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**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #: 16-0008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
61 Forsyth Street S.W. Suite 4T20  
Atlanta, Georgia 30303



## **Atlanta Regional Operations Group**

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September 27, 2019

Mr. Joshua D. Baker  
Director  
SC Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

Re: South Carolina State Plan Amendment 16-0008

Dear Mr. Baker:

We have reviewed the proposed South Carolina State Plan Amendment, SC 16-0008, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2016. This plan amendment rebases South Carolina Department of Mental Health clinic service rates based upon the provider's fiscal year end 2015 cost report and utilizes the Medicare Economic Index trend factor indices as well as the State of South Carolina July 1, 2016 cost of living increase provided to South Carolina state employees. Also, this plan amendment updates the units of time for certain mental health clinic service procedures.

Based on the information provided, the Medicaid State Plan Amendment SC 16-0008 was approved on September 26, 2019. The effective date of this amendment is July 1, 2016. We are enclosing the approved HCFA-179 and a copy of the new state plan pages.

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

Sincerely,

/s/

Davida R. Kimble  
Acting Deputy Director  
Division of Medicaid Field Operations South

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 16-0008	2. STATE South Carolina
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 July 1, 2016	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> NEW STATE PLAN</span> <span><input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN</span> <span><input checked="" type="checkbox"/> AMENDMENT</span> </div>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 447 – Subchapter C		7. FEDERAL BUDGET IMPACT: a. FFY 2016   \$ 251,207 b. FFY 2017   \$1,007,938	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-b pages, 3a.2, 3a.3, 3a.4, 3a.5, 3a.6, 3a.7 & 3a.8 (New Page)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-b pages, 3a.2, 3a.3, 3a.4, 3a.5, 3a.6, 3a.7	
10. SUBJECT OF AMENDMENT: Rebased SCDMH Clinic Rates effective July 1, 2016.			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT  <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL         </div> <div> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:            Mr. Soura was designated by the Governor to review and approve all State Plans         </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/		16. RETURN TO:  South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, SC 29202-8206	
13. TYPED NAME: Christian L. Soura			
14. TITLE: Director			
15. DATE SUBMITTED: September 30, 2016			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: September 30, 2016		18. DATE APPROVED: 09/26/19	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/16		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Davida R. Kimble		22. TITLE: Acting Deputy Director Division of Medicaid Field Operations South	
23. REMARKS: Approved with the following change to block #8 as authorized by state agency on email dated 9/23/19. Block # 8 changed to read: Attachment 4.19-b pages, 3a.2, 3a.3, 3a.4, 3a.5, 3a.6, and 3a.7			

Freestanding and hospital based certified ESRD clinics are reimbursed using the methodology described in this section. However, outpatient hospital dialysis services are billed on the UB claim form and reimbursed under the outpatient hospital payment methodology described in section 2a of Attachment 4.19-B.

The all inclusive fee is based on the statewide average of the composite rates established by Medicare. ESRD fee schedules and updates are published in the "Clinic Services Provider Manual" and are the same for governmental and private providers of this service. Payment to free standing ESRD clinics is 96 percent of the 2003 Medicare Fee Schedule. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rate was set as of July 11, 2011 and is effective for services provided on or after that date. All rates are published on the agency's website at [www.scdhhs.gov](http://www.scdhhs.gov). See page 0a of Attachment 4.19-B.

### **Mental Health Clinics**

Community mental health providers provide clinic services as defined in federal regulations 42 CFR 440.90. Community mental health services are provided to adults and children diagnosed with a mental illness as defined in the current addition of the Diagnostic Statistical Manual (DSM).

#### **MEDICAID BILLABLE SERVICES (Community Mental Health Clinics):**

The following table includes Community Mental Health program services typically billed to Medicaid.

<b>Services and Approved Abbreviation</b>	<b>Procedure Code</b>	<b>Unit Time</b>	<b>Maximum Units/Day</b>
Behavioral Health Screening - Alcohol/Drug	H0002 HF	15 minutes	2
Crisis Intervention Service (CI)	H2011	15 minutes	20
Family Therapy, client not present	90846	Encounter	1 per day
Family Therapy, client present (Fm Tx)	90847	Encounter	1 per day
Group Therapy (Gp Tx)	90853	Encounter	2 per day
Individual Therapy (Ind Tx)	90804	Encounter	1 per day
MH Assessment by Non Physician (Assmt)			
Assessment - MHP (Assess.)	H0031	30 minutes	8
MH Service Plan Development by Non Physician (SPD)	H0032	15 minutes	2
Nursing Services (NS)	T1002	15 minutes	7
Psychiatric Medical Assessment (PMA)MD - Adult	90792	Encounter	1 per day
Psychiatric Medical Assessment (PMA)MD - Child	90792 HA	Encounter	1 per day
Psychiatric Medical Assessment-Advanced Practice	90792 Adult (SA)		
Registered Nurse (PMA-APRN)	Child (HW)	Encounter	1 per day

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SUPERSEDES: SC 12-026

Services and Approved Abbreviation	Procedure Code	Unit Time	Maximum Units/Day
Psychiatric Medical Assessment - Telepsychiatry (PMA-T)	90792 GT	Encounter	1 per day
Medical Evaluation and Management for established - MD	99213	15 minutes	1 per day
Medical Evaluation and Management for Established - APRN	99213 with modifier SA	15 minutes	1 per day
Medical Evaluation and Management for Established - Telepsychiatry	99213 with modifier GT	15 minutes	1 per day
Medical Evaluation and Management for Established - MD	99214	30 minutes	1 per day
Medical Evaluation and Management for Established - APRN	99214 with modifier SA	30 minutes	1 per day
Medical Evaluation and Management for Established - Telepsychiatry	99214 with modifier GT	30 minutes	1 per day
Medical Evaluation and Management for Established - MD	99215	40 minutes	1 per day
Medical Evaluation and Management for Established - APRN	99215 with modifier SA	40 minutes	1 per day
Medical Evaluation and Management for Established - Telepsychiatry	99215 with modifier GT	40 minutes	1 per day
Team Conference Face-to-Face Non-Physician	99366	Encounter	1 per day
Team Conference Face-to-Face Physician	99367	Encounter	1 per day
Psychotherapy	90833	30 minutes when performed with E&M	1 per day
Psychotherapy	90836	45 minutes when performed with E&M	1 per day
Psychotherapy	90838	60 minutes when performed with E&M	1 per day
Multi-Family Group Psychotherapy	90849	Encounter	1 per day

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SUPERSEDES: SC 12-026

**Injection Administration (96372) provided during a clinic setting will be reimbursed via the SC Medicaid Physician Fee schedule.**

Effective for services provided on or after October 1, 2012, state owned governmental providers of community mental health clinic services will receive prospective payment rates based upon its 2010 fiscal year end Medicaid cost report. In order to trend the cost of each service to the initial payment period of October 1, 2012 through June 30 2013, the Medicaid Agency will employ the midpoint to midpoint methodology and the use of the CY 2010 Medicare Economic Index (1.2%). Effective for services provided on or after July 1, 2016, the SC Department of Mental Health providers of community mental health services will receive prospective payment rates based upon its 2015 fiscal year end Medicaid cost report. In order to trend the cost of each service to the payment period of July 1, 2016 through June 30, 2017, the Medicaid Agency will employ the midpoint to midpoint methodology and the use of the 3<sup>rd</sup> Quarter 2015 Global Insight Indexes of the CMS Medicare Economic index as well as the state of South Carolina cost of living increase provided to state employees effective July 1, 2016. State owned governmental providers of community mental health clinic services will be required to submit annual cost reports when certified public expenditures are used as the source of state matching funds.

#### Interim Rates

Medicaid interim rates for mental health services in community mental health centers are established utilizing Medicare reasonable cost principles, as well as criteria outlined under 45 CFR Part 75 and 42 CFR Part 413. Costs reimbursable in the rates for mental health clinical services include but are not limited to:

1. Personnel costs - the salary and fringe benefit costs associated with direct line staff, meeting credentialing requirements, providing the services in the community mental health centers,
2. Clinical supervision - the salary and fringe benefit cost associated with the clinical supervision of these services,
3. Supplies - material and supply costs that are required for direct services to patients,
4. Training and travel - training and associated travel expenses that directly relate to maintaining certification, qualifications, or licensure required to render contracted mental health services but not to obtain their initial certification,
5. Indirect costs - Overhead/administrative costs incurred by mental health clinics and state agencies that are allocable to the individual mental health services via approved cost allocation methodologies as allowed under 45 CFR Part 75 and 42 CFR Part 413.

**Annual Cost Identification and Certified Public Expenditure (CPE)**  
**Reconciliation Process for State Owned governmental providers:**

Each State Owned governmental provider rendering clinical mental health services will be required to submit a CMS approved annual cost report to establish the costs of their services. Allowable costs will be accumulated by service definition. Costs by service will be accumulated for the total population of users of the service (i.e. regardless of the source of payment). Allowable costs will be classified as follows and determined in accordance with Medicare reasonable cost principles and criteria outlined under 45 CFR Part 75 and 42 CFR Part 413.

**Direct Costs:**

- 1) Personnel costs – Expenditures from the accounting records of the State Agency for the incurred salaries, payroll taxes, and fringe benefits for the employees providing direct medical services to beneficiaries in the Community Mental Health clinics. For employees who are not assigned to work 100% of their time in clinical services, time sheets will be required to allocate salary, payroll taxes and fringe benefits,
- 2) Materials, supplies (excluding injectibles), and non-capital related equipment expenditures required by the practitioners for the provision of service. The following characteristics determine the charging of supplies to a medical service:
  - a) commonly provided in the course of care/treatment by the practitioner without additional charge,
  - b) provided as incidental, but integral to the practitioners' services, and
  - c) used by the "hands-on" medical provider,
- 3) Training and travel expenses that directly relate to maintaining certification, qualifications, or licensure for case managers but not to obtain their initial certification.

**Supervision:**

Costs of supervisory staff will be added to the direct costs associated with practitioners of specific services and will be determined in accordance with cost allocation methodologies as allowed in accordance with criteria outlined under 45 CFR Part 75 and 42 CFR Part 413.

**Indirect Costs:**

Allowable indirect costs will be determined and allocated in accordance with cost allocation methodologies as allowed in the 45 CFR Part 75 and 42 CFR Part 413.

The results of total allowable costs divided by total units of service per service definition become the average allowable unit rates for CPE purposes. The average allowable unit rates for each service are multiplied by the applicable Medicaid units of service (as determined by the SCDHHS MMIS). These results are summed to become the annual allowable Medicaid reimbursement for the governmental provider. This aggregate amount is compared to aggregate Medicaid interim payments (including TPL) and any prior adjustments and/or recoupments for these services.

**Settlement Procedures (Community Mental Health Providers):**

Should the comparison referred to above identify an overpayment to the provider, the SCDHHS will recoup the federal share of the overpayment and return it to CMS. Should the comparison referred to above identify an underpayment to the provider, no further payment will be made by SCDHHS.

**Outpatient Pediatric Aids Clinics**

Outpatient Pediatric Aids Clinics (OPACs) provide specialty care, consultation and counseling services for HIV-infected and exposed Medicaid children and their families. OPACs provide services that are medical, behavioral, psychological and psychosocial in nature. Effective July 1, 1993, Outpatient Pediatric Aids Clinics (OPACs) are a recognized provider type in the Medicaid Program. Services performed in OPACs effective October 1, 2014 are reimbursed according to existing Medicaid fee schedules found under the various covered Medicaid services contained within Attachment 4.19-B as follows: physician services - section 5.; laboratory services - section 3., registered dietitian services - section 6.d; rehabilitative services - section 13.d and; case management services - section 19.

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The Medicaid Agency will unbundle the previously bundled CPT codes applicable to the individual OPAC service(s) being rendered (i.e. medical or behavioral/psychological) for future pricing purposes.

### **Infusion Centers**

Infusion centers allow Medicaid beneficiaries to receive various types of infusion therapy in a facility setting other than a physician's office or outpatient hospital. Infusion centers must have the ability to perform the following services:

Chemotherapy,  
Hydration,  
IGIV,  
Blood and blood products,  
Antibiotics,  
Intrathecal/lumbar puncture,  
Inhalation,  
Or therapeutic phlebotomy.

Effective calendar year 2003, Infusion Centers are a recognized provider type in the Medicaid Program. Services performed in Infusion Centers are reimbursed according to existing Medicaid fee schedules found under the various covered Medicaid services contained within Attachment 4.19-B as follows: physician services - section 5 and drugs (including J codes and blood/blood products) - section 12.

### **10. Dental Services:**

Reimbursement to providers of dental services is made on the basis of an established fee schedule not to exceed prevailing charges in the state. Reimbursement will be provided on a per procedure basis. Reimbursement for dental services shall be based on a percentage of published usual and customary South Carolina dental rates, not to exceed the 75<sup>th</sup> percentile of usual and customary reimbursement for South Carolina. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The rates for all dental services were set as of July 11, 2011. All rates are published on the agency's website at [www.scdhhs.gov](http://www.scdhhs.gov).