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State/Territory Name: South Carolina

State Plan Amendment (SPA) #:21-0008

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form
3) Approved SPA Pages
September 23, 2021

Robert M. Kerr
Director
South Carolina Department of Health and Human Services
1801 Main Street
Columbia, SC 29201

Re: SC State Plan Amendment (SPA) 21-0008

Dear Director Kerr:

The Centers for Medicare & Medicaid Services (CMS) completed review of South Carolina’s State Plan Amendment (SPA) Transmittal Number 21-0008 submitted on July 7, 2021. The purpose of this SPA is to update the Program of All-Inclusive Care for the Elderly (PACE) rate methodology in the South Carolina State Plan.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that on September 23, 2021, the SC Medicaid SPA Transmittal Number 21-0008 was approved effective July 1, 2021.

If you have any questions regarding this amendment, please contact Claudia Simonson at (312) 353-2115 or via email at claudia.simonson@cms.hhs.gov.

Sincerely,

/s/

Bill Brooks
Director
Division of Managed Care Operations

cc: Thomas Clark Phillip
Courtney Montgomery
Sheila Chavis
Judy Baskins
**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

<table>
<thead>
<tr>
<th>1. TRANSMITTAL NUMBER:</th>
<th>2. STATE</th>
<th>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</th>
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<tbody>
<tr>
<td>21-0008</td>
<td>South Carolina</td>
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**TO: REGIONAL ADMINISTRATOR**

**HEALTH CARE FINANCING ADMINISTRATION**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

<table>
<thead>
<tr>
<th>4. PROPOSED EFFECTIVE DATE</th>
<th>5. TYPE OF PLAN MATERIAL (Check One):</th>
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<tbody>
<tr>
<td>July 1, 2021</td>
<td>[ ] NEW STATE PLAN  [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN  [x] AMENDMENT</td>
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COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

<table>
<thead>
<tr>
<th>6. FEDERAL STATUTE/REGULATION CITATION:</th>
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<tbody>
<tr>
<td>1905(a)(26) and 1934</td>
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</tbody>
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<tr>
<th>7. FEDERAL BUDGET IMPACT:</th>
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<tbody>
<tr>
<td>a. FFY 2022 $0</td>
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<tr>
<td>b. FFY 2023 $0</td>
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<tr>
<th>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</th>
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<tbody>
<tr>
<td>Attachment 4.19-B, page 6i.1</td>
</tr>
<tr>
<td>Supplement 3 to Attachment 3.1-A, Enclosures 3,4,5,6,7(pages 1-6)</td>
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<tr>
<th>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</th>
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<tbody>
<tr>
<td>Attachment 4.19-B, page 6i.1 Supplement 3 to Attachment 3.1-A, Enclosures 3, 4, 5, 6, 7(pages 1-6). Page 6j is being removed from the State Plan; this page should have been removed when SPA SC 13-005 was submitted to CMS in 2013</td>
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<tr>
<th>10. SUBJECT OF AMENDMENT: This plan amendment is to remove the acronym Upper Payment Limit(UPL) and replace it with the acronym Amount that Would Otherwise have been paid (AWOP) to bring the state plan language in alignment with the rate setting methodology.</th>
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<th>11. GOVERNOR’S REVIEW (Check One):</th>
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<tbody>
<tr>
<td>[ ] GOVERNOR’S OFFICE REPORTED NO COMMENT  [x] OTHER, AS SPECIFIED: Mr. Kerr was designated by the Governor to review and approval all state plans</td>
</tr>
<tr>
<td>[ ] COMMENTS OF GOVERNOR’S OFFICE ENCLOSED</td>
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<tr>
<td>[ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</td>
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<th>12. SIGNATURE OF STATE AGENCY OFFICIAL:</th>
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<tbody>
<tr>
<td>/s/ Robert M. Kerr</td>
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<tr>
<th>13. TYPED NAME:</th>
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<tbody>
<tr>
<td>Robert M. Kerr</td>
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<table>
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<tr>
<th>14. TITLE:</th>
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<tbody>
<tr>
<td>Director</td>
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<th>15. DATE SUBMITTED:</th>
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<td>June 30, 2021</td>
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**FOR REGIONAL OFFICE USE ONLY**

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<th>17. DATE RECEIVED:</th>
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<tr>
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<th>18. DATE APPROVED:</th>
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<th>19. EFFECTIVE DATE OF APPROVED MATERIAL:</th>
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<th>20. SIGNATURE OF REGIONAL OFFICIAL:</th>
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<td>/s/</td>
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<table>
<thead>
<tr>
<th>21. TYPED NAME:</th>
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<tbody>
<tr>
<td>Bill Brooks</td>
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</table>

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<tr>
<th>22. TITLE: Division of Managed Care Operations</th>
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<tr>
<th>23. REMARKS: Approved with the following changes to blocks 8 and 9 as authorized by state on email dated 08/24/21</th>
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<tbody>
<tr>
<td>Block # 8 changed to read: Attachment 4.19-B Page 6i; Supplement 3 to Attachment 3.1-A Enclosures pages 3, 4, 5, 6, 7(pages 1-6) Block # 9 changed to read: Attachment 4.19-B Page 6i; Supplement 3 to Attachment 3.1-A Enclosures pages 3, 4, 5, 6, 7(pages 1-6) (Pages 6i.1 and 6j are being removed from the State Plan; 6j should have been removed when SPA SC 13-005 was submitted to CMS in 2013)</td>
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**PLAN APPROVED – ONE COPY ATTACHED**

**FORM HCFA-179 (07-92)**
**PRA Disclosure Statement** The purpose of the PRA package is to provide a mechanism for states who voluntarily elect to provide medical assistance under Section 1934(a)(1) with respect to PACE program services to PACE program eligible individuals who are eligible for medical assistance under the State plan and who are enrolled in a PACE program under a PACE program agreement. 42 CFR 460.2 implements sections 1895, 1905(a), and 1934 of the Act, which authorizes the establishment of PACE as a State option under Medicaid to provide for Medicaid payment to, and coverage of benefits under, PACE. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. 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 0938-1027 (Expires: 06/30/2023). 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.

**Enclosure 3**

State of South Carolina

PACE State Plan Amendment Pre-Print

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy
(Continued)

1905(a)(26) and 1934

__X__ Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)
State of South Carolina
PACE State Plan Amendment Pre-Print

Citation 3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy (Continued)
1905(a)(26) and 1934

N/A_ Program of All-Inclusive Care for the Elderly (PACE) services, as described and
limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-B identifies services provided to each covered group of the
medically needy. (Note: Other programs to be offered to Medically Needy
beneficiaries would specify all limitations on the amount, duration and scope of
those services. As PACE provides services to the frail elderly population without
such limitation, this is not applicable for this program. In addition, other
programs to be offered to Medically Needy beneficiaries would also list the
additional coverage -that is in excess of established service limits- for
pregnancy-related services for conditions that may complicate the pregnancy. As
PACE is for the frail elderly population, this also is not applicable for this
program.)
Enclosure 5

Attachment 3.1-A

State of South Carolina
PACE State Plan Amendment Pre-Print

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Categorically Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

    _X__ Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

    ____ No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.

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TN No.: 21-0008
Supersedes:
TN No.: MA 03-010
Approval Date: 09/23/2021
Effective Date: 07/01/2021
Enclosure 6

Attachment 3.1-B

State of South Carolina
PACE State Plan Amendment Pre-Print

Amount, Duration and Scope of Medical and Remedial Care Services Provided To the Medically Needy

27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 3 to Attachment 3.1-A.

_N/A_ Election of PACE: By virtue of this submittal, the State elects PACE as an optional State Plan service.

_____ No election of PACE: By virtue of this submittal, the State elects to not add PACE as an optional State Plan service.
Regular Post Eligibility

The state applies post-eligibility treatment of income rules to PACE participants who are eligible under section 1902(a)(10)(A)(ii)(VI) of the Act (42 C.F.R. §435.217 of the regulations). Yes ____ No _X_

Post-eligibility for states that have elected to apply the rules to PACE participants

Note: Section 2404 of the Affordable Care Act mandated that, for the five-year period beginning January 1, 2014, the definition of an “institutionalized spouse” in section 1924(h)(1) of the Social Security Act include all married individuals eligible for certain home and community-based services (HCBS), including HCBS delivered through 1915(c) waivers. As of this writing, the ACA provision has been extended through December 31, 2019. This means that married individuals eligible in the eligibility group described at 42 C.F.R. §435.217 must have their post-eligibility treatment-of-income rules determined under the rules described in section 1924(d). Because states that elect to apply post-eligibility treatment-of-income rules to PACE participants may only do so to the same extent the rules are applied to individuals eligibility under 42 C.F.R. §435.217, application of the post-eligibility treatment-of-income rules must be applied to married individuals receiving PACE services consistent with the provisions described herein under “Spousal post-eligibility” so long as the amendment to section 1924 of the Act made by the ACA remains in effect.

1. 1634 and SSI States

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.726, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.
1. Allowances for the maintenance needs of the individual (check one):
   1. The amount deducted is equal to:
      (a) ______ The SSI federal benefit rate
      (b) ______ Medically Needy Income Level (MNIL)
      (c) ______ The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
      (d) ______ Percentage of the Federal Poverty Level:
               ______%
      (e) ______ Other (specify): __________________________
   2. ______ The following dollar amount: $________
      Note: If this amount changes, this item will be revised.
   3. ______ The following formula is used to determine the needs allowance:
      _____________________________________________________
      _____________________________________________________

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee’s income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:
   The amount deducted for the PACE enrollee’s spouse is equal to:
   1. ______ The SSI federal benefit rate
   2. ______ Optional State Supplement Standard
   3. ______ Medically Needy Income Level Standard
   4. ______ The following dollar amount (provided it does not exceed the amount(s) described in 1-3): $________
   5. ______ The following percentage of the following standard that is not greater than the standards above: _____% of
      ______ standard.
   6. ______ Not applicable (N/A)

3. Allowance of the maintenance needs of the family (check one):
   1. ______ AFDC need standard
   2. ______ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State’s approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

   3. ______ The following dollar amount: $________
      Note: If this amount changes, this item will be revised.
4. The following percentage of the following standard that is not greater than the standards above: ____% of ____ standard.
5. The amount is determined using the following formula:

6. Other
7. Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.726(c)(4).

2. 209(b) States,

The State applies the post-eligibility rules to individuals who are receiving PACE services and are eligible under 42 C.F.R. §435.217 consistent with the rules of 42 C.F.R. §435.735, and, where applicable, section 1924 of the Act. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee’s income.

1. Allowances for the maintenance needs of the individual (check one):
   1. The amount deducted is equal to:
      (a) The SSI federal benefit rate
      (b) Medically Needy Income Level (MNIL)
      (c) The special income level standard for the institutionalized individuals eligible under section 1902(a)(10)(A)(ii)(V) of the Act
      (d) Percentage of the Federal Poverty Level: ____%
      (e) Other (specify): __________________________

   2. The following dollar amount: $________
      Note: If this amount changes, this item will be revised.

   3. The following formula is used to determine the needs allowance:

Note: If the amount protected for a PACE enrollee in item 1 is equal to, or greater than, the PACE enrollee’s income, enter N/A in items 2 and 3.

2. Allowance for the maintenance needs of the spouse:

   The amount deducted for the PACE enrollee’s spouse is equal to:
1.____ The more restrictive income standard established under 42 C.F.R. §435.121
2.____ Optional State Supplement Standard
3.____ Medically Needy Income Level Standard
4.____ The following dollar amount (provided it does not exceed the amount(s) described in 1-3): $________
5.____ The following percentage of the following standard that is not greater than the standards above: _____% of ______ standard.
6.____ Not applicable (N/A)

3. Allowance of the maintenance needs of the family (check one):
   1.____ AFDC need standard
   2.____ Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State’s approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3.____ The following dollar amount: $________
   Note: If this amount changes, this item will be revised.
4.____ The following percentage of the following standard that is not greater than the standards above: _____% of ______ standard.
5.____ The amount is determined using the following formula:
   ________________________________
   ________________________________
6.____ Other
7.____ Not applicable (N/A)

4. Allowance for medical and remedial care expenses, as described in 42 CFR 435.735 (c)(4).
Spousal Post Eligibility

State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual’s contribution toward the cost of PACE services if it determines the individual’s eligibility under section 1924 of the Act. There shall be deducted from the individual’s monthly income a personal needs allowance (as specified below), and a community spouse’s allowance consistent with the minimum monthly maintenance needs allowance described in section 1924(d), a family allowance, for each family member, calculated as directed by section 1924(d)(1)(C), and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

Yes _X__ No ____

Note: states must elect the use the post-eligibility treatment-of-income rules in section 1924 of the Act in the circumstances described in the preface to this section.

(a.) Allowances for the needs of the:

1. Individual (check one)
   - _X__ The following standard included under the State plan (check one):
     1. _____SSI
     2. _____Medically Needy
     3. _X___The special income level for the institutionalized
     4. _____Percent of the Federal Poverty Level: _____% 
     5. _____Other (specify):________________________

   (B). _____The following dollar amount: $________
   Note: If this amount changes, this item will be revised.

   (C)_____The following formula is used to determine the needs allowance:

   ___________________________________________________
   ___________________________________________________

If this amount is different than the amount used for the individual’s maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual’s maintenance needs in the community:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
II. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

1. _X_ Rates are set at a percent of the amount that would otherwise been paid for a comparable population.

   The rates paid to the Program of All-Inclusive Care of the Elderly (PACE) organizations are determined on an annual basis as a percentage of the amount that would have otherwise been paid (AWOP). The AWOP is based on the current Medicaid delivery system costs derived from a comparable population (55 or older) of nursing facility and Home and Community-Based Services (HCBS) eligibles. In order to develop the AWOP, the data from sub-populations (Dually Eligible and Non-Dually Eligible) of nursing facility and HCBS clients, along with historical fee-for-service (FFS) where applicable, was blended into the final AWOP table.

   The State assures CMS that the capitated rates are less than comparable Medicaid costs as defined by the PACE AWOP, which is currently set at 96% of the PACE AWOP.

2. ___ Experience-based (contractors/State’s cost experience or encounter date)(please describe)

3. ___ Adjusted Community Rate (please describe)

4. ___ Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.

C. The State will submit all capitated rates to the CMS Regional Office for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State’s management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.
Program of all-Inclusive Care for the Elderly (PACE):

The description of the state’s rate setting methodology and how the state will ensure that rates are less than the Amount that Would Otherwise have been Paid (AWOP) is located in Supplement 3 to Attachment 3.1-A, Enclosure 7, page 6.