

## **Table of Contents**

**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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**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](mailto:james.francis@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 - 0 0 0 3

2. STATE

S C

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

**April 1, 2022**

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR Part 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 1,154,000  
b. FFY 2023 \$ 2,100,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, page 18

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)

Attachment 4.19-A, page 18

9. SUBJECT OF AMENDMENT

This plan amendment increases all PRTF facility rates to \$500 Per Patient Day (PPD) effective April 1, 2022.

10. 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:

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

May 19, 2022

**FOR CMS USE ONLY**

16. DATE RECEIVED

May 19, 2022

17. DATE APPROVED

August 2, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

April 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

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.