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State/Territory Name: SOUTH CAROLINA

State Plan Amendment (SPA) #: SC-25-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

September 4, 2025

Eunice Medina
Medicaid Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

RE: TN 25-0002

Dear Director Medina,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed South Carolina State Plan Amendment (SPA) to Attachment 4.19-B SC-25-0002, which was submitted to CMS on June 23, 2025. This plan amendment updates the Supplemental Teaching Physician (STP) Payment Program.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of April 1, 2025. 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 Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

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 <div style="text-align: center;"> <u>2</u> <u>5</u> — <u>0</u> <u>0</u> <u>0</u> <u>2</u> </div>	2. STATE <div style="text-align: center;"> <u>S</u> <u>C</u> </div>
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <div style="text-align: center;"> <input checked="" type="radio"/> XIX <input type="radio"/> XXI </div>	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR PART 447 Subpart B, 1905(a)(5)(A)		4. PROPOSED EFFECTIVE DATE <div style="text-align: center;">April 1, 2025</div>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, page 2b		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2025</u> \$ <u>13,460,000</u> b. FFY <u>2026</u> \$ <u>13,430,000</u>	
9. SUBJECT OF AMENDMENT This STP Payment Program SPA updates the base year used to determine payments under the ACR method.		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, page 2b	

10. GOVERNOR'S REVIEW (Check One) <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div style="width: 45%;"> <input checked="" type="radio"/> OTHER, AS SPECIFIED: Ms. Medina was designated by the Governor to review and approve all State Plans. </div> </div>	
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 Eunice Medina	14. DATE SUBMITTED June 23, 2025
13. TITLE Director	

FOR CMS USE ONLY	
16. DATE RECEIVED June 23, 2025	17. DATE APPROVED September 4, 2025
PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2025	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, FMG Division of Reimbursement Review
22. REMARKS	

The State authorizes a pen and ink change to add 1905(a)(5)(A) benefit on Block 5 of the CMS form 179 - MYLG 7/25/2025

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, 2025:

- The base year claims data used for payment purposes is based upon incurred dates of service from January 1, 2024 through December 31, 2024.
- 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.