

## **Table of Contents**

**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #:13-011**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

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**

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December 19, 2013

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

Attention: Sheila Chavis

RE: South Carolina (SC) Title XIX State Plan Amendment (SPA), Transmittal # SC 13-011

Dear Mr. Keck:

We have reviewed the proposed South Carolina State Plan Amendment (SPA) 13-011, which was submitted to the Atlanta Regional Office on September 26, 2013. This amendment will allow an exception to 455.508(f) which prohibits the Recovery Audit Contractor (RAC) review of claims that are older than three years from the date of the claim.

Based on the information provided, the Medicaid State Plan Amendment SC 13-011 was approved on December 18, 2013. The effective date of this amendment is October 1, 2013. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Maria Drake at (404) 562-3697 or [Maria.Drake@cms.hhs.gov](mailto:Maria.Drake@cms.hhs.gov).

Sincerely,

//s//

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

Enclosures



Revision:

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina**SECTION 4 - GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program**

Citation Section 1902(a)(42)(B)(i) of the Social Security Act	<input checked="" type="checkbox"/> The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
Section 1902(a)(42)(B)(ii)(I) of the Act	<input checked="" type="checkbox"/> The State is seeking an exception to establishing such program for the following reasons: <i>The State is seeking an exception to 455.508(f), which prohibits the RAC from reviewing claims that are older than three years from the date of the claim, unless it receives approval from the State. SCDHHS finds that in order to be compliant with other federal requirements for the identification and collection of overpayments, we need to be able to allow the RAC to review claims that are older than three years. The RAC will only be allowed to review claims older than three years upon written permission of the agency.</i>
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<input checked="" type="checkbox"/> The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.
	Place a check mark to provide assurance of the following:
	<input checked="" type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.
	<input checked="" type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.
	The following payment methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):
	<input checked="" type="checkbox"/> The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.
	<input type="checkbox"/> The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.

TN No. SC 13-011

Supersedes

Approval Date: 12-18-13Effective Date: 10/1/2013TN No: SC 10-016

Revision:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p> <p>Section 1902(a)(42)(B)(ii)(IV)(bb) of the Act</p> <p>Section 1902 (a)(42)(B)(ii)(IV)(cc) Of the Act</p>	<p><u>    </u> The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p> <p><u>  X  </u> The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee): <b>Contingency fee of 9.5% of underpayments identified.</b></p> <p><u>  X  </u> The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p> <p><u>  X  </u> The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p> <p><u>  X  </u> The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p> <p><u>  X  </u> Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p>
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TN No: SC 13-011  
Supersedes  
TN No.: SC 10-016

Approval Date: 12-18-13

Effective Date: 10/01/13