

MEDICAID OVERVIEW

The Medicaid program was established by Title XIX of the Social Security Act to provide medical assistance to low-income individuals such as pregnant women, children, and the aged, blind or disabled. The Medicaid program is a cooperative federal-state program where both the federal and state governments participate in the funding. States' participation rates, established by the federal government, are based on the State's per capita income and are recalculated annually. Due to passage of the American Recovery and Reinvestment Act (ARRA), South Carolina's state participation rate varies over several funding quarters effective October 1, 2009. From October 2009 through December 2010, the state participation rate is 20.42% and the federal participation rate (FFP) is 79.58%. The state participation rate of 23.42% is effective January 1, 2011 and changes to 25.42% effective April 1, 2011. It will increase to 29.96% effective July 1, 2011 with the federal participation rate changing to 70.04%. Family planning services are an exception to these rates and are reimbursable at an enhanced rate of 90% FFP and 10% state matching funds.

The Act and implementing regulations define the types of services a state may and must offer and the categories of recipients it may and must cover. States design and administer the program under the oversight of the Centers for Medicare & Medicaid Services (CMS). A state's choice as to the medical assistance it offers to various categories of recipients are reflected in its Medicaid state plan, a comprehensive written document that describes the nature and scope of services and recipients of the state's Medicaid program.

In 1997, the State Children's Health Insurance Program (SCHIP) was enacted under Title XXI of the Social Security Act to enable more medical coverage for uninsured or under-insured children. The national reimbursement rate for this program is 80% FFP with 20% state participation. This law allows states to cover children at various poverty levels through State Plan Amendments. In South Carolina, this program was established as Partners for Healthy Children (PHC). Effective October 1, 2010, SC's PHC covers children at poverty levels at or below 200% FPL for children up to age 19. 200% FPL covers children in a family of four at an income limit of \$3,725 monthly or \$44,700 annually.

School-based health services are an effective method of providing essential medical care to Medicaid eligible children. Section 1905(a) (4) (B) of the Act includes early and periodic screening, diagnostic, and treatment services (EPSDT) as a mandatory Medicaid service for children. School-based services include routine preventive health care, primary treatment and services for children with special needs. South Carolina schools are Medicaid providers eligible to provide approximately 18 Medicaid services to pre-school and school age children.

The Medicaid program also allows reimbursement of costs for administration. The administrative reimbursement rates are the same for all states. The general administrative reimbursement rate is 50% FFP (federal financial participation) and 50% state funds. South Carolina schools presently participate in the Medicaid administrative claiming program, reimbursable at 50%.

Further information on Medicaid can be found by visiting the Department of Education Medicaid Services website at <http://ed.sc.gov/agency/OS/Medicaid/> and the SC Department of Health and Human Services website at <http://www.scdhhs.gov/index.asp>