

Jan. 18, 2023
MB# 23-003

MEDICAID BULLETIN

TO: All Providers

SUBJECT: Update on Flexibilities Issued During the COVID-19 Public Health Emergency

During the initial response to the coronavirus disease 2019 (COVID-19) pandemic, the South Carolina Department of Health and Human Services (SCDHHS) announced dozens of temporary policy changes designed to ensure ongoing access to care for Healthy Connections Medicaid members and children enrolled in the Individuals with Disabilities Education Act Part C program (commonly known as BabyNet). Most of these policy changes were issued using emergency authorities derived from the federal public health emergency (PHE) and for the duration of the federal PHE.

After evaluating utilization data and consulting with the state's managed care organizations (MCOs), the provider community, and other stakeholders, SCDHHS is announcing updates to the policy changes it previously issued. The updates announced in this bulletin are specific to the temporary flexibilities that were created during the COVID-19 PHE and do not impact other agency policies that existed prior to the PHE unless specifically indicated. The changes announced today will **take effect once the current federal PHE has expired**. While the exact end-date is not yet known, providers are advised that the Secretary of the U.S. Department of Health and Human Services [previously announced](#) that the federal PHE will remain in effect until at least April 11, 2023.

Broadly, SCDHHS has categorized this update to the flexibilities issued during the current PHE into three categories:

- Flexibilities that are being made permanent;
- Flexibilities that will be extended for further evaluation for one year after the expiration of the current PHE; and,
- Flexibilities that will expire at the end of the current PHE.

SCDHHS [previously issued guidance](#) for providers regarding the temporary telemedicine flexibilities that were issued during the COVID-19 PHE that are not addressed in this bulletin.

SCDHHS looks forward to continuing to engage with and receive feedback from stakeholders on its post-PHE transition planning.

Flexibilities and Changes Being Made Permanent

Evaluation of utilization data, clinical evidence and input from providers and other stakeholders have clearly demonstrated value in making the flexibilities created during the COVID-19 pandemic and described in this section permanent policy in South Carolina's Medicaid program. The changes described in this section of the bulletin will be permanently incorporated into the Medicaid program. The changes described in this section of the bulletin will be incorporated in the respective [provider manuals](#) prior to the end of the federal PHE.

Application of Caries Arresting Medicament

Effective for dates of service on or after the expiration date of the PHE, the application of caries arresting medicament, billed using the Code of Dental Terminology (CDT) D1354 procedure code, will become a State Plan covered service for members under the age of 21 and a waiver service for members 21 years of age and older and enrolled in the Intellectual Disability and Related Disabilities (ID/RD) waiver. This change will be consistent with the flexibility announced in [Medicaid bulletin 20-013](#) for the members described above. An updated clinical criteria and frequency limitations policy for this service is detailed in Appendix B of the [Dental Services Provider Manual](#).

COVID-19 Testing

For full-benefit Medicaid members, COVID-19 testing will continue to be covered, without cost-sharing, effective March 11, 2021. COVID-19 testing includes all types of U.S. Food and Drug Administration (FDA)-authorized diagnostic and screening tests for COVID-19 (which includes their administration), consistent with Centers for Disease Control and Prevention (CDC) definitions and recommendations for who should receive diagnostic and screening tests for COVID-19. Coverage for COVID-19 over-the-counter tests will continue as described [Medicaid bulletin 22-001](#).

Coverage for those enrolled in the COVID Limited Benefit group will end on the last day of the federal PHE.

Flexibilities and Changes Extended for One-year Beyond the COVID-19 Federal PHE

The temporary flexibilities described in this section of the bulletin will be extended for one year beyond the end date of the current federal PHE for further evaluation.

COVID-19 Vaccine Administration

SCDHHS will continue to reimburse for the COVID-19 vaccination billing codes, reimbursement rates and effective dates published by the Centers for Medicare and Medicaid Services (CMS) for Medicare Part B coverage, which are [available on CMS' website](#), consistent with the CDC's guidance. These services must be provided, **without patient cost-sharing for one-year after the expiration of the federal PHE consistent with American Rescue Plan Act requirements.**

Ambulatory Care Visit Limit

Effective for dates of service on or after March 15, 2020, SCDHHS [suspended the annual limit of 12 ambulatory care visits](#). The suspension of the annual limit will continue for one-year beyond the end of the current federal PHE as the agency continues to evaluate data and collect feedback that will be used to establish a new annual limit on ambulatory care visits.

Waiver of Copays

Effective for dates of service on or after March 15, 2020, SCDHHS [suspended cost-sharing requirements for all evaluation and management \(E/M\) codes](#). The suspension of cost-sharing requirements for E/M codes will continue for one-year beyond the end of the current federal PHE.

Flexibilities Expiring at the End of the Current PHE

Evaluation of utilization data, clinical evidence and input from providers and other stakeholders have not demonstrated potential value in making the temporary flexibilities created during the COVID-19 pandemic described in this section permanent policies in South Carolina's Medicaid program. As such, the temporary **flexibilities described in this section will sunset upon the expiration of the current federal PHE.**

Pharmacy Early Refill Benefit

During the federal PHE, SCDHHS created a [temporary flexibility allowing early refill denials to be bypassed for fee-for-service \(FFS\) members](#). Upon the expiration of the current federal PHE, Pharmacies providing medications to FFS members will no longer be allowed to bypass early refill denials, by submitting a value of "9" (Emergency Preparedness) in the Prior Authorizations Type Code (461-EU) field.

Infusion Centers

During the COVID-19 federal PHE, SCDHHS [waived the requirement for direct supervision](#) by a physician, nurse practitioner, or physician assistant be provided for care delivered in infusion centers. CMS is reinstating this requirement, therefore this flexibility will sunset upon the expiration of the current federal PHE.

Prior Authorization

During the federal PHE, SCDHHS extended the timeframe for submitting additional documentation for prior authorization [from two days to seven days](#). Following the expiration of the federal PHE, the allowable timeframe for submitting additional documentation for prior authorization will revert to two days.

For claims submitted to MCOs, providers should confirm authorization requirements with the MCO.

Durable Medical Equipment (DME)

Coverage and Prior Authorization

During the federal PHE, SCDHHS created [several temporary policy flexibilities related to DME](#). Upon expiration of the current federal PHE, SCDHHS is reinstating the limits of oxygen therapy coverage for acute, short-term treatment that existed prior to the COVID-19 PHE. SCDHHS will reinstate the previous requirement that portable systems be limited to periods when beneficiaries are not able to use stationary systems.

SCDHHS is also reinstating its prior authorization requirements and quantity limits for oxygen therapy, positive airway pressure devices, respiratory assist devices, ventilators, suction devices, nebulizers and related supplies.

Continuity of Care for Medical Supplies

Upon expiration of the current federal PHE, SCDHHS is reinstating all duration and timeliness standards for services, recurring medical supplies or DME rentals provided by DME providers that existed prior to the federal PHE.

Supporting Hospital Discharges

Upon expiration of the current federal PHE, SCDHHS is reinstating place of service edits related to DME items provided and delivered to hospitalized individuals who do not meet the standards of medical necessity.

Documentation Requirements

Upon expiration of the current federal PHE, SCDHHS is reinstating requirements for Medicaid Certificates of Medical Necessity (MCMNs) for oxygen, enteral nutrition, parenteral nutrition and medical equipment. A valid physician order is required and an MCMN is required to contain a signature.

SCDHHS will also reinstate current member signature requirements for proof of delivery. Text, email, photographic or confirmed shipment receipts from a third-party shipping company will no longer be allowed as substitutes for current member signature requirements for proof of delivery.

Application of Caries Arresting Medicament for Members 21 Years of Age or Older

The application of caries arresting medicament, billed using the CDT D1354 procedure code, **will no longer be a covered service for members 21 years of age and older who are not enrolled in the ID/RD waiver program**, for dates of service following the end of the federal public health emergency.

Other temporary dental flexibilities that were issued during the COVID-19 PHE expired on June 7, 2021, with the South Carolina State Emergency Declaration. SCDHHS [previously issued guidance](#) for providers regarding those flexibilities that are not addressed in this bulletin.

COVID-19 Limited Benefit Coverage Group

On [July 6, 2020](#), SCDHHS announced a limited-benefit Medicaid coverage group to provide reimbursement for COVID-19 testing and diagnostic services for those without healthcare coverage for dates of services on or after March 18, 2020. As of the end of the PHE, coverage for this limited-benefit group will end. Those interested in continuing coverage are encouraged to apply for Healthy Connections Medicaid at apply.scdhhs.gov.

Providers may continue to submit claims for dates of service from July 6, 2020, through the end of the federal PHE. Claims will be accepted for up to one year for services rendered during these dates.

A comprehensive list of the COVID-19-specific policy guidance SCDHHS issued during the PHE is publicly available at www.scdhhs.gov/COVID19. Providers with questions about the policy changes announced in this bulletin should submit their questions to COVID@scdhhs.gov.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/

Robert M. Kerr