 |
| 99407 SMOK/TOBAC CESSATION, INTENSIVE<10MIN | 2/1/2012 |
| 90460 IMMUN ADMIN <=AGE 18; ANY ROUTE,1ST VACC | 1/1/2011 |
| 90461 IMMUN ADMIN <=AGE 18; ANY ROUTE,EA ADD'L | 1/1/2011 |

Physician Services – Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

- Medicare Physician Fee Schedule rate
- State regional maximum administration fee set by the Vaccines for Children program
- Rate using the CY 2009 conversion factor

Documentation of Vaccine Administration Rates in Effect 7/1/09

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: _____.

A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: \$13.00.

Alternative methodology to calculate the vaccine administration rate in effect
7/1/09: _____

Note: This section contains a description of the state's methodology and specifies the affected billing codes.

Effective Date of Payment

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at www.scdhhs.gov. The state is using a fee schedule that was developed using the tools provided by Deloitte. The fee schedule will not be adjusted for changes in Medicare's rates throughout the year. We will update the fee schedule in December to reflect the changes effective January 1, 2014.

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at www.scdhhs.gov.

Supersedes Page: None

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 20 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

SC 13-001
EFFECTIVE DATE: 01/01/13
RO APPROVED:
SUPERSEDES: New Page