

## **Table of Contents**

**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #: 21-0010**

This file contains the following documents in the order listed:

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

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**Financial Management Group**

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

Reference: TN 21-0010

Dear Mr. Kerr:

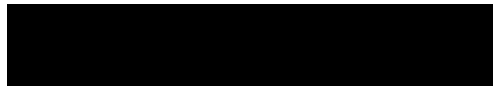
We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 21-0010. This amendment provides for quarterly payments to qualifying nursing facilities effective April 1, 2021 that will be paid outside the normal claim payment process via gross adjustments. The quarterly payments are provided in order to address those nursing facilities whose total occupancy and Medicaid occupancy levels have been significantly reduced by the COVID-19 pandemic.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment SC-21-0010 is approved effective April 1, 2021. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact Fred Sebree at [fredrick.sebree@cms.hhs.gov](mailto:fredrick.sebree@cms.hhs.gov).

Sincerely,



For  
Rory Howe  
Acting Director

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

1. TRANSMITTAL NUMBER:  
21-0010

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  
April 1, 2021

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 Subpart C (Part 447.250)

7. FEDERAL BUDGET IMPACT:  
a. FFY 2021    \$43.0 Million (\$56.0 million \* 76.83%)  
b. FFY 2022    \$21.5 Million (\$28.0 million \* 76.95%)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D pages, 30b.1 (new page), 30b.2 (new page) & 30c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-D page, 30c

10. SUBJECT OF AMENDMENT: This plan amendment provides for quarterly payments to qualifying nursing facilities effective April 1, 2021 that will be paid outside the normal claim payment process via gross adjustments. The quarterly payments are provided in order to address those nursing facilities whose total occupancy and Medicaid occupancy levels have been significantly reduced by the COVID-19 pandemic.

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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

13. TYPED NAME:  
Robert M. Kerr

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

14. TITLE:  
Director

15. DATE SUBMITTED:  
June 14, 2021

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:    6/17/2021

18. DATE APPROVED:    September 3, 2021

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:    4/1/2021

20. SIGNATURE OF REGIONAL OFFICIAL:    For

21. TYPED NAME:    Rory Howe

22. TITLE:    Acting Director

23. REMARKS:

R. Medicaid Lost Revenue Payments

The review of current census data relating to all payors continues to reflect the continuing decline in nursing facility occupancy rates. Therefore, in order to assist eligible Medicaid contracting nursing facilities with lost Medicaid patient revenue due to the COVID-19 pandemic, the Medicaid Agency will employ the following payment process effective April 1, 2021.

Qualification Process:

The South Carolina Medicaid contracting nursing facilities that will qualify for the additional payments will be those nursing facilities whose January 1, 2021 total occupancy rate, based upon Medicaid certified beds only, is less than eighty-two percent (82%). Nursing facilities whose January 1, 2021 total occupancy rate is equal to or greater than eighty-two percent (82%) will not be eligible to receive the additional payment. Additionally, any nursing facility whose January 1, 2021 total occupancy rate is greater than their FYE September 30, 2019 total occupancy rate will not be eligible to receive the additional payment.

Individual Payment Calculation Process:

- First, the FYE September 30, 2019 total occupancy rate of each nursing facility is compared to the January 2021 monthly total occupancy rate.
- Next, the difference in the occupancy rates is multiplied by the number of available bed days for a thirty-one (31)-day month to determine the lost total days.
- Next, the lost total days applicable to the thirty-one (31) day month period is multiplied by the FYE September 30, 2019 Medicaid occupancy rate to determine the number of lost Medicaid days.
- Next, the number of lost Medicaid days is multiplied by the nursing facility's January 1, 2021 Medicaid rate to determine the monthly payment amount for each qualifying nursing facility. The quarterly payment calculations will be adjusted to account for the number of days in each month for which the payment represents. The payments will be made via gross adjustments.
- Finally, beginning with the July 1, 2021 payment quarter, the total occupancy rate will be reset based upon a more recent SCDHHS selected census month and payments will be adjusted accordingly. This quarterly update methodology (i.e., updated census data) will continue until the end of this payment program.

Additional Payment Requirements:

1. Nursing facilities will be required to spend one hundred percent (100%) of the federal funds provided for revenue loss associated with the National Public Health Emergency in order to receive the subject payments.
2. The payment adjustments will end once the National Public Health Emergency is lifted or earlier if total occupancy improves.
3. Nursing facilities will be required to submit monthly census data to the SCDHHS based upon Medicaid certified beds only. This census data will be used to evaluate whether a nursing facility will be eligible to receive or continue to receive payments under this program based upon a moving average two-month period trend rate beginning with the April 2021 census. This information will also be used to reset total occupancy rates used for future quarterly payment purposes.
4. Finally, all interim census data reports used for this payment process will be compared to the FYE September 30, 2021 census report contained within the SC Medicaid Nursing Facility Cost Report to ensure accuracy. This could possibly result in an adjustment to the payment amounts under this program for qualifying nursing facilities in the event that variances exist.

S. Allowability of Certain Costs

A) Auto Expense:

Allowable costs shall not include actual costs of administrative vehicles used for business purposes or regular vehicles used for patient care related activities (depreciation, maintenance, gas and oil, etc.). Allowable costs shall include administrative vehicle expense and regular vehicles expense used for patient care related activities only through documented business miles multiplied by the current mileage rate for the State of South Carolina employees.

Allowable costs shall include the actual costs of specialty vehicles (e.g., vans, trucks). These costs will be classified to the appropriate cost centers for Medicaid cost reporting purposes. Allowable costs would include operation, maintenance, gas and oil, and straight line depreciation (over a 5 year useful life). Should these specialty vehicles be made available for personal use of the facility employees, then that percentage of cost would be reclassified to nonallowable expense.

It is the intent of the SCDHHS to recognize as specialty vehicles, station wagons with a seating capacity of more than six (6) passengers used in patient care related activities, vans, and trucks. The cost of sedans or station wagons with a seating capacity of six (6) or less passengers used for patient transport or other patient care related activities will be limited to the state employee mileage rate and charged to the appropriate cost center(s) based upon miles documented by a log effective August 1, 1986.

For cost reporting requirements prior to August 1, 1986, actual allowable costs which would include operation, maintenance, gas and oil, and straight-line depreciation (over a 5 year useful life and limited to 10,000 maximum vehicle cost) will be used in determining allowable costs for cost centers other than administration. Should these specialty vehicles be made available for personal use of the facility employees, then that percentage of cost would be reclassified to nonallowable expense.

Any vehicle that cannot be identified to charge to the appropriate cost center will be charged to administration and follow administration vehicle allowable cost guidelines. However, only that portion of such costs related directly to patient care related purposes will be allowed.

B) Dues

Association dues will be recognized for reimbursement purposes only when the dues are for professional services that are patient care related. Any component of association dues related to legal actions against state agencies, lobbying, etc., will not be recognized as an allowable cost for Medicaid rate setting purposes.