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**State/Territory Name: SC**

**State Plan Amendment (SPA) #: 19-0005**

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  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



**Medicaid and CHIP Operations Group**

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August 10, 2021

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

Re: SC State Plan Amendment (SPA) 19-0005

Dear Mr. Kerr:

The Centers for Medicare & Medicaid Services (CMS) completed review of South Carolina's State Plan Amendment (SPA) Transmittal Number 19-0005 submitted on September 30, 2019. The purpose of this SPA is to include language in the South Carolina State Plan to allow managed care coverage for treatment of beneficiaries in Opioid Treatment Programs and inpatient freestanding psychiatric treatment facilities.

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 August 3, 2021, the SC Medicaid SPA Transmittal Number 19-0005 was approved effective July 1, 2019.

Please note that any future amendment of Attachment 3.1-F of the State Plan will require use of the new preprint. My staff is available to provide technical assistance.

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](mailto:claudia.simonson@cms.hhs.gov).

Sincerely,

Bill Brooks  
Director  
Division of Managed Care Operations

cc: Thomas Clark Phillip  
Courtney Montgomery  
Sheila Chavis

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
19-0005

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  
July 1, 2019

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 Part 438

7. FEDERAL BUDGET IMPACT: (Budget Neutral because  
expenditures are being moved from FFS to MCO)  
a. FFY 2019 \$0  
b. FFY 2020 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1F pages, 2, 13

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 3.1F pages, 2, 13

10. SUBJECT OF AMENDMENT: To include coverage for treatment of individuals with Opioid Use Disorder (OUD) in Opioid Treatment Programs (OTP) and services rendered to eligible beneficiaries age 0-21 in freestanding inpatient psychiatric hospitals to the managed care benefit.

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. Baker was designated by the Governor  
to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Joshua D. Baker

14. TITLE:

Director

15. DATE SUBMITTED:

September 30, 2019

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: September 30, 2019

18. DATE APPROVED: August 3, 2021

PLAN APPROVED - ONE COPY

19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2019

20. SIGNATURE:

22. TITLE: Director, Division of Managed Care Operations

23. REMARKS:

State: South Carolina

Citation	Condition or Requirement
1905(t) 42 CFR 440.168 42 CFR 438.6(c)(5)(iii)(iv)	<p>3. For states that pay a PCCM on a fee-for-service basis, incentive payments are permitted as an enhancement to the PCCM's case management fee, if certain conditions are met.</p> <p>If applicable to this state plan, place a check mark to affirm the state has met <b>all</b> of the following conditions (which are identical to the risk incentive rules for managed care contracts published in 42 CFR 438.6(c)(5)(iv)).</p> <p><input checked="" type="checkbox"/> i. Incentive payments to the PCCM will not exceed 5% of the total FFS payments for those services provided or authorized by the PCCM for the period covered.</p> <p><input checked="" type="checkbox"/> ii. Incentives will be based upon specific activities and targets.</p> <p><input checked="" type="checkbox"/> iii. Incentives will be based upon a fixed period of time.</p> <p><input checked="" type="checkbox"/> iv. Incentives will not be renewed automatically.</p> <p><input checked="" type="checkbox"/> v. Incentives will be made available to both public and private PCCMs.</p> <p><input checked="" type="checkbox"/> vi. Incentives will not be conditioned on intergovernmental transfer agreements.</p> <p><input type="checkbox"/> vii. Not applicable to this 1932 state plan amendment.</p>
CFR 438.50(b)(4)	<p>4. Describe the public process utilized for both the design of the program and its initial implementation. In addition, describe what methods the state will use to ensure ongoing public involvement once the state plan program has been implemented. <i>(Example: public meeting, advisory groups.)</i></p> <p>The State held a number of meetings during the design phase of the MCO and PCCM programs. The State sought input from the Medical Care Advisory Committee and providers who participate in the Medicaid program. The State has on-going independent evaluation performed to monitor the quality and efficiency of the Managed Care entities. This includes financial analysis as well as traditional quality monitoring, such as CAPHs and HEDIS measures. The State has also established Medical Care Advisory Committee meetings in order to gain public input. Beneficiaries, representatives from other state agencies,</p>

State: South Carolina

Citation	Condition or Requirement
	<p><u>√</u> The state assures that beneficiary requests for disenrollment (with and without cause) will be permitted in accordance with 42 CFR 438.56(c).</p> <p>4. Describe any additional circumstances of “cause” for disenrollment (if any).</p> <p>The State does not use any additional circumstances of “cause” for disenrollment other than those detailed in 42 CFR 438.56(c).</p>
	<p>K. <u>Information requirements for beneficiaries</u></p> <p>Place a check mark to affirm state compliance.</p>
1932(a)(5) 42 CFR 438.50 42 CFR 438.10	<p><u>√</u> The state assures that its state plan program is in compliance with 42 CFR 438.10(i) for information requirements specific to MCOs and PCCM programs operated under section 1932(a)(1)(A)(i) state plan amendments. (Place a check mark to affirm state compliance.)</p>
1932(a)(5)(D) 1905(t)	<p>L. <u>List all services that are excluded for each model (MCO &amp; PCCM)</u></p> <p>PCCM excluded services: None MCO excluded services: Institutional Long Term Care Facilities/Nursing (after the first ninety (90) continuous days post- admission) Non-Emergency Medical Transportation Dental Services Targeted Case Management Services MAPPS Family Planning Services Organ Transplantation Non mental health services provided by a School District Services provided by the Department of Disabilities and Special Needs Services provided in Developmental Evaluation Centers Prescribed drugs, or classes of drugs, that are excluded from the MCO capitation rate</p>
1932 (a)(1)(A)(ii)	<p>M. <u>Selective contracting under a 1932 state plan option</u></p> <p>To respond to items #1 and #2, place a check mark. The third item requires a brief narrative.</p> <p>1. The state will <u>  </u> /will not <u>√</u> intentionally limit the number of entities it contracts under a 1932 state plan option.</p>