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State/Territory Name: South Carolina

State Plan Amendment (SPA) #: 26-0001

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



Financial Management Group

October 16, 2026

Eunice Medina
Interim Director, Department of Health & Human Services
Post Office Box 8206
1801 Main Street
Columbia, SC 29202-8206

RE: TN SC-26-0001

Dear Director Medina:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed South Carolina state plan amendment (SPA) to Attachment 4.19-A SC-26-0001, which was submitted to CMS on February 27, 2026. This plan amendment reimburses state government owned Psychiatric Residential Treatment Facilities (PRTF) services at a rate of \$1330 per day for services incurred on or after January 1, 2026.

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 January 1, 2026. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

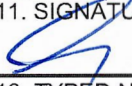
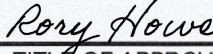
If you have any additional questions or need further assistance, please contact James Francis at 617-531-7575 or via email at James.Francis@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director
Financial Management Group

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>2</u> <u>6</u> — <u>0</u> <u>0</u> <u>0</u> <u>1</u>	2. STATE <u>S</u> <u>C</u>
		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 January 1, 2026	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 441.150-156; 42 CFR 441.160; 1905(a)(16) and (h) of the Act		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2026</u> \$ <u>540,053</u> b. FFY <u>2027</u> \$ <u>807,167</u>	
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 SPA will establish a governmental PRTF rate for a state-owned facility.			
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: Ms. Medina was designated by the Governor to review and approve all State Plans.	
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			
13. TITLE Director			
14. DATE SUBMITTED February 27, 2026			
FOR CMS USE ONLY			
16. DATE RECEIVED February 27, 2026		17. DATE APPROVED 10/16/2026	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2026		19. SIGNATURE OF APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe		21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group	
22. REMARKS			

C. 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 July 1, 2024, the Medicaid Agency will reimburse all contracting privately owned and non-state owned governmental PRTF providers \$525 per day.

As Described in Attachment 3.1-A, section 4.b., SCDHHS may designate a PRTF as eligible to provide evidence-based autism spectrum disorder (ASD) Treatment Services. Due to staffing and services costs (including psychological training, testing, and assessment) unique to PRTF ASD Treatment Services, SCDHHS will reimburse all PRTF providers that provide services in private, non-state owned governmental, and state owned governmental SCDHHS-designated ASD PRTFs \$788 per day for services incurred on or after July 1, 2024.

Effective for services incurred on and after January 1, 2026, a PRTF rate will be established for reimbursement of state-owned governmental PRTFs that contract with the SC Medicaid program. The state-owned governmental per diem rate was determined by evaluating total costs. Due to staffing and services costs unique to the state-owned governmental PRTF, SCDHHS will reimburse state-owned governmental PRTF services at a rate of \$1330 per day for services incurred on or after January 1, 2026.

D. Pediatric Inpatient Rehabilitation Units or Facilities

Effective for services provided on or after July 1, 2023, SCDHHS will reimburse the pediatric inpatient rehabilitation units or facilities a per diem rate in the amount of \$1,200. The per diem rate is an all-inclusive and will cover all facility charges, room and board costs, equipment, supplies, drugs, all necessary services and activities rendered during the patient stay. Charges for the professional services of the physician or therapy providers are not included in the rate. The per diem rate is the same for private or state-owned governmental providers qualified to furnish these services.

SC 26-0001
EFFECTIVE DATE: 01/01/26
APPROVAL DATE: October 16, 2026
SUPERSEDES: SC 24-0015