SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

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Medicaid Advisory Council (MAC)
Meeting Agenda

Agenda

Date: Nov. 10, 2026 | Time: 10 a.m.-12 p.m. | Location: WebEx

Topic	Presenter
1. Member Disclosure of Conflict of Interest	Shadda Winterhalter, Strategic Initiatives Specialist
2. Agency Welcome	Jordan Desai, Deputy Director of Programs
4. Medicaid Enrollment	Lori Risk, Bureau Chief, Eligibility, Enrollment and Member Services Policy and Contracts
5. Advisement: Section 71112 of the Working Families Tax Cut Legislation – Reducing State Medicaid Costs	
6. Advisement: FFY 2027 DSH Payments and Swing Bed Hospital and Administrative Day Rates	Nika Simmons, Bureau Chief, Reimbursements
7. Advisement: Intermediate Care Facilities for Individuals with Intellectual Disabilities Reimbursement Methodology Updates	Noelle Wriston, Director of Pricing
8. Medicaid Ordering, Referring and Prescribing Providers: Pharmacy Update	Jordan Desai, Deputy Director of Programs
9. Federal Funding Update: Rural Health Transformation Program (RHTP)	
10. Streamlining Medicaid Delivery through Managed Care	
11. Advisement: Healthy Connections – Long Term Care Waiver	Margaret Alewine, Bureau Chief, Policy
12. Advisement: Physician-administered Drugs Reimbursement Methodology Update	
13. Advisement: Prohibition on Federal Medicaid and CHIP Funding for Sex-rejecting Procedures Furnished to Children	
Closing Comments	
Adjournment	

Thank you for participating in the Medicaid Advisory Council.

The meeting will begin shortly.

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Medicaid Advisory Council (MAC)
Nov. 10, 2026

The meeting will begin shortly.
Microphones are muted.
All cell phones are silenced.

Thank you for participating in the MAC meeting.

Meeting Logistics

- Attendee lines will be muted for the duration of the webinar to minimize disruption.
- MAC members are welcome to comment or ask questions throughout the meeting.
- All other attendees who wish to comment or ask questions should do so during the specified public comment periods using the chat feature in WebEx.

Member Disclosure of Conflict of Interest

MAC members who wish to speak on a topic in which they have a conflict of interest must disclose the conflict before participating in the discussion.

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Agency Welcome

Jordan Desai, Deputy Director of Programs

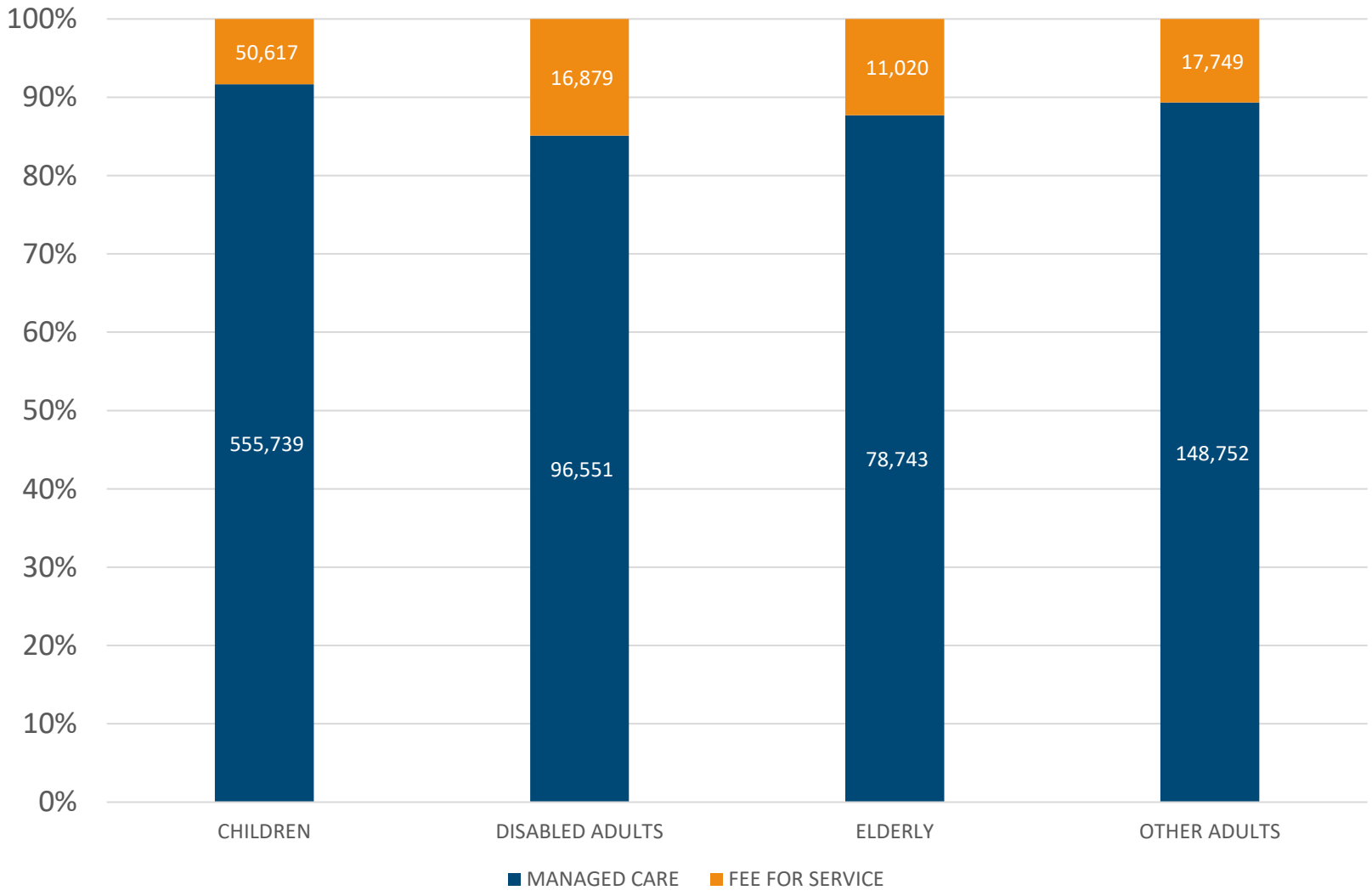
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Medicaid Enrollment

Lori Risk, Bureau Chief
Eligibility, Enrollment and Member Services Policy and Contracts

SFY 2026 Full-benefit Membership by Population

(as of August 31st, 2026)



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Advisement: Section 71112 of the Working Families Tax Cut Legislation – Reducing State Medicaid Costs

Lori Risk, Bureau Chief
Eligibility, Enrollment and Member Services Policy and Contracts

Background

- Implementation of Section 71112 "Reducing State Medicaid Costs" of the Working Families Tax Cut Legislation (Public Law 119-21)
- **Current policy**: Retroactive eligibility may be provided for up to three months prior to the month of application.

Changes

- Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended.
- Retroactive eligibility will be available for up to two months prior to the month of application.
- Eligibility policy, procedures, forms and system functionality will be updated to reflect these changes.

Budget Impact and Effective Date

Budgetary Impact

- The budgetary impact of this change is to be determined.

Effective Date

- Jan. 1, 2027

Public Comment

MAC members and all other attendees who wish to comment, please use the chat feature now.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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Advisement: FFY 2027 Disproportionate Share Hospital Payments and Swing Bed Hospital and Administrative Day Rates

Nika Simmons, Bureau Chief of Reimbursements

Background

- Update Disproportionate Share Hospital (DSH) payments for federal fiscal year (FFY) 2027 using updated base year DSH financial and statistical data (hospital fiscal year [HFY] 2025) as well as the updated FFY 2027 DSH allotment amount.
- Update the inpatient hospital swing bed rate and administrative day rate effective Oct. 1, 2026, based upon the Oct. 1, 2026, nursing facility rebasing project.

DSH Changes Effective During FFY 2027 DSH Payment Period

- Update the base year used to calculate the interim DSH payments for the DSH allotment period which ends Sept. 30, 2027 (FFY 2027) using HFY ending 2025 data, the continued use of the Dec. 19, 2008, Final Rule (Federal Register/Vol. 73, No. 245) relating to the audits of the Medicaid DSH payment plans and the Dec. 3, 2014, Final Rule (Federal Register/Vol. 79, No. 232) which relates to the Medicaid program DSH payments uninsured definition;
- Update the inflation rate used to trend the DSH base year cost to the end of the 2025 calendar year;
- Centers for Medicare and Medicaid Services (CMS) has approved the state-directed payment for Health Access, Workforce and Quality (HAWQ) program. The agency does not anticipate expending 100 percent of its FFY 2027 DSH allotment.

Inpatient Hospital Reimbursement Changes Effective Oct. 1, 2026

- Update the inpatient hospital swing bed and administrative day rates based upon the Oct. 1, 2026, rebasing of nursing facility payment rates.

Budget Impact and Effective Date

Budgetary Impact

- The South Carolina Department of Health and Human Services (SCDHHS) is unable to estimate the budgetary impact of the DSH program at this time.
- SCDHHS estimates a budget impact of $10,000 in total dollars for swing bed and administrative day rates.
- All amounts reflected above relate to the Medicaid fee-for-service (FFS) program only.

Effective Date

- For the South Carolina Medicaid DSH program, the FFY 2027 DSH payment period is Oct. 1, 2026, through Sept. 30, 2027.
- For the swing bed and administrative day rates, it is effective Oct. 1, 2026.

Public Comment

MAC members and all other attendees who wish to comment, please use the chat feature now.

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Advisement: Intermediate Care Facilities for Individuals with Intellectual Disabilities Reimbursement Methodology Updates

Noelle Wriston, Director of Pricing

Background

- SCDHHS currently reimburses Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs) using two statewide rates.
  - Community providers
  - Regional (government-owned) providers
- These statewide rates were calculated using the aggregate of costs across all providers.
- SCDHHS is proposing a transition from statewide rate-setting to individual provider-specific rates.

Background *(cont.)*

- For community ICF/IIDs, rates will be established using each provider's submitted cost report, trended forward using an inflation factor.
- This approach aligns the ICF/IID reimbursement with the methodology currently used for nursing homes.
- For government-owned ICF/IIDs, SCDHHS is proposing provider-specific rates based on historical expenditures, trended forward using an inflation factor.

Changes

- SCDHHS collaborated with South Carolina Department of Behavioral Health and Developmental Disabilities Office of Intellectual and Development Disabilities (BHDD-OIDD) to conduct desk audits of all state fiscal year (SFY) 2024 cost reports submitted by community ICF/IID providers.
- Audited cost reports were evaluated under the existing nursing home rate-setting framework, which applies established occupancy standards and cost standards.
- There are nursing home rate setting components that will not apply to ICF/IIDs.

Changes *(cont.)*

- In addition to the inflation factor used in the nursing home methodology, SCDHHS will apply adjustments required under Proviso 33.30 of the South Carolina Appropriations Act. These include annual cost-of-living adjustments and employer health insurance contribution increases equivalent to those provided to state full-time employees for SFYs 2024-2027. These adjustments are incorporated into the inflation factor used in the State Plan nursing home methodology.

Budget Impact and Effective Date

Budgetary Impact

- SCDHHS estimates an annual fiscal impact of $7.9 million in total dollars.
- The state match is estimated at $2.4 million and will be from general fund appropriation by BHDD-OIDD.

Effective Date

- Dec. 1, 2026, pending CMS approval

Public Comment

MAC members and all other attendees who wish to comment, please use the chat feature now.

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Medicaid Ordering, Referring and Prescribing Providers: Pharmacy Update

Jordan Desai, Deputy Director of Programs

Medicaid Ordering, Referring and Prescribing (ORP) Providers: Pharmacy Update

- Effective Dec. 1, 2026, pharmacy claims submitted by providers who prescribe pharmacy items or services will begin to reject and payments will not be issued for claims that are submitted without federally required ORP provider information.
  - This will impact claims for payments of items or services that were prescribed and did not properly include the National Provider Identifier (NPI) of the physician or other professional who prescribed the items or services.
- All ORP providers, including pharmacists, providing reimbursable services must enroll with SCDHHS as Medicaid providers.
- Beginning Dec. 1, 2026, pharmacy staff can obtain a one-time claim rejection override by contacting the fee-for-service pharmacy technical help desk at (866) 254-1669, in order to decrease potential member impact.
- For more information, please see MB# 26-039

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Federal Funding Update: Rural Health Transformation Program (RHTP)

Jordan Desai, Deputy Director of Programs

RHTP Update

- SCDHHS, designated as the lead agency for this program, conducted a competitive grant funding application process for Year 1
  - Received 712 applications across four initiatives: Connections to Care, Leveling Up, Shoring Up to Sustainability, and Wellness Within Reach
  - Contracts issued with 79 unique organizations totaling $167,299,900.70 in grants across 224 projects
- Conducting a Statewide Needs Assessment to drive data-based funding decisions in Year 2 and beyond
- Collaborating with CMS and SCRA to issue up to $5M in Tech Catalyst Fund awards
- Utilizing a vendor with federal compliance expertise to monitor all awards

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Streamlining Medicaid Delivery through Managed Care

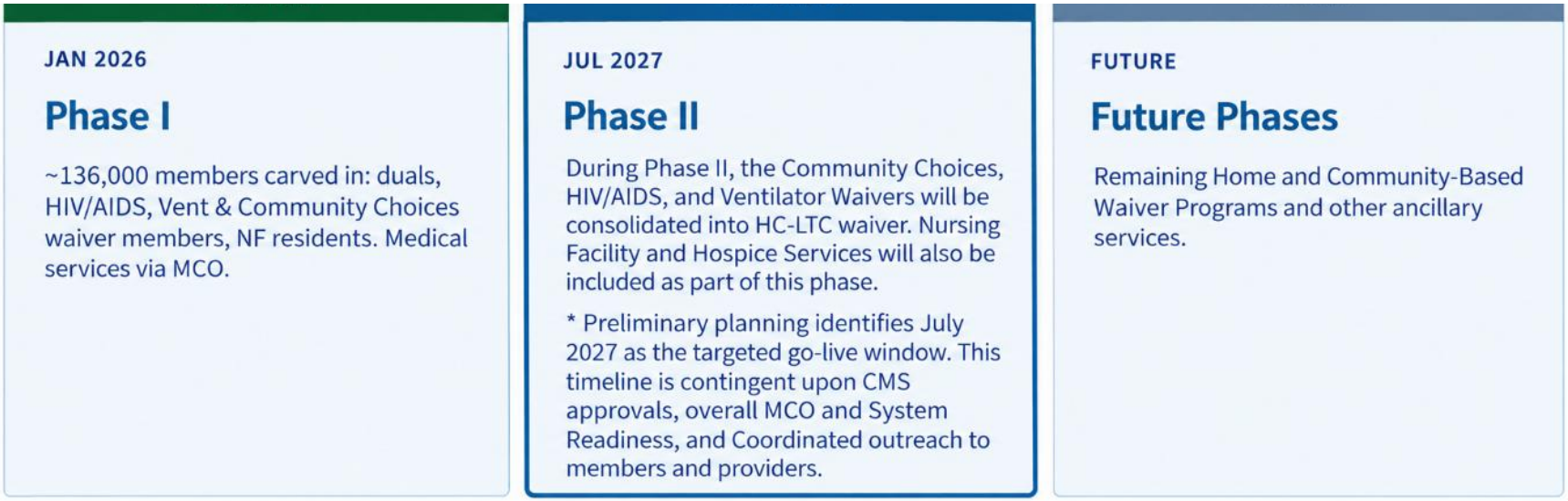
Jordan Desai, Deputy Director of Programs

Background

- SCDHHS is changing how some services are delivered to Healthy Connections Medicaid members.
- The goal is to simplify service delivery for families and caregivers.
- Today, South Carolina provides Medicaid services in two ways:
  - FFS: SCDHHS pays providers directly for the services they deliver.
  - Managed care: A managed care organization (MCO) manages and pays for covered services.

Background *(cont.)*

- SCDHHS is approaching the transition of services into the managed care delivery model in phases.



Phase II

- Phase II affects these long-term care (LTC) services:
  - Nursing facility
  - Hospice
  - Community Choices Waiver
  - Mechanical Ventilator Dependent Waiver
  - HIV/AIDS Waiver
- Phase II will make two changes that will take effect at the same time:
  - Consolidation of three waiver programs; and
  - Service transition to managed care.

Members who get LTC services will not lose services because of this change.

Provider Webinars

- SCDHHS will be hosting provider webinars that provide more information on Phase II.
  - Home and community-based service providers
    - Nov. 19, 2026, at 12:30 p.m.
    - Register here.
  - Case management providers
    - Nov. 20, 2026, at 12:30 p.m.
    - Register here.
  - Nursing facility and hospice providers
    - Dec. 1, 2026, at 12:30 p.m.
    - Register here.

Registration links are also available on the SCDHHS website at www.scdhhs.gov/carvein

Resources

- https://scdhhs.gov/partners/managed-care/managed-care-initiatives



- Phase2@scdhhs.gov

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Advisement: Healthy Connections – Long Term Care Waiver

Margaret Alewine, Chief of Policy

Background

- SCDHHS will submit a waiver request to CMS for the following 1915(c) HCBS waiver:
  - SC. 037 Healthy Connections – Long Term Care Waiver (HC-LTC)
- This waiver will replace the following waivers:
  - SC. 0186 – HIV/AIDS Waiver
  - SC. 0405 – Community Choices
  - SC. 40181 – Mechanical Ventilator Dependent Waiver

Proposed Changes

Community Choices

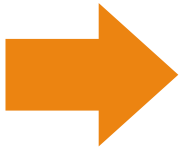
Frail elderly 65+; adults 18-64 with physical disabilities, NF level of care

HIV/AIDS

All ages with HIV/AIDS diagnosis; at-risk-of-hospitalization level of care

Mechanical Ventilator Dependent

Ventilator-dependent, frail elderly 65+; adults 20-64 with physical disabilities; NF level of care



ONE CONSOLIDATED WAIVER

Healthy Connections – Long Term Care (HC-LTC)

- Uniform eligibility, service definitions & standards
- 13 covered services, self-direction preserved
- Single waitlist, ordered by original application date
- Delivered through managed care

- The majority of services currently offered in the Community Choices waiver, Mechanical Ventilator Dependent waiver, and HIV/AIDS waiver will remain available to members in HC-LTC.

Proposed Changes: Waiver Services

Vent	HIV/AIDS	CC	Waiver Services	New HC-LTC Waiver
	✓	✓	Self-directed Attendant Care Services	✓
		✓	Adult Day Health Care	✓
		✓	Adult Day Health Care Nursing	✓
	✓	✓	Self-directed Companion Care	✓
	✓	✓	Companion Care, Agency	✓
✓	✓	✓	Home Accessibility Adaptation - Environmental Modifications	✓
✓	✓	✓	Home-delivered Meals	✓
✓	✓		Private Duty Nursing	✓
✓	✓	✓	Personal Care Services	✓
✓	✓	✓	Personal Emergency Response System	✓
✓	✓	✓	Pest Control	✓
✓		✓	Respite	✓
✓	✓	✓	Specialized Medical Equipment, Supplies and Assistive Technology	✓
	✓	✓	Telemonitoring*	
✓	✓	✓	Waiver Case Management*	

**Services will be covered by the Managed Care Organizations (MCOs)*

Proposed Changes: Wait List Transition

- Individuals currently on the waiting lists for the Community Choices, HIV/AIDS and Mechanical Ventilator Dependent waivers will be moved to the waiting list for the HC-LTC waiver.
  - Placement on the waiting list will be determined by the original application date.
  - For individuals with multiple applications, the earliest application date will be used.
- SCDHHS will maintain responsibility for waiting list management, including slot releases, approval of reserved capacity status, and ongoing review of the waitlist.

Budget Impact and Effective Date

Budgetary Impact

- In its application, and each year during the period the waiver is in operation, the state must demonstrate the waiver is cost neutral.
- The average per participant expenditures for the waiver and non-waiver Medicaid services must be no more costly than the average per person costs of furnishing institutional (and other Medicaid State Plan) services to persons who require the same level of care.

Effective Date

- On or after July 1, 2027, or upon CMS approval

Public Comment

Please send questions or comments to the following mail or email address prior to Thursday, Dec. 3, 2026:

- Email: Comments@scdhhs.gov
- Mail: Attention: Lori Manos
  Bureau of Policy
  South Carolina Department of Health and Human Services
  Post Office Box 8206
  Columbia, SC 29202-8206

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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Advisement: Physician-administered Drugs Reimbursement Methodology Update

Margaret Alewine, Chief of Policy

Background

- SCDHHS intends to amend the South Carolina Title XIX State Plan to update reimbursement methodology for physician-administered drugs (PADs).
- SCDHHS is making this update to ensure appropriate reimbursement for PADs.

Proposed Changes

SCDHHS will amend the South Carolina Title XIX State Plan to update the payment methodology for PADs as follows:

- Tier 1 PADs are those identified as certain generic and moderately priced drugs within a therapeutic class and are reimbursed at average sales prices (ASP) plus 10%
- Tier 2 PADs are identified as higher cost drugs or as drugs having no therapeutic alternative and are reimbursed at either ASP plus 6% or actual acquisition costs

Proposed Changes *(cont.)*

- Drugs without an ASP rate will be reimbursed at actual acquisition costs, CMS published rate or Average Wholesale Price (AWP)-18%
- SCDHHS will pay the lesser of actual billed charges or the methodology defined above
- This reimbursement methodology is applicable for PADs delivered by qualified providers, who administer PADs within their scope of practice, in any appropriate setting, inpatient or outpatient
- Drugs dispense fee is not allowed for physician administered drugs

Budget Impact and Effective Date

Budgetary Impact

- SCDHHS does not anticipate any impact to the budget.

Effective Date

- On or after March 1, 2027

Public Comment

MAC members and all other attendees who wish to comment, please use the chat feature now.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
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Advisement: Prohibition on Federal Medicaid and CHIP Funding for Sex-rejecting Procedures Furnished to Children

Margaret Alewine, Chief of Policy

Background

- SCDHHS intends to amend the South Carolina Title XIX State Plan to reinforce existing state law the Early Periodic Screening Diagnostic and Treatment (EPSDT) benefit does not apply to gender transition services.
- CMS issued a final rule ending federal Medicaid and Children's Health Insurance Program (CHIP) funding for "sex-rejecting" procedures on children under 18 (Medicaid) and under 19 (CHIP), effective Oct. 13, 2026, with a six-month taper off period for current hormone therapy.

Proposed Changes

- SCDHHS will amend the South Carolina Title XIX State Plan to clarify the EPSDT benefit does not apply to gender transition services.
- Services prohibited by state or federal laws, rules or regulations are not coverable under the EPSDT benefit. Public funds may not be used directly or indirectly for gender transition procedures.

Budget Impact and Effective Date

Budgetary Impact

- SCDHHS does not anticipate any impact to the budget.

Effective Date

- On or after Oct. 13, 2026

Public Comment

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