COMMITTEE REPORT

February 9, 2011

**S. 434**

Introduced by Senators Peeler and Bryant

S. Printed 2/9/11--S.

Read the first time January 26, 2011.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (S. 434) to suspend provisos 21.11, 21.15, and 21.20 of part IB, Act 291 of 2010, the Fiscal Year 2010-2011 General Appropriations Bill, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the joint resolution, as and if amended, page 1, line 32, by adding:

/ (C) All proposed changes must include estimates of the projected dollar savings by source of funds and the number of providers and clients impacted. Six months after receiving approval from the Centers for Medicare and Medicaid Services to implement rate changes, the Department of Health and Human Services must submit to the Senate Finance Committee and House Ways and Means Committee a report reconciling actual savings by source of funds and actual providers and clients impacted in comparison to the estimate. Where differences occur, an explanation must be provided to account for any discrepancies. /

Renumber sections to conform.

Amend title to conform.

Majority favorable. Minority unfavorable.

HUGH K. LEATHERMAN, SR. PHIL P. LEVENTIS

For Majority. For Minority.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Savings to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No Additional Expenditures or Savings are Expected)

**EXPLANATION OF IMPACT:**

The Department of Health and Human Services indicates enactment of this bill would allow it to take actions so as to create a savings to the General Fund of the State of $2,382,596 during the last quarter of Fiscal Year 2010-11 and $11,357,611 for Fiscal Year 2011-12. These savings would be as a result of eliminating chiropractic care, adjusting prescription reimbursement payment methodology by 1%, requiring prior authorizations for pharmaceutical services, and reducing provider reimbursement rates by 1%. Estimated general fund savings are based on an enhanced state matching rate of 25.14% during the last quarter of Fiscal Year 2010-11, and a regular state matching rate of 29.96% in FY 2011-12.

*Approved By:*

Harry Bell

Office of State Budget

**A** **JOINT RESOLUTION**

TO SUSPEND PROVISOS 21.11, 21.15, AND 21.20 OF PART IB, ACT 291 OF 2010, THE FISCAL YEAR 2010-2011 GENERAL APPROPRIATIONS BILL, AND TO SUSPEND A PORTION OF PROVISO 89.87 PROHIBITING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FROM REDUCING PROVIDER RATES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. (A) Provisos 21.11, 21.15, and 21.20 of Part IB, Act 291 of 2010, the Fiscal Year 2010-2011 General Appropriations Bill, are suspended.

(B) To the extent that Proviso 89.87 of Part IB, Act 291 of 2010 prohibits the Department of Health and Human Services from reducing provider rates from their current levels and expresses that this proviso is not intended to restrict the annual updating of cost base rates and those rates which are indexed to methodologies described in the Medicaid State Plan, this portion of the proviso is suspended. The remaining portion of Proviso 89.87 remains in effect and continues to have the force of law.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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