

## **Table of Contents**

**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #:16-0012**

This file contains the following documents in the order listed:

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

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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October 24, 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 16-0012

Dear Mr. Baker:

This is a technical correction to South Carolina SPA 16-0012 to correct the effective date on page 2b from April 1, 2016 to October 1, 2016. We are enclosing the corrected approved HCFA-179 and a copy of the corrected plan page.

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/

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

Enclosures

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



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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March 20, 2017

Mr. Christian L. Soura  
Director  
SC Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: Title XIX State Plan Amendment, SC 16-0012

Dear Mr. Soura:

We have reviewed the proposed State Plan Amendment, SC 16-0012, which was submitted to the Atlanta Regional Office on December 21, 2016. This plan amendment was submitted in order to continue complying with economy and efficiency as required by section 1902(a)(30) of the Social Security Act to an acceptable reimbursement methodology with regards to the Supplemental Teaching Physician (STP) Payment Program. This plan utilizes the Average Commercial Rate (ACR) method as the reimbursement methodology. It is noted that this state plan amendment excludes Greenville Hospital System as a participant in the STP Program.

Based on the information provided, the Medicaid State Plan Amendment SC 16-0012 was approved on March 20, 2017. The effective date of this amendment is October 1, 2016. We are enclosing the approved HCFA-179 and the plan pages.

If you have any additional questions or need further assistance, please contact Cheryl Wigfall at (803) 252-7299.

Sincerely,

//s//

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 16-0012	2. STATE South Carolina
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2016	

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 447-Subchapter C	7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$ <11,229,000> b. FFY 2017 \$ <11,229,000>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B page 2b.1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-B page 2b.1

10. SUBJECT OF AMENDMENT:  
This plan amendment replaces the current Supplemental Teaching Payment methodology based upon 35% of billed charges with the Average Commercial Rate (ACR) payment methodology.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Mr. Soura was designated by the Governor  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      to review and approve all State Plans

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: December 15, 2016	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 12/21/16	18. DATE APPROVED: 03/20/17
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**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/16	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Davida Kimble	22. TITLE: Acting Deputy Director Division of Medicaid Field Operations South

23. REMARKS: Approved with the following changes to blocks 7, 8 and 9 as authorized by state agency on email dated 10/22/19

Block #7 changed to read: FFY 18 (\$6,120,000.00)

Block # 8 changed to read: Attachment 4.19-B pages 2b and 2b.1

Block # 9 changed to read: Attachment 4.19-B pages 2b and 2b.1

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:

- The Medicaid Agency chose the base period of October 1, 2013 through September 30, 2014 in order to ensure that all claims incurred during the base period were captured.
- 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.

- Next, Medicaid Agency staff pulled Medicaid claims data incurred during the base period for each teaching physician for each STP provider from its Decision Support System (which is fed from the state's MMIS system). The data was then summarized by each procedure code for each STP provider.
- Next, Medicaid Agency staff determined the average commercial rate for each STP provider by simply taking the average of the commercial rates listed for each procedure code provided.
- Next, Medicaid Agency staff then repriced the individual Medicaid FFS claims from the base period by multiplying the number of units incurred by each procedure code against the individual STP provider's average commercial rate for that procedure code.
- To account for claims with procedure codes with modifiers identified, Medicaid Agency staff repriced these claims based upon the "base procedure code" average commercial rate (i.e. full procedure code rate) multiplied by the modifier logic percentage allowed for the modifier listed. This same logic was also applied to anesthesia claims with modifiers. For claims with procedure codes with unidentifiable modifiers, these claims were priced using the base procedure code average commercial rate. All Medicaid FFS claims with the modifier OTC (technical component) were excluded from the ACR pricing analysis.
- Vaccine administration procedure codes and payments are excluded in the ACR analysis.
- Once all procedure codes were repriced using the average commercial rate, the amounts were summed and compared against the total Medicaid FFS claim payments received by each STP provider. Medicaid FFS claim payments consisted of the payment made by SCDHHS (Medicaid), any TPL that may have been paid on behalf of the patient, and any patient copay amount. This net amount represents the annual supplemental teaching physician payment amount using the ACR payment methodology.
- The annual supplemental teaching physician payment amount described above will be paid to the following supplemental teaching physician providers on a quarterly basis via gross adjustments processed through MMIS: AnMed Medical Center, McLeod Regional Medical Center, Medical University of South Carolina (MUSC) College of Medicine, Palmetto Health Richland, Self Memorial Hospital, Spartanburg Regional Medical Center, and the University of South Carolina College of Medicine.

SC 16-0012

EFFECTIVE DATE: 10/01/16

RO APPROVAL: 03/20/17

SUPERSEDES: SC 16-0004

## Holly, Mary V. (CMS/CMCS)

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**From:** CMS SPA\_Waivers\_Atlanta\_R04  
**Sent:** Tuesday, October 22, 2019 11:03 AM  
**To:** Holly, Mary V. (CMS/CMCS); Noonan, Darlene F. (CMS/CMCS); Gilbert, Rosario G. (CMS/SC)  
**Subject:** FW: Technical Amendment for SPA SC 16-0012, Supplemental Teaching Physician (STP) Payment Program Effective 10-1-19  
**Attachments:** 16-0012 Technical Amendment for page 2b (v1) no tracking .docx; 16-0012 Technical Amendment for page 2b (v1) tracking .docx; 16-0012 Technical Amendment Letter with JDB Signature.pdf

**From:** Sheila Chavis  
**Sent:** Tuesday, October 22, 2019 2:26:03 PM (UTC+00:00) Monrovia, Reykjavik  
**To:** CMS SPA\_Waivers\_Atlanta\_R04  
**Cc:** Bryan Amick; Deirdra T. Singleton; Elizabeth Ryan; Peter Liggett, Ph.D.; David Ulmer; Jim Coursey; Erin Boyce, CPA; Byron Roberts; Clark Phillip; Joshua D. Baker; Jan Polatty; Shelly Watson - Contractor; Christie Linguard; Grey Cavitt - Contractor; Annie McCanne; Sharon Mondier; Christy Napper; Marie Brown; Holly, Mary V. (CMS/CMCS); Drake, Maria (CMS/CMCS); Kimble, Davida R. (CMS/CMCS); Wigfall, Cheryl (CMS/CMCS); Jeff Saxon; Kevin Bonds, FACHE  
**Subject:** Technical Amendment for SPA SC 16-0012, Supplemental Teaching Physician (STP) Payment Program Effective 10-1-19

Please find attached the Technical Amendment for SPA SC 16-0012, Supplemental Teaching Physician (STP) Payment Program effective October 1, 2019, that CMS requested for clarifying purposes. CMS stated the payment methodology effective date on page 2b should have been revised from April 1, 2016 to October 1, 2016 to match the effective date of SPA SC 16-0012 due to the removal of the payment methodology sunset date on page 2b.1 of Attachment 4.19-B. Please let me know if you have any questions. Thanks!

### Sheila Chavis

Senior Consultant

[CHAVISS@scdhhs.gov](mailto:CHAVISS@scdhhs.gov)

803-898-2707 / 803-898-2707

cell: 803.521.2903

1801 MAIN STREET

COLUMBIA, SC - 29201

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[76a9bcea-2afd94a9-0cc47adc5fa2-](https://protect2.fireeye.com/url?k=2afda596-76a9bcea-2afd94a9-0cc47adc5fa2-0448600d85eebe51&u=http://www.scdhhs.gov/)

[0448600d85eebe51&u=http://www.scdhhs.gov/](https://protect2.fireeye.com/url?k=2afda596-76a9bcea-2afd94a9-0cc47adc5fa2-0448600d85eebe51&u=http://www.scdhhs.gov/)



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### Confidentiality Note

October 16, 2019

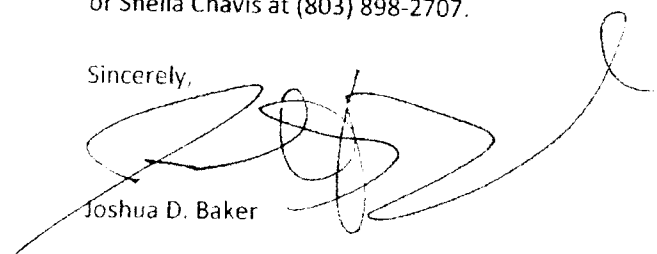
Ms. Davida Kimble  
Acting Deputy Director  
Division of Medicaid Field Operations South  
Centers for Medicare and Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909

Dear Ms. Kimble,

The Centers for Medicare and Medicaid Services (CMS) has requested, for clarifying purposes, that South Carolina (SC) submit a technical State Plan Amendment (SPA) for SC 16-0012 to include page 2b of Attachment 4.19-B. CMS stated the payment methodology effective date on page 2b should have been revised from April 1, 2016 to October 1, 2016 to match the effective date of SPA SC 16-0012 due to the removal of the payment methodology sunset date on page 2b.1 of Attachment 4.19-B. Please find enclosed page 2b of Attachment 4.19-B with the recommended revision.

If additional information is needed or if you have questions, please contact Jeff Saxon at (803) 898-1023 or Sheila Chavis at (803) 898-2707.

Sincerely,

  
Joshua D. Baker

JDB/src

Enclosures