

Sept. 15, 2023

PUBLIC NOTICE

Public Notice of Final Action for Setting Payment Rates for Long Term Care Facility Services

The South Carolina Department of Health and Human Services (SCDHHS), pursuant to the requirements of Section 1902(a)(13)(A) of the Social Security Act, gives notice of the following actions regarding its methods and standards for setting payment rates for long-term care facility services (excluding state-owned nursing facilities) under the South Carolina Medicaid State Plan (State Plan) under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective for services provided on or after Oct. 1, 2023, SCDHHS will amend the South Carolina Title XIX reimbursement methodology for long term care by:

1. Providing payments to nursing facilities based on the most recent cost report data available (i.e., fiscal year ending [FYE] Sept. 30, 2022).
2. Updating the cost center standards using the most recent cost report data available (i.e., FYE Sept. 30, 2022) as well as determining the general services standards at 110% of the mean and laundry, housekeeping and maintenance standards at 105% of mean.
3. Applying a 4.1% inflation factor in the calculation of the Oct. 1, 2023, payment rates.
4. Increasing the square footage allowance used for capital cost reimbursement purposes from \$231.11 to \$276.71 in accordance with the annual increase reflected in the RS Means Construction Cost Data Publication.

The minimum occupancy factor used to determine individual Medicaid reimbursement rates effective Oct. 1, 2023, will remain at 85%. The cost of capital reimbursement calculation remains at 90% minimum occupancy level. Due to a change in minimum occupancy, the cost center standard for rates effective Oct. 1, 2023, were adjusted to 85% occupancy.

The percent skilled used in establishing each nursing facility's Oct. 1, 2023, Medicaid reimbursement rate will be based on the SFY 2023 Medicaid paid days.

Effective Oct. 1, 2023, qualifying non-state-owned governmental nursing facilities who receive a Medicaid supplemental payment will be required to use the Optional State Assessment item set to calculate the Resource Utilization Group RUG-IV case mix group.

As a result of these actions relating to the Medicaid reimbursement methodology changes for nursing facilities effective for services provided on or after Oct. 1, 2023, the weighted average rate is projected to be \$246.41. The weighted average Sept. 30, 2023, rate was \$216.90. This represents a weighted average per diem increase of \$29.51 per Medicaid patient day, or a 13.60% increase in the Oct. 1, 2023, payment rates.

SCDHHS projects that based upon these actions, annual aggregate expenditures will increase by approximately \$104.5 million total dollars including Medicaid days paid while the beneficiary is under the hospice benefit.

Copies of this notice are available at each SCDHHS Healthy Connections Medicaid office and at www.scdhhs.gov for public review. Additional information concerning these actions is available upon request at the address cited below.

Any written comments submitted may be reviewed by the public at the SCDHHS, Division of Long Term Care Reimbursements, Room 1219, 1801 Main Street, Columbia, S.C., Monday through Friday between 9 a.m.-5 p.m.

Robert M. Kerr
Director

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You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf> or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201 or by phone at: 800-368- 1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html> .