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State Territory Name: SOUTH CAROLINA

State Plan Amendment (SPA) #: 23-0003

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

July 19, 2023

Robert M. Kerr, Director
South Carolina Department of Health & Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: South Carolina State Plan Amendment (SPA) 23-0003

Dear Director Kerr:

We have reviewed the proposed South Carolina State Plan Amendment (SPA) 23-0003, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 7, 2023. This SPA updates the rates for Supplemental Teaching Physician (STP) Payment Program.

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 312-886-0360 or Deborah.Benson@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 0 3</u>	2. STATE <u>S C</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE April 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447 Subpart B	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>(2,003,000)</u> b. FFY <u>2024</u> \$ <u>(4,006,000)</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, page 2b	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, page 2b	

9. SUBJECT OF AMENDMENT
 This Supplemental Teaching Physician (STP) Payment program state plan amendment updates the base year used to determine payments under the Average Commercial Rate (ACR) method.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, SC 29202-8206
12. TYPED NAME Robert M. Kerr	
13. TITLE Director	
14. DATE SUBMITTED June 5, 2023	

FOR CMS USE ONLY

16. DATE RECEIVED June 7, 2023	17. DATE APPROVED July 19, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2023	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Division of Reimbursement Review

22. REMARKS

Cardiothoracic Surgery, Child Abuse Pediatrics, Critical Care, Emergency Medicine, Endocrinology, Gastroenterology/Nutrition, Genetics, Hematology/Oncology, Infectious Disease, Nephrology, Neurology, Neurological Surgery, Ophthalmology, Orthopedic Surgery, Otolaryngology, Psychiatry, Pulmonology, Rheumatology, Surgery, Urology and such other pediatric sub-specialty areas as may be determined by the Department of Health and Human Services.

South Carolina Medicaid Supplemental Teaching Physician (STP) Payment Program

South Carolina supplemental teaching physician providers are defined as those providers with teaching physicians who are employed by or under contract with South Carolina Medical Universities and/or their component units. The teaching physician would involve residents and/or medical students in the care of his or her patients or directly supervise residents in the care of patients. The teaching physician must be present within the facility or in the office suite and immediately available to furnish assistance and direction throughout the performance of the service. It does not mean that the teaching physician must be present in the room when the service is performed.

Effective for services provided on and after October 1, 2016, the Medicaid Agency will reimburse teaching physician providers under the Average Commercial Rate (ACR) method. The Medicaid Agency employed the following methodology to determine the payments under the ACR method effective April 1, 2023:

- The base year claims data used for payment purposes is based upon incurred dates of service from January 1, 2022 through December 31, 2022.
- Next, the STP providers identified and provided a list of their qualifying teaching physicians for the base period.
- Next, each STP provider identified all enrolled Medicaid physicians who are employed by or under contract with the qualifying teaching hospital and/or Medical University and pulled all claims billed by these physicians to their commercial carriers during the base period. The top five commercial carriers would be determined based upon the volume of claims (with charges and payment information provided) incurred by the Medicaid enrolled physicians.
- Next, once the top five commercial carriers were determined by each individual STP provider, the fee schedule rates applicable to the top five commercial carriers were provided via procedure code. To account for changes in commercial fee schedule rates during the base period, providers were allowed to simply weight the rates by the number of months based upon the effective date of the rate change or pull charge and payment data applicable to each claim (including both the commercial carrier payment plus the patient coinsurance, copay, and deductible payments) and determine a weighted average commercial rate over the entire base period.