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State/Territory Name: South Carolina

State Plan Amendment (SPA) #: 22-0003

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
Financial Management Group

August 2, 2022

Robert M. Kerr
Director, Department of Health & Human Services
Post Office Box 8206
1801 Main Street
Columbia, SC 29202-8206

Reference: State Plan Amendment (SPA) SC-22-0003

Dear Mr. Kerr:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 22-0003. This amendment increases South Carolina Psychiatric Residential Treatment Facility (PRTF) facility rates to $500 per patient day (PPD).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 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-22-0003 is approved, effective April 1, 2022. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or james.francis@cms.hhs.gov.

Sincerely,

[Signature]

Rory Howe
Director
This plan amendment increases all PRTF facility rates to $500 Per Patient Day (PPD) effective April 1, 2022.
B. Psychiatric Residential Treatment Facility

Effective for services provided on and after October 1, 2021, a per diem rate will be calculated for each contracting psychiatric residential treatment facility (PRTF) based upon each PRTF’s fiscal year end 2019 base year cost and statistical data as reported on the CMS 2552 cost report trended forward to the payment period beginning October 1, 2021 using the midpoint to midpoint trending methodology. Allowable Medicaid reimbursable costs will be determined in accordance with the Provider Reimbursement Manual PRM-15-1 and 42 CFR Part 413. The per diem rate will cover all core PRTF services (including all psychiatric related services that normally would be rendered in an outpatient setting such as in Community Mental Health Clinics or Rehabilitative Behavioral Health Service providers) and room and board costs. All other ancillary costs (including medical ancillary services and psychiatric drugs) will be carved out of the per diem rate and the billing for the ancillary services will become the responsibility of the ancillary provider. No occupancy adjustment will be applied if the base year occupancy rate is less than the statewide average occupancy rate.

The above payment methodology applies to private, non-state owned governmental, and state owned governmental PRTF providers. PRTFs entering the SC Medicaid program on and after October 1, 2021 will receive the statewide average SC Medicaid PRTF rate.

Due to uncontrollable market forces surrounding the South Carolina Medicaid PRTF Program, the Medicaid Agency has reviewed market rates being paid to PRTF providers that contract with the SC Medicaid Program. As a result of our review, effective for services incurred on and after April 1, 2022, the Medicaid Agency will reimburse all contracting privately owned and non-state owned governmental PRTF providers $500 per day.