

South Carolina Department of Health and Human Services

FY25-26 Proviso 117.113 (C) Act 69 of 2025

Telehealth Report

This report is issued pursuant to Section 117.113 (C) of Act 69 of 2025.

The Department of Health and Human Services shall continue to identify and implement telehealth benefits and policies that are evidence-based, cost efficient, and aligned with the needs of the Medicaid population. The department must also continue to review the temporary telephonic and telehealth flexibilities it has adopted to address the COVID-19 public health emergency and make permanent those that are suitable for inclusion in the Medicaid benefit. No later than October 1, the department shall submit a report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on policy and benefit changes it has introduced in the furtherance of this goal and as part of its ongoing effort to improve the sustainability of telehealth services.

Introduction

During the federal public health emergency (PHE), which lasted from Jan. 31, 2020, until May 11, 2023, SCDHHS reimbursed 1,554,087 telehealth claims for \$182,527,127.22 total dollars. Analysis of this data revealed that while telehealth significantly expanded access to care—reaching members in all 46 counties of South Carolina—it also highlighted persistent disparities in healthcare delivery. These findings underscored the importance of rigorous, ongoing monitoring and targeted policy adjustments to address inequities and optimize telehealth’s role in the healthcare landscape.

As outlined in the FY2024-2025 report, SCDHHS launched a comprehensive evaluation of the telehealth flexibilities it implemented during the federal PHE. This process involved data-driven assessments; stakeholder feedback; and performance reviews to determine the efficacy, safety and value of each telehealth service. Throughout this evaluation, telehealth services were categorized into three groups: those that would be made permanent, those that would expire and those the agency would temporarily extend and continue to monitor. This strategic approach was designed to refine and sustain telehealth as an important way for South Carolina Healthy Connections Medicaid members to maintain access to quality care and support telehealth as a core component of South Carolina’s overall healthcare delivery system.

This year’s proviso report reflects SCDHHS’s continued commitment to evidence-based policy development. The report provides a detailed review of telehealth advancements and outlines strategic oversight plans for the continued evaluation of telehealth modalities. By leveraging data insights and stakeholder engagement, SCDHHS aims position telehealth as a sustainable solution to continue to enhance healthcare access, equity and quality for the future.

National Landscape

Under the Consolidated Appropriations Act (CAA) of 2023 and the CY 2024 Physician Fee Schedule (PFS) final rule, the Centers for Medicare and Medicaid Services (CMS) extended telehealth flexibilities, including the removal of site restrictions and the expansion of eligible telehealth practitioners. These changes align with SCDHHS’s priorities to increase access to care and support comprehensive care models through telehealth. SCDHHS’ strategic focus has allowed it to align with national trends, such as reimbursement for remote patient monitoring (RPM) and audio-only telehealth, while also identifying gaps and opportunities unique to South

Carolina. This tailored approach ensures telehealth services are not only accessible but also aligned with the specific needs of South Carolina's population.

Before and throughout the PHE, telehealth services were essential to South Carolina's Medicaid program. A total of 56 telehealth services were introduced during the federal PHE. Based on the data-driven assessments, feedback and review described above, some telehealth flexibilities introduced during the PHE have already been made permanent or sunset. SCDHHS continues to provide consistent updates on these changes through provider bulletins, memos and annual reports.

As of this publication, all 50 states' Medicaid programs reimburse for some form of telehealth services that are provided with an audio and video enabled component sufficient for communication. While there is broad application, states differ on policies related to originating sites and subsequent restrictions. Of nearby states, seven, including Delaware, Maryland, West Virginia, Tennessee, Mississippi, Alabama, and South Carolina have specific policies on site restrictions. Virginia, North Carolina, Georgia and Florida do not have site restrictions.

At the time of this report, 34 states, including South Carolina provide reimbursements for transmission, a facility fee, or both. Of the southeastern states, 11 of the 12 provide at least some reimbursement for remote care needs in support through their Medicaid program. South Carolina, Florida and Hawaii are the only three states that have not officially adopted a uniform, Medicaid state policy on telehealth consent practices. Though within provider manuals, there are requirements for Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliance, video and audio, and an expectation that providers inform Medicaid members of their rights to conduct in-person or remote care. South Carolina is actively addressing a formal consent policy for providers to use for future telehealth services.

As of, Oct. 1, 2024, audio-only services are covered by Medicaid programs in 45 states, including South Carolina. Notably, this figure may change as states finalize permanent telehealth policies. Eight states including, Georgia and Tennessee, do not allow for RPM services. South Carolina's Medicaid program reimburses providers who utilize RPM service hardware and software to monitor patients remotely. Other agencies within South Carolina and beyond anecdotally report the benefits of RPM services and expressed a continued support for these vital services in conjunction with home-based services.

Data-driven Decision-making

In early 2025, SCDHHS developed a comprehensive telehealth dashboard designed to provide a structured, data-driven overview of Medicaid telehealth utilization. This dashboard provides SCDHHS with actionable insights into telehealth's continued value in increasing access to high-quality healthcare, supporting comprehensive care models, and reducing unnecessary healthcare costs. This visualization tool enables the identification of trends and reveals opportunities for improvement, ensuring Medicaid member's telehealth services remain accessible, efficient and cost effective. The dashboard offers insights across four core telehealth dimensions: monitoring, utilization, location insights and procedures. This report represents an analysis of findings from the data included in this dashboard as well as member and provider experience.



Telemedicine Dashboard Series

Insights, Analytics, and Performance

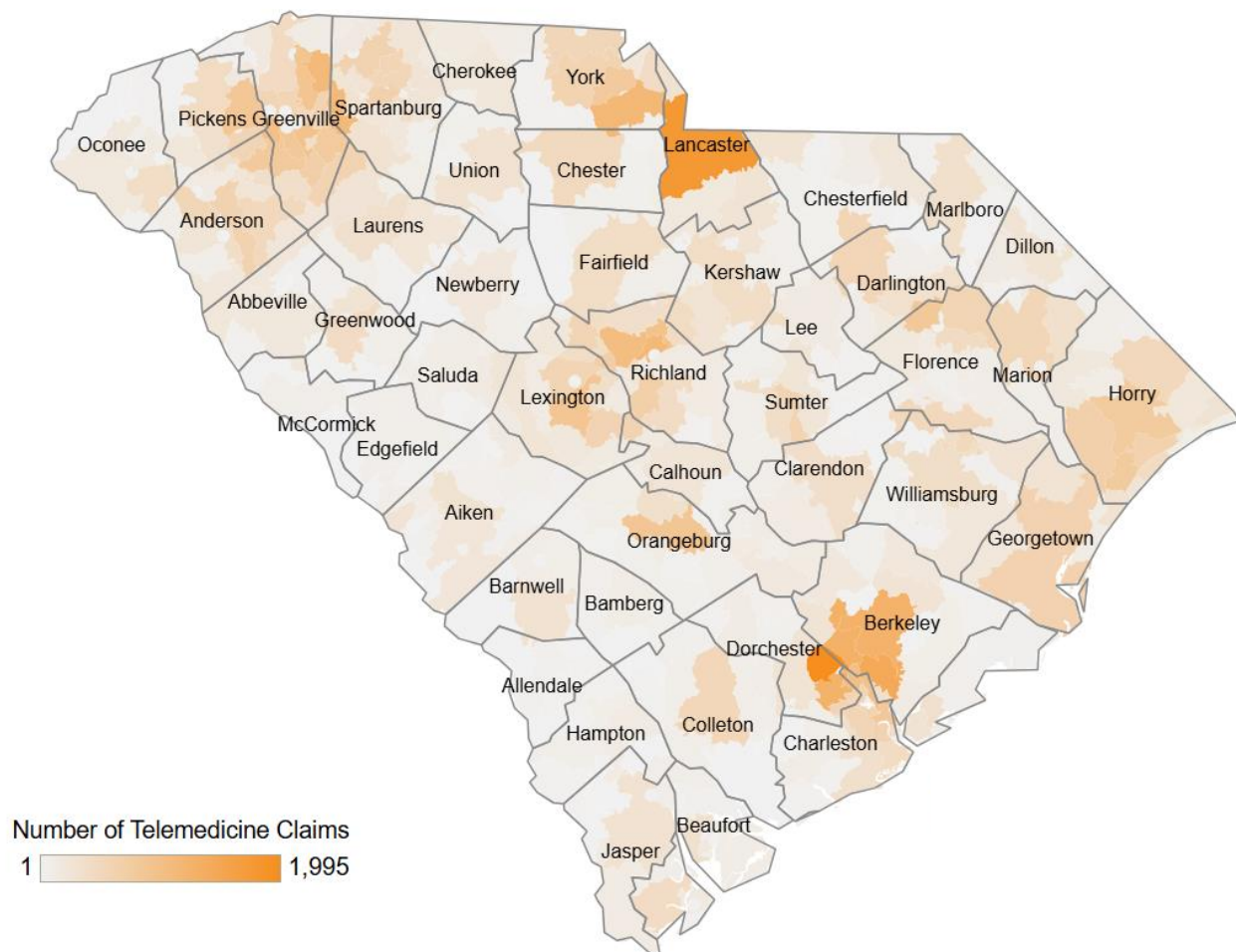


Telehealth Usage Among South Carolina Medicaid Members

By 2025, telehealth has significantly expanded access to care—reaching members in all 46 counties of South Carolina—while also highlighting persistent disparities in healthcare delivery. While services rendered via telehealth represent less than 5% of total Medicaid utilization, the continued exploration of telehealth remains imperative. Utilization data has illuminated some noteworthy trends across telehealth usage in South Carolina. Women represented 62% of all telemedicine utilization in SFY 2023 Q1 and SFY 2024 Q4. Data also shows the 5- to 17-year-old age group is serviced through telemedicine significantly more than all other age groups between SFY 2023 and SFY 2024.

continues to decline from FY 2023 Q1 through FY 2024 Q4. The continued decline in utilization of telehealth services could be attributed to a preference for in-person service delivery, however the slow decline indicates the need for continued monitoring and review of healthcare services rendered through this modality.

Zip Code Map: Count of Telemedicine Claims

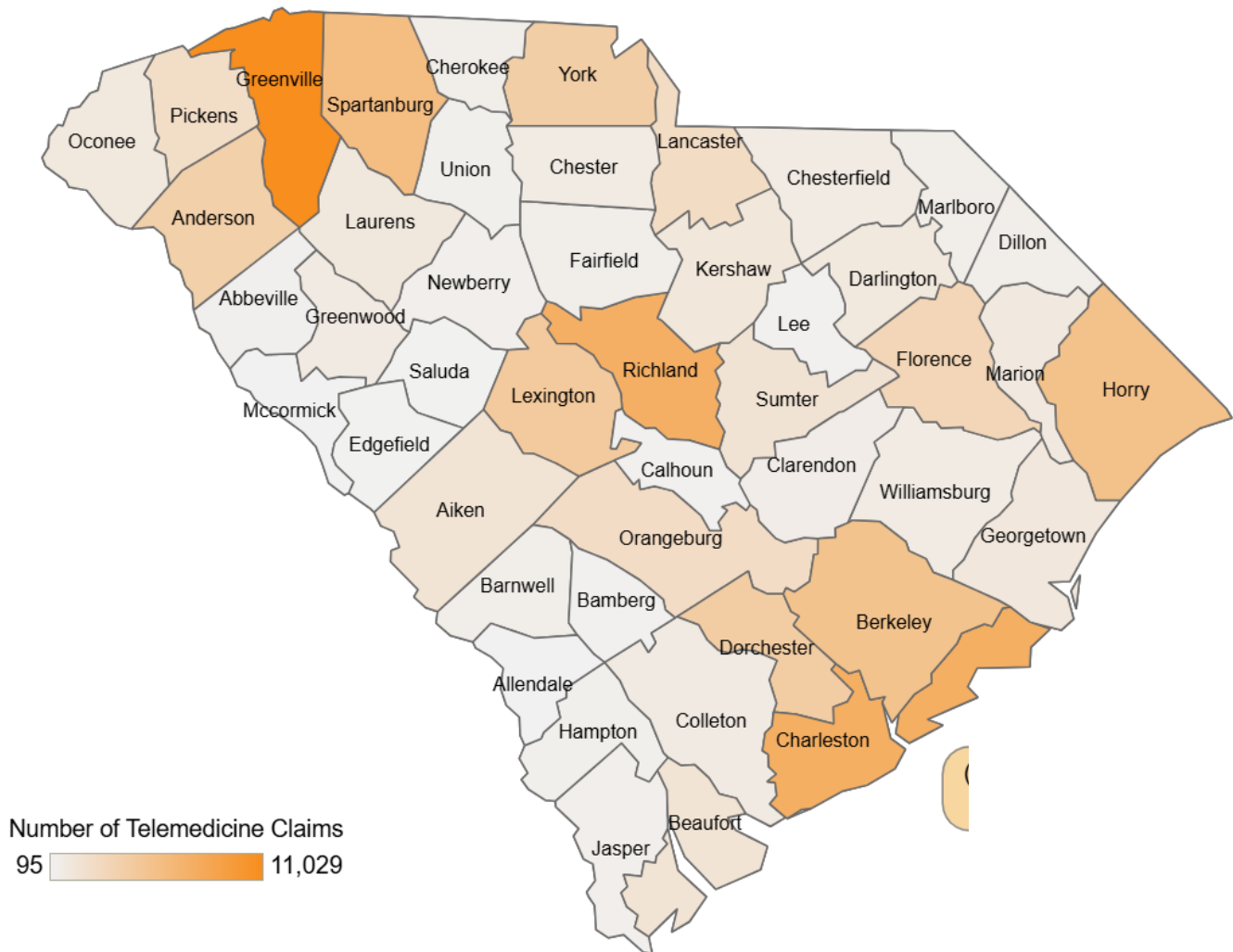


Geographically, Medicaid members served in zip codes in and around Lancaster, Dorchester and Berkeley counties have the most telemedicine claims. By SFY 2024 Q4, Medicaid members in and around Horry and York also experienced an increase in telehealth utilization.

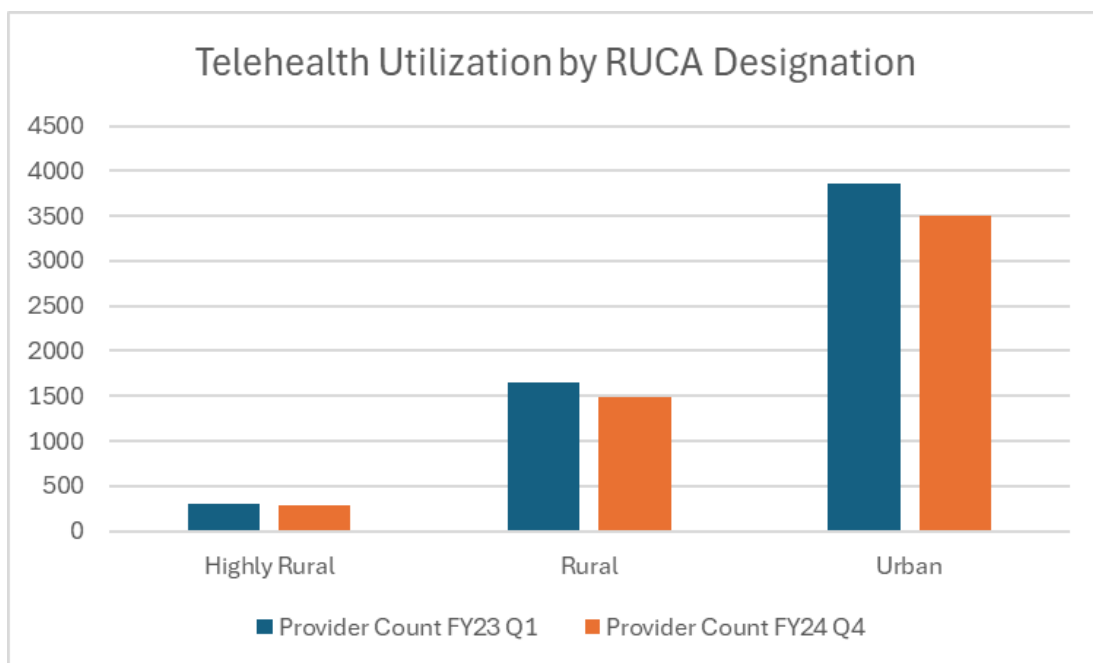
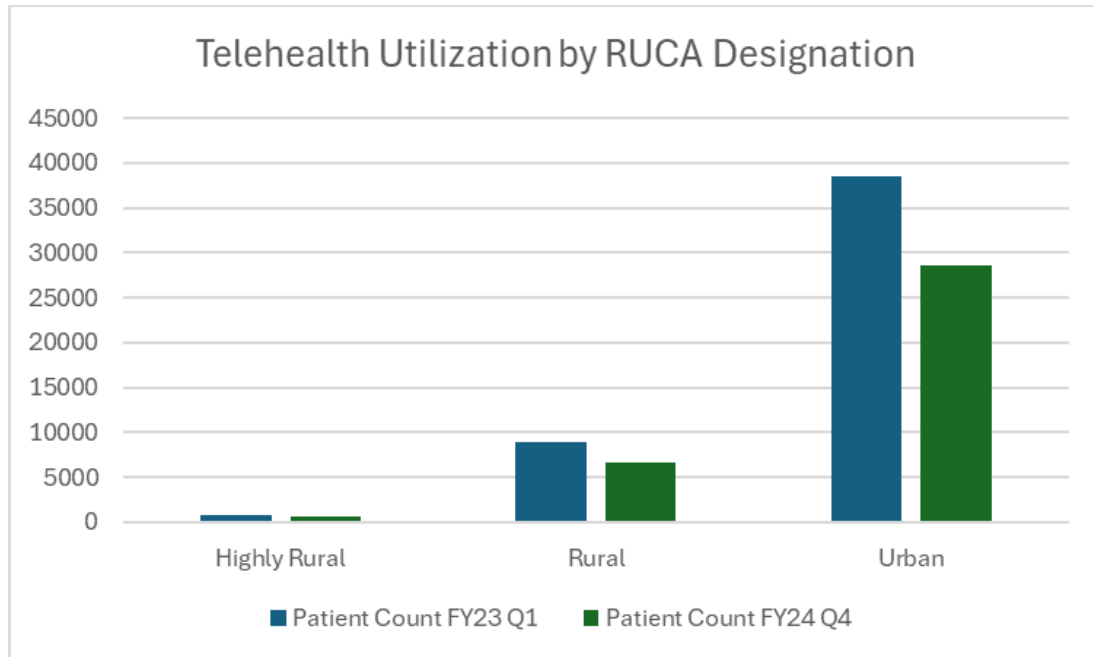
At the county level, Medicaid members living in Greenville, Richland and Charleston represent the

highest telehealth claim utilization. Regionally, the Pee Dee consistently has the lowest telemedicine utilization, while the Upstate consistently has the highest rate of utilization. These findings underscore the importance of rigorous, ongoing monitoring and targeted policy adjustments to address inequities and optimize telehealth’s role in the healthcare landscape.

Zip Code Map: Count of Telemedicine Claims



The figures below illustrate how telemedicine claims, patients and providers are distributed across the Rural-Urban Commuting Area (RUCA) areas based on zip codes. The quarter-by-quarter comparison is used to capture identified trends.



This data indicates telehealth trends largely mirror in-person delivery modalities when stratified by rurality.

Examining the data this way helps to identify potential opportunities for innovation and targeted intervention. Additionally, the most common procedures rendered via telemedicine between FY 2023 Q1 and FY 2024 Q4 are services for behavioral health and substance use. Of the codes identified for permanent inclusion, speech therapy treatment rendered via telehealth increased 30% from SFY 2024 to SFY 2025. This care delivery option enables Medicaid members who live in rural communities and need regular treatment sessions, especially the pediatric population, to access care from caregivers without the need to make frequent and long-distance trips for care. Provider feedback indicates that telehealth maintains continuity of care without the burden of travel, which is critical for progress in speech and language development.

Continued Commitment to Telehealth

SCDHHS is committed to data driven telehealth policy decisions that provide Medicaid members with increased access to high quality healthcare. SCDHHS' approach to policy decisions and design continues to be based on provider feedback, member feedback, utilization data and regulatory reviews. Telehealth as a modality is now a consideration in every provider manual review and update. SCDHHS will continue evaluating telehealth data and engaging both Medicaid members and the provider community to continue to deliver evidenced-based healthcare to the South Carolina Medicaid population.