

South Carolina Department of Health and Human Services

House Ways & Means Committee / Healthcare Subcommittee FY 2026-27 Budget Request

Eunice Medina
Agency Director

Jan. 14, 2026

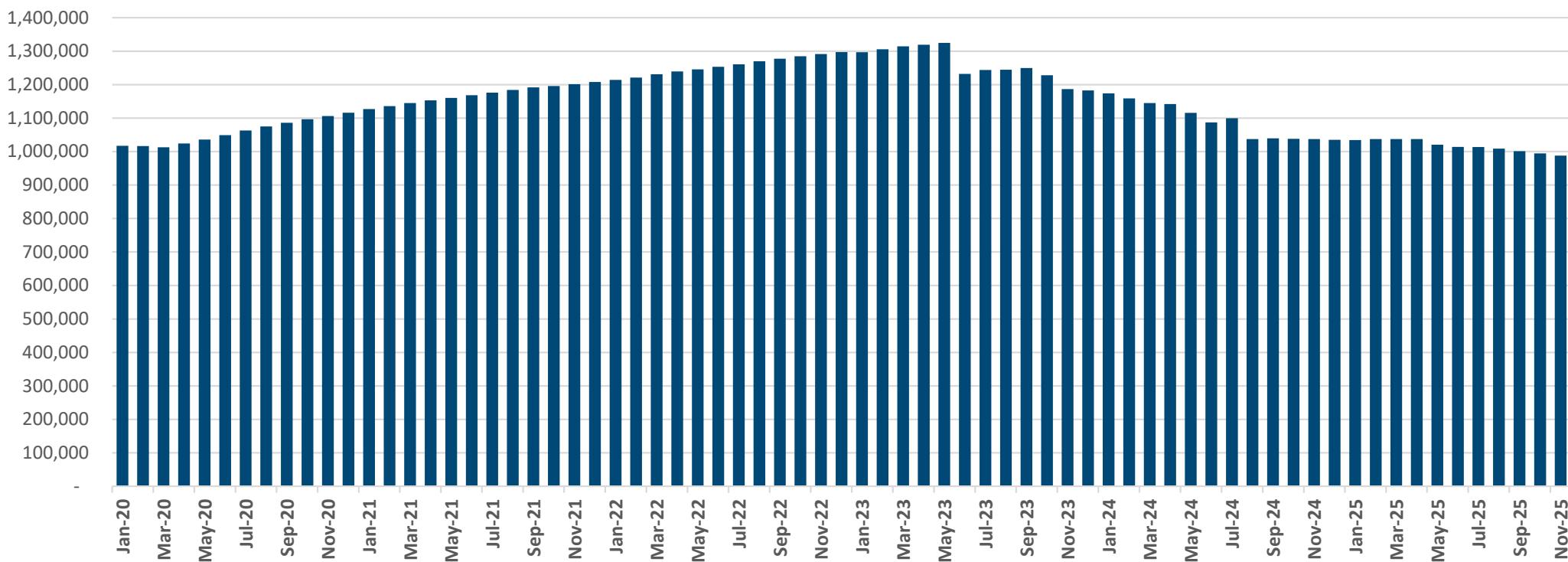
Agency Attendees

- Eunice Medina, Director
- Brad Livingston, Chief Financial Officer
- Jordan Desai, Deputy Director of Programs
- Jackson Wilkens Burnaugh, Director of Legislative Affairs
- Jordan Dominick, Director of Planning & Budget

Agency Information

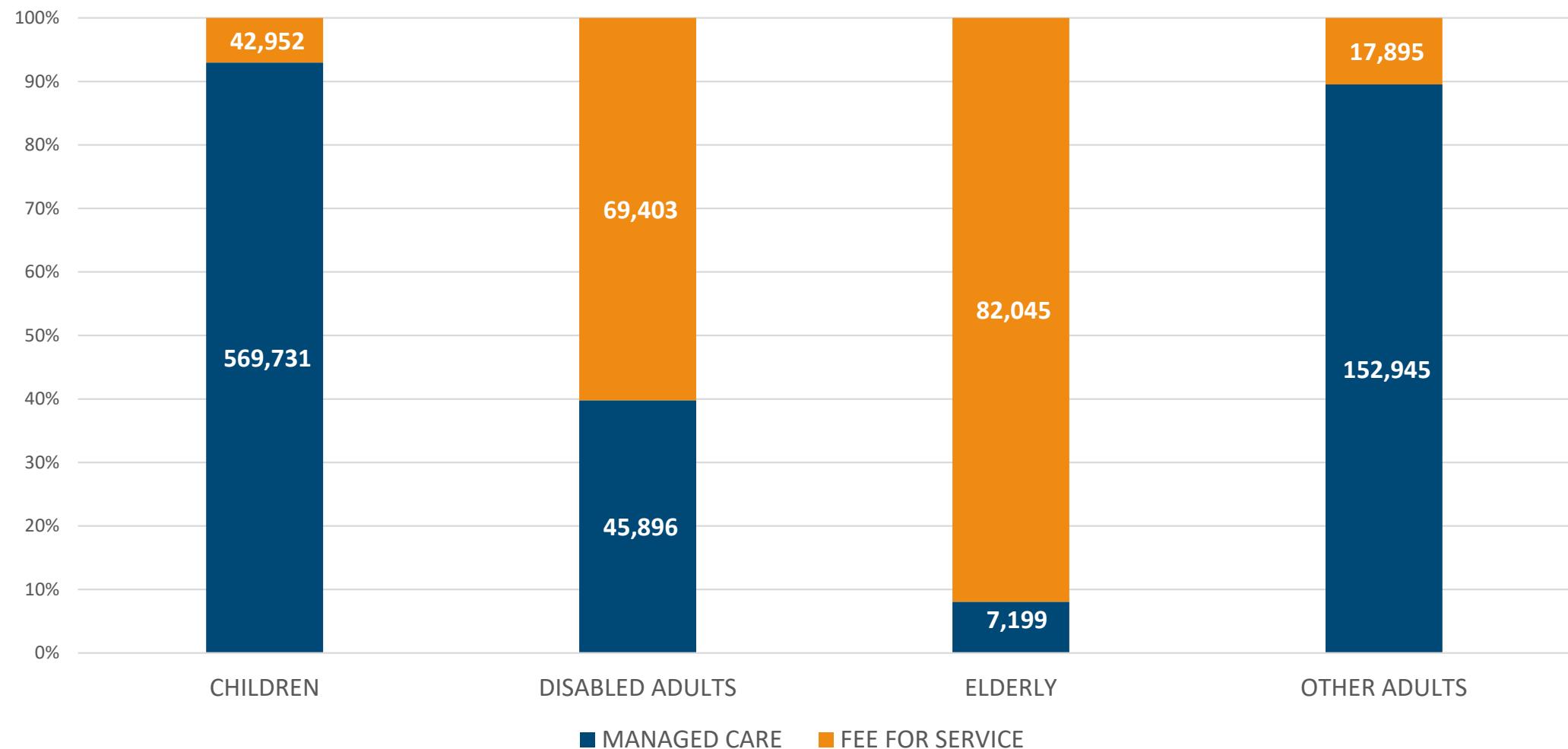
Full-benefit Membership

(as of November 30th, 2025)

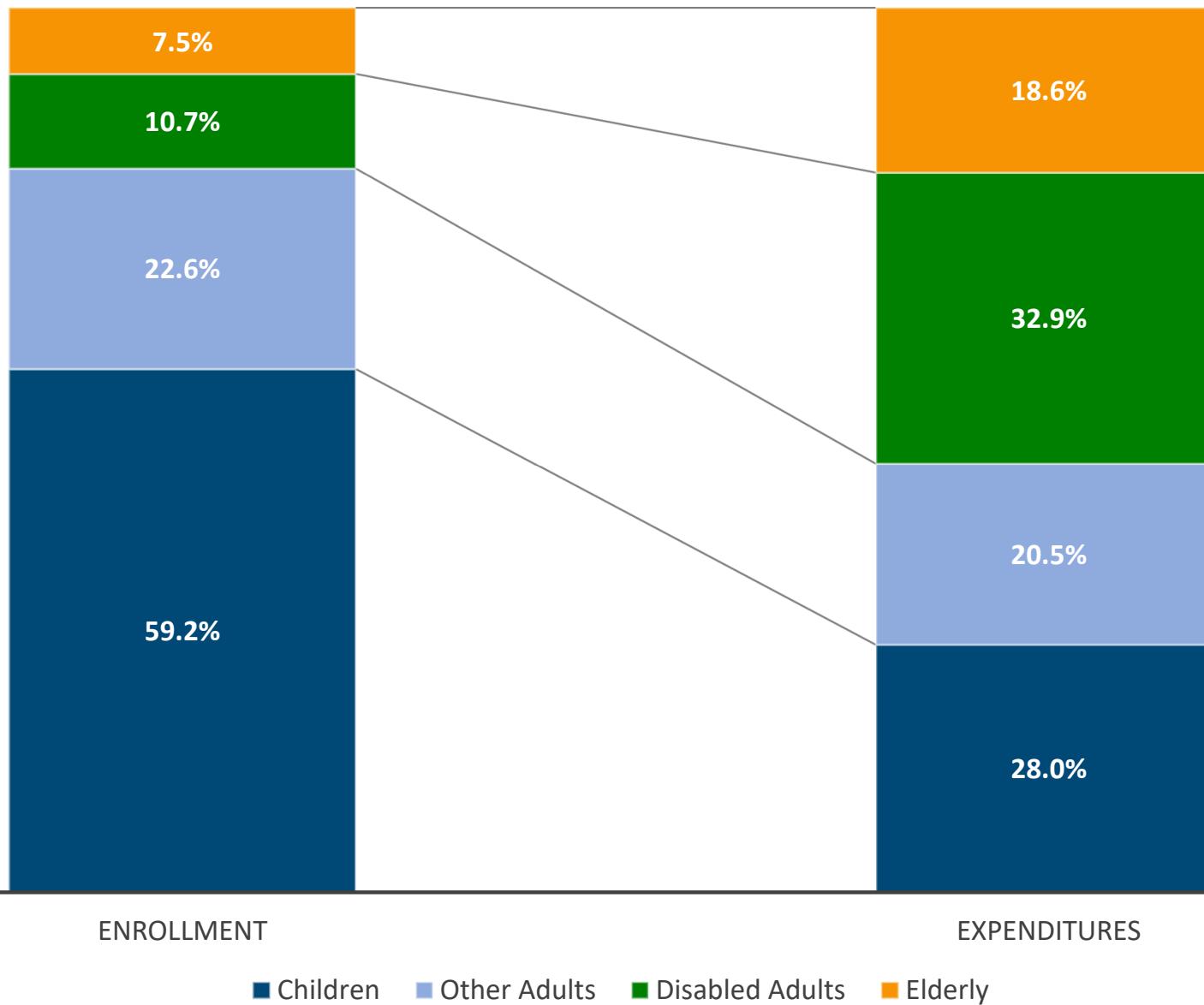


Full-benefit membership by Population

(as of November 30th, 2025)



Asymmetric Resource Utilization



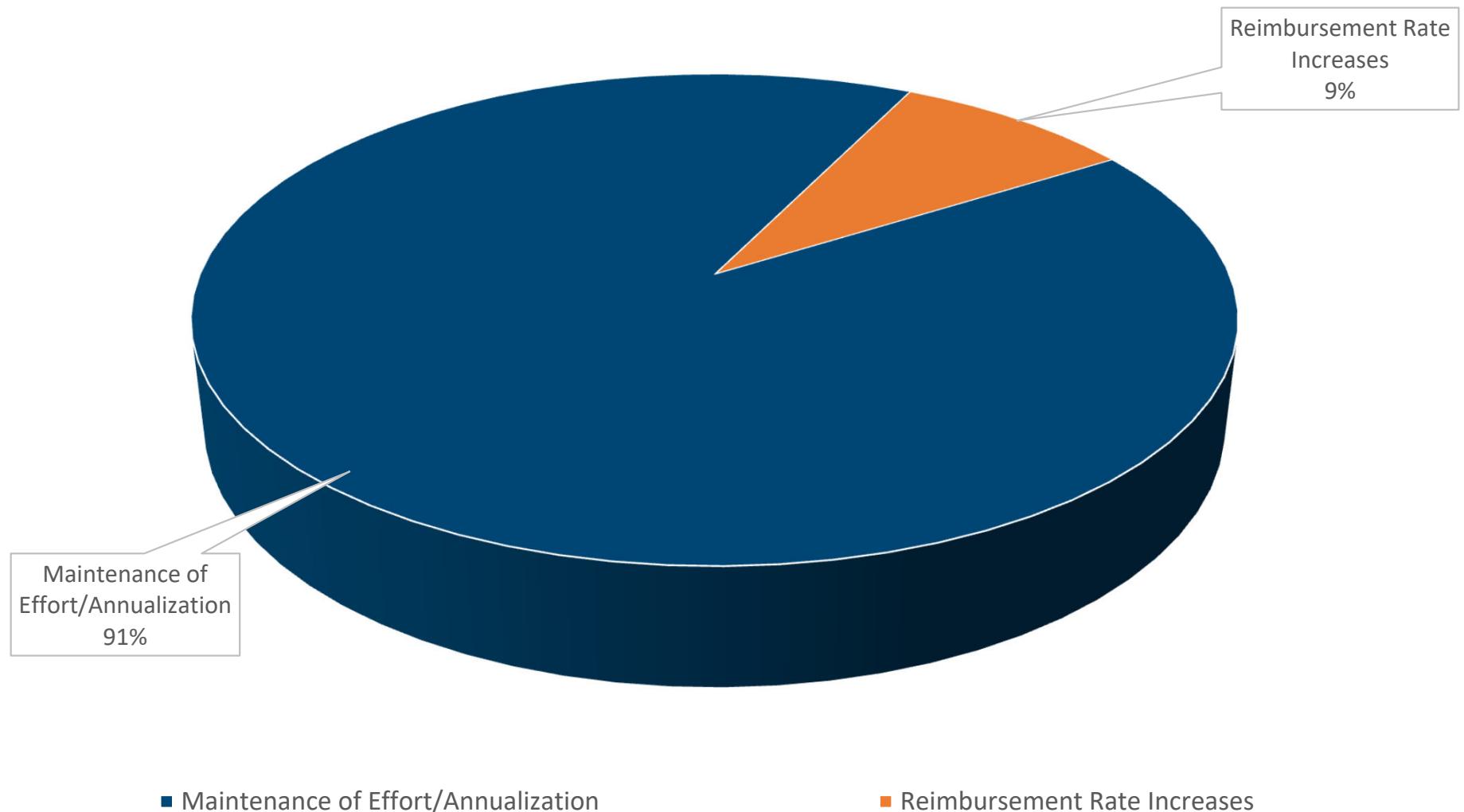
FY 2026-27 Budget Request

Summary of Budget Requests

Decision Package #	Decision Package	Description	General Funds
1	Maintenance of Effort Annualization	Represents the annualization necessary to keep the program operating at existing service and reimbursement levels. Annualization includes inflationary provider reimbursement pressures and estimated increases in enrollment and utilization. It also accounts for funding changes directed by the federal government to Medicaid programs and decreases in certain other funds revenue sources that require an offsetting source of funding to enable the Healthy Connections Medicaid program to continue operating in its current configuration. Annualization continues to reflect the savings associated with transitioning from multiple managed care-operated preferred drug lists to a single, state-directed list.	\$102,637,899
2	Federally Required Medicare Premiums	Represents the annualization required to fund the Medicaid program's portion of federally mandated Medicare Part A, Part B, and Part D premium increases for dually eligible Healthy Connections Medicaid members.	\$53,088,540
3	Home & Community-Based Services (HCBS)	Represents the annualization within the HCBS waiver programs, as well as new funding to ensure adequate access and quality of care are delivered in the most appropriate and cost-effective setting possible for eligible South Carolinians.	\$47,273,728
	Total General Funds Request		\$203,000,167

Budget Request

Distribution of General Funds Request



Budget Request—Decision Package #1

Decision Package #1: Maintenance of Effort (\$102,637,899)

- Annualization accounts for the total change in cost in state dollars needed to continue current Medicaid service levels and reimbursement rates for providers. Factors included in this year's request:
 - Utilization: Inflationary pressures driven by increased usage and acuity;
 - Federal Medical Assistance Percentage (FMAP): Reductions in South Carolina's finalized federal matching rate for SFY 2026-2027; and
 - Decreased Revenue: A sustained trend in decreased revenue in certain other funds revenue sources.

Budget Request—Decision Package #2

Decision Package #2: Federally Mandated Medicare Premiums (\$53,088,540)

- This funding is federally required to cover Medicare Part A, Part B, and Part D premium increases for dually eligible Healthy Connections Medicaid members.
- While Medicare premiums have increased substantially in recent years, paying these mandated premiums ensures Medicare acts as the primary payer for Part A & B expenditures. This results in the state's financial responsibility being limited to only 6.5% of the total cost per member.

Budget Request—Decision Package #3

Decision Package #3: Home & Community-Based Services (HCBS) (\$47,273,728)

- This request is essential to the agency's goal of maintaining adequate access to care and delivering care in the most appropriate and cost-effective setting possible. Factors included in this year's request:
 - Utilization: Inflationary pressures driven by increased usage, acuity and enrollment;
 - Office of Intellectual and Developmental Disabilities (OIDD) local providers cost of living adjustments as required by Proviso 33.30; and
 - Reimbursement Rates: Personal care, nursing and enhanced nursing services rate increases will keep South Carolina's rates comparable to other Medicaid programs in the region.

Summary of Proviso Requests

Proviso	Type of Change	Description
117.112 – South Carolina Telemedicine Network	Amend	This amendment will remove reporting requirements pertaining to COVID-19 updates. SCDHHS will continue to report on changes made to all aspects of the Healthy Connections Medicaid program, including telemedicine, through its regular provider communications.
33.20(F) – Medicaid Accountability and Quality Improvement Initiative	Amend	This amendment will provide clarifying language around the distribution of funding to local alcohol and drug abuse authorities created under Act 301 through a merit-based grant system.

