



The South Carolina Department of Health and Human Services (SCDHHS) is transitioning billing and payment of services rendered to South Carolina Department of Disabilities and Special Needs (DDSN)-operated waiver participants from the current pay band system to Medicaid direct fee-for-service (FFS) billing. This transition will take place during the beginning of calendar year 2022 as described in the table and timeline included below. The transition will streamline administrative and payment processes and allow providers to direct bill Medicaid as the payor of waiver services.

SCDHHS has published a fee schedule for tiered residential habilitation rates and other individually billed Intellectual Disability and Related Disabilities (ID/RD) waiver services (“Fee Schedule”) that is [available on SCDHHS’ website](#). This Fee Schedule has an effective date of Jan. 1, 2022. SCDHHS has **targeted a go-live date to occur in March 2022** to fully transition to provider direct FFS billing. **During the transition period, which will occur from Jan. 1, 2022, until the go-live date, DDSN will pay providers in the same manner in which DDSN is currently paying providers.**

For residential consumers, DDSN will generate a report the first week of each month that reflects utilization under the Fee Schedule and Fee Services (“Utilization Report”) for the previous month. This Utilization Report will help ensure providers receive the benefit of the Fee Schedule during the transition period. If a provider’s utilization exceeds the band payment received, DDSN will pay the additional monies to the provider. During this transition period, DDSN will not seek reimbursement from providers whose Utilization Report reflects an amount less than the prospective payment. This transition process is designed to allow providers an opportunity to become accustomed to the fiscal impact of FFS compared to the current system.

Prior to the go-live date, **providers must be enrolled as a Healthy Connections Medicaid provider**. A provider enrollment checklist and depiction of SCDHHS' claims process is available below. SCDHHS will conduct provider payment testing and provider training during the transition period to ensure a smooth conversion to direct FFS billing. During this period, disability boards' contracts will be updated to include the addition of direct billing language. Private providers will also directly contract with DDSN and SCDHHS in order to directly bill and receive payment from SCDHHS once the transition period has ended. Additionally, SCDHHS' Office of Finance and Administration Program Manager Jeff Saxon will be in touch with each waiver provider to review the specific modeling used to establish the rates.

This effective date of Jan. 1, 2022, coincides with the effective date of the [renewal the agency submitted](#) to the Centers for Medicare and Medicaid Services (CMS) for the ID/RD waiver. SCDHHS will submit waiver amendments for the Community Supports and Head and Spinal Cord Injury (HASCI) waivers with rate methodology, services and cost projection updates similar to what was included in the ID/RD waiver renewal submission.

Provider training and testing opportunities and the official go-live date for the transition to direct FFS billing will be announced in future communications from SCDHHS. Providers with questions about Healthy Connections Medicaid enrollment should email MedicaidWaiver@scdhhs.gov.

[View Transition Table, Timeline and Checklist](#)