SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

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South Carolina Department of Health and Human Services

Proviso 33.16 – Carry Forward Report

2026

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 31870000 **Fund Name:** Medicaid Reserve Account

		SFY 2025-26
Beginning Balance		396,138,751
Receipts		46,412
Disbursement		-
Transfers		-
Ending Balance		396,185,163
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.16- – Carry Forward: The Department of Health and Human Services is authorized to carry forward and expend any General Fund balance and any cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   With the support of the General Assembly, the agency has set a target minimum of 3% reserves of current year appropriations for increases in enrollment and/or unexpected increases in health care costs for Medicaid beneficiaries.

3. Please describe the key expenditures of this fund.

   These funds are for Medicaid Expenditures.

4. Please provide a description of the source(s) of funding for this account.

   Source of funds are unobligated matching funds.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services
Fund Number: 31880000 **Fund Name:** SCDHHS Medicaid Recoupment and Disallowance

		SFY 2025-26
Beginning Balance		1,274,264
Receipts		77,187
Disbursement		
Transfers		(535,962)
Ending Balance		815,489
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.1 – Recoupment/Restricted Fund: The Department of Health and Human Services shall recoup all refunds and identified program overpayments, and all such overpayments shall be recouped in accordance with established collection policy. Further, the Department of Health and Human Services is authorized to maintain a restricted fund, on deposit with the State Treasurer, to be used to pay for liabilities and improvements related to enhancing accountability for future audits. The restricted fund will derive from prior year program refunds. The restricted fund shall not exceed one percent of the total appropriation authorization for the current year. Amounts in excess of one percent will be remitted to the general fund.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   This account is used to accumulate the state portion of prior year refunds for use in satisfying audit liabilities resulting from deferrals, disallowances, and uncollected accounts receivables due to the federal government within 365 days (such as nursing home receivables resulting from audits). Due to the potential size of our disallowances, this balance is necessary to prevent requests to the General Assembly to fund disallowances. Funding in this account is not generated at a consistent rate and the carry forward provision allows for the accumulation of balances sufficient to handle our sizable disallowances and receivables not collected within 365 days.

3. Please describe the key expenditures of this fund.

   Expenditures for the current year would be for payment of liabilities due to disallowances, deferrals, or uncollected accounts receivables due to the federal government. These amounts do not post as an expenditure but as a reduction of revenue when posted to the federal account.

4. Please provide a description of the source(s) of funding for this account. The source of funding for this account is the state portion of prior year refunds less expenditures for the Third-Party Liability, Drug Rebate, Medicaid eligibility determination and Fraud and Abuse Programs and is transferred to this subfund from fund 35047000 where all state refunds are deposited.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 34400000 **Fund Name:** Med Care Prog - $0.50 per Capita

		SFY 2025-26
Beginning Balance		-
Receipts		-
Disbursement		(2,559,213)
Transfers		2,559,213
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   This subfund administers the provisions of Section 44-6-146(A): "Every fiscal year the State Treasurer shall withhold from the portion of the Local Government Fund allotted to the counties a sum equal to fifty cents per capita based on the population of the several counties as shown by the latest official census of the United States. The money withheld by the State Treasurer must be placed to the credit of the commission and used to provide Title XIX (Medicaid) services."

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Generally, the agency does not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

   These funds are for Medicaid Services.

4. Please provide a description of the source(s) of funding for this account.

   Funds are allocated from the Local Government Fund through the State Treasurer's Office.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 34410000 **Fund Name:** State Agencies – Medicaid Allocation

		SFY 2025-26
Beginning Balance		92,057,881
Receipts		41,319,273
Disbursement		(331,304,067)
Transfers		233,772,410
Ending Balance		35,845,497
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.16- – Carry Forward: The Department of Health and Human Services is authorized to carry forward and expend any General Fund balance and any cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

   This fund is used to account for the matching funds transferred from state and other eligible providers participating in Medicaid contracts and services.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   These funds are transferred to the Department by other state entities or other eligible providers and are expended on a yearly basis for Medicaid contracts and services. Any carry forward is due to timing of receipt of match for a new fiscal year that is received in prior year. Without this carry forward, the Department would be unable to fund these contracts and services at the beginning of the State Fiscal Year.

3. Please describe the key expenditures of this fund.

   Expenditures represent Medicaid contracts and services.

4. Please provide a description of the source(s) of funding for this account.

   Funds are received from state and other eligible providers as match for Medicaid federal funding.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 34420000 **Fund Name:** Special Grants

		SFY 2025-26
Beginning Balance		30,348,104
Receipts		157,626,845
Disbursement		(184,360,213)
Transfers		33,503,545
Ending Balance		37,118,281
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.4 – Third Party Liability Collection: The Department of Health and Human Services is allowed to fund the net costs of any Third-Party Liability and Drug Rebate collection efforts from the monies collected in that effort.

   Proviso 33.8 – Fraud and Abuse Collections: The Department of Health and Human Services may offset the administrative costs associated with controlling fraud and abuse.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Actual collections are received in Fund 35040000 and transferred to this fund as needed to fund Third Party Liability, Drug Rebate, Fraud and Abuse activities and Medicaid services. Because collections are not consistent through the year, one-twelfth of the expenditures may not be sufficient to cover monthly costs actually incurred. Use of this carry forward reduces the need for state appropriated dollars to fund these activities.

3. Please describe the key expenditures of this fund.

   Administrative expenditures for the Third-Party Liability, Drug Rebate, Fraud and Abuse programs and Medicaid services are funded through this fund. These expenditures include salary, fringe, supplies, equipment, contractual services, etc.

4. Please provide a description of the source(s) of funding for this account.

   Sources of funding for these programs are from Third Party Liability, Fraud and Abuse and Drug Rebate collections.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 34750000 **Fund Name:** County Medicaid (MIAA)

		SFY 2025-26
Beginning Balance		-
Receipts		-
Disbursement		(5,171,181)
Transfers		5,173,329
Ending Balance		2,148
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 44-6-155: (A) There is created the Medicaid Expansion Fund into which must be deposited funds: (1) collected pursuant to Section 44-6-146 and (2) collected pursuant to Section 12-23-810. This fund must be separate and distinct from the general fund. These funds are supplementary and may not be used to replace general funds appropriated by the General Assembly or other funds used to support Medicaid.

   SC Code of Laws Section 44-6-146: (B) County governments are assessed an additional thirteen million dollars annually for use as matching funds for Medicaid services. Of these funds, seven and a half million dollars must be deposited into the Medicaid Expansion Fund created by Section 44-6-155.

   This subfund is used to account for $5.5 million of the $13 million pursuant to Section 44-6-155 received from counties to be used as Medicaid matching funds.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Generally, the agency does not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

   These funds are for Medicaid expenditures.

4. Please provide a description of the source(s) of funding for this account.

   Funding is generated from assessments on county governments.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 34760000 **Fund Name:** Medicaid CPE

		SFY 2025-26
Beginning Balance		-
Receipts		67,587,438
Disbursement		(67,587,438)
Transfers		-
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   This fund is used for budgetary purposes only. It is used to account for required Medicaid matching funds that are retained by state and local government providers and does not represent cash expenditures.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   The balance should be zero and the balance should not be greater than one-twelfth.

3. Please describe the key expenditures of this fund.

   Revenues and expenditures are recorded in an equal amount in the accounting records monthly for these non-cash matching funds.

4. Please provide a description of the source(s) of funding for this account.

   This fund is for budgetary purposes only and represents non-cash required matching funds retained by state and local governments for Medicaid services.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 35047000 **Fund Name:** Med Asst. Prog Refunds – State

		SFY 2025-26
Beginning Balance		-
Receipts		6,098,898
Disbursement		-
Transfers		(6,098,898)
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   This is a revenue clearing fund that is used to deposit the state portion of Medicaid assistance payment refunds until proper identification and distribution can be made. The net costs of contracting for Third-Party Liability collection efforts are paid from Fund 34420000. Revenues deposited into this clearing fund are transferred to Fund 31870000, Fund 31880000, Fund 35B40000 and Fund 38K8000 during the year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   These monies are transferred to Fund 31870000, Fund 34420000, Fund 35B40000 , Fund 31880000 or Fund 38K8000 throughout the year pursuant to Proviso 33.1.

3. Please describe the key expenditures of this fund.

   Expenditures are not paid from this fund, but Third-Party Liability and Drug Rebate efforts are funded from these revenues in Fund 34420000. Medicaid eligibility determination efforts are funded from these revenues in Fund 35B40000. Program Integrity RAC efforts are funded from these revenues in Fund 38K8000. Excess revenues are transferred to Fund 318800000 and Fund 31870000 to maintain the target minimum of 3% reserves.

4. Please provide a description of the source(s) of funding for this account.

   The funding source for this account is prior year refunds.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 35B40000 **Fund Name:** Medicaid Sponsored Workers

		SFY 2025-26
Beginning Balance		6,729,980
Receipts		44,880
Disbursement		(6,342,999)
Transfers		3,850,293
Ending Balance		4,282,154
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.9- Medicaid Eligibility Transfer: The South Carolina Department of Health and Human Services (DHHS) is hereby authorized to determine the eligibility of applicants for the South Carolina Medicaid Program in accordance with the State Plan Under Title XIX of The Social Security Act Medical Assistance Program. The governing authority of each county shall provide office space and facility service for this function as they do for DSS functions under Section 43-3-65. With funds available to the department and by November first, the Director of the Department of Health and Human Services shall provide the governing authority and the legislative delegation of each county with information on the condition of space furnished for this purpose and shall specifically identify any known deficiencies with respect to the accessibility requirements of the Americans with Disabilities Act (ADA). By May first, the governing authority of any county with an identified ADA-related deficiency shall report to its legislative delegation and the Director of the Department of Health and Human Services on its progress in correcting such deficiency.

   Proviso 33.16- – Carry Forward: The Department of Health and Human Services is authorized to carry forward and expend any General Fund balance and any cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Since collections are not consistent throughout the year, one-twelfth of the expenditures may not be sufficient to cover monthly costs actually incurred. Use of this carry forward reduces the need for state appropriated dollars to fund these activities.

3. Please describe the key expenditures of this fund.
   Salaries and other operating costs for Medicaid Eligibility determinations.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 36340000 **Fund Name:** Capital Reserve Fund

		SFY 2025-26
Capital Reserve Fund		
Beginning Balance		-
Receipts		-
Disbursement		(150,000,000)
Transfers		150,000,000
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   33.26. (DHHS: Brain Health Initiative) South Carolina has been identified as one of five states with the most significant gap between an available neurology workforce and the health needs of people with Alzheimer's and other dementias. From funds appropriated, the Department of Health and Human Services is authorized to continue, in collaboration with the University of South Carolina, the Medical University of South Carolina and Clemson University, advancing the clinical care of dementia, improving cardiovascular and brain health, expanding, and improving the Alzheimer's Disease Registry provided for in Section 44-36-10, and obtaining a better understanding of population risk factors. The universities shall leverage existing programs to meet the unmet dementia care needs for citizens in rural areas throughout South Carolina including, but not limited to, providing informed clinical care, early detection, early diagnosis disclosure, caregiver support, healthy aging, and education of primary care providers. The University also shall utilize and disseminate the brain health resources through the Department of Public Health's Take Brain Health to Heart campaign as a tool for community education. The department shall evaluate this initiative annually, including all partnerships and agreements, to assess its effectiveness in achieving expected outcomes.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Generally, the agency should not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.
   Operation and management of clinical operations at the Brain Health Center

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 38450000 **Fund Name:** Money Follows Person Grant

		SFY 2025-26
Beginning Balance		801,457
Receipts		156,407
Disbursement		(135,033)
Transfers		-
Ending Balance		822,831
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.16 – Carry Forward: The Department of Health and Human Services is authorized to carry forward and expend any General Fund balance and any cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   The Center for Medicare and Medicaid Services (CMS) requires that state savings realized from the enhanced Federal Medical Assistance Percentage, be accumulated in this "rebalancing fund" and be available for reinvestment into the community long term care support system to increase the availability of Home and Community Based Services (HCBS).

3. Please describe the key expenditures of this fund.

   Rebalancing funds are only available for expenditures that increase use of HCBS.

4. Please provide a description of the source(s) of funding for this account.

   Funds are generated from enhanced match from CMS consistent with Section 5001 of the Recovery Act.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 38907000 **Fund Name:** Parking Fee

		SFY 2025-26
Beginning Balance		-
Receipts		54,865.00
Disbursement		54,860.00
Transfers		-
Ending Balance		5.00
SFY2026 Year to Date as of 08/16/2026		

5. Cite the authorization by which the agency has the authority to carry forward the funds.

   This is a revenue fund that is used to deposit fees charged for the privilege of parking on State owned or leased property.

   Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Use of this carry forward reduces the need for state- appropriated dollars to fund these activities.

6. Please describe the key expenditures of this fund.

   Expenditures charged to this fund are parking leases.

7. Please provide a description of the source(s) of funding for this account.

   The funding source for this account is fees collected from employees and contractor staff for parking on State owned or leased property.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 38K80000 **Fund Name:** Recovery Audits

		SFY 2025-26
Beginning Balance		-
Receipts		-
Disbursement		-
Transfers		325,170
Ending Balance		325,170
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 33.8 – Fraud and Abuse Collections: The Department of Health and Human Services may offset the administrative costs associated with controlling fraud and abuse.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Actual collections are received in Fund 35040000 and transferred to this fund as needed to fund Fraud and Abuse activities and Medicaid services. Because collections are not consistent through the year, one-twelfth of the expenditures may not be sufficient to cover monthly costs actually incurred. Use of this carry forward reduces the need for state appropriated dollars to fund these activities.

3. Please describe the key expenditures of this fund.

   Administrative expenditures for the Fraud and Abuse programs and Medicaid services are funded through this fund. These expenditures include contractual services, etc.

4. Please provide a description of the source(s) of funding for this account.

   Sources of funding for these programs are from Fraud and Abuse collections.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 39580000 **Fund Name:** Sale of Assets

		SFY 2025-26
Beginning Balance		-
Receipts		-
Disbursement		-
Transfers		-
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   This fund is used to deposit the proceeds from the sale of assets to be used for the purchase of like kind assets.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   These funds are held for the purchase of like kind assets needed by the agency. Due to timing of sales and ordering of new assets, carry forward balances may be necessary to cover the costs of the new equipment.

3. Please describe the key expenditures of this fund.

   Expenditures in this fund are for the replacement of like kind assets.

4. Please provide a description of the source(s) of funding for this account.

   Funds are deposited to this account from the sale of assets to state surplus.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 41760000 **Fund Name:** Nursing Home Sanctions

		SFY 2025-26
Beginning Balance		16,503,410
Receipts		2,142,254
Disbursement		(431,101)
Transfers		-
Ending Balance		18,214,563
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 44-6-470: Any use of funds collected by the department as a result of the imposition of civil monetary penalties or other enforcement actions must be for a purpose related to the protection of the health and property of residents of nursing homes that participate in the Medicaid program. These funds may be used for the cost of relocating residents to other nursing homes, if necessary, and may be used to reimburse residents for personal funds lost because of violations of the requirements for participation in the Medicaid program by the nursing home. In addition, these funds may be used for other costs directly associated with enforcement or corrective measures at facilities found to be out of compliance with the requirements for participation in the Medicaid program or for any other purpose that enhances or improves the health and quality of life for residents. These requirements for the use of funds collected also apply to funds received by the department that are collected as the result of enforcement actions directed by federal authorities.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Nursing facilities are surveyed by the Department of Health and Environmental Control (DHEC) to assure the facilities are meeting standards for conditions of participation. If a nursing home is out of compliance, DHEC may impose a Civil Money Penalty (CMP).

   Federal law as stated in 42 CFR Part 488.442 mandates that CMPs collected by the State must be applied to the protection of the health or property of residents of facilities that the State or CMS finds non-compliant, such as (1) payment for the cost of relocating residents to other facilities; (2) state costs related to the operation of a facility pending correction of deficiencies or closure; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of action by the facility or by individuals used by the facility to provide services to residents.

   These funds are obligated for this purpose and should be maintained to assure that funds are available should the need arise to relocate patients or to maintain operation of a facility pending corrective action. If adequate funding were not available, the Department would have to request funding from the State General Fund to fund the cost of a nursing facility closure. This is not a consistent monthly need; therefore, one-twelfth carry forward may not be sufficient in the event of a home closure.

3. Please describe the key expenditures of this fund.
   Expenditures are related to nursing home contracts for training and testing costs.

   Please provide a description of the source(s) of funding for this account. These funds come from the collection of fees and fines because of nursing home sanctions imposed by the Center of Medicare and Medicaid Services.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 41760002 **Fund Name:** Inspector General

		SFY 2025-26
Beginning Balance		153,707
Receipts		6,019
Disbursement		-
Transfers		-
Ending Balance		159,726
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 44-6-470: Any use of funds collected by the department as a result of the imposition of civil monetary penalties or other enforcement actions must be for a purpose related to the protection of the health and property of residents of nursing homes that participate in the Medicaid program. These funds may be used for the cost of relocating residents to other nursing homes, if necessary, and also may be used to reimburse residents for personal funds lost as a result of violations of the requirements for participation in the Medicaid program by the nursing home. In addition, these funds may be used for other costs directly associated with enforcement or corrective measures at facilities found to be out of compliance with the requirements for participation in the Medicaid program or for any other purpose that enhances or improves the health and quality of life for residents. These requirements for the use of funds collected also apply to funds received by the department that are collected as the result of enforcement actions directed by federal authorities.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Nursing facilities are surveyed by the Department of Health and Environmental Control (DHEC) to assure the facilities are meeting standards for conditions of participation. If a nursing home is out of compliance, DHEC may impose a Civil Money Penalty (CMP).

   Federal law as stated in 42 CFR Part 488.442 mandates that CMPs collected by the State must be applied to the protection of the health or property of residents of facilities that the State or CMS finds non-compliant, such as (1) payment for the cost of relocating residents to other facilities; (2) state costs related to the operation of a facility pending correction of deficiencies or closure; and (3) reimbursement of residents for personal funds or property lost at a facility as a result of action by the facility or by individuals used by the facility to provide services to residents.

   These funds are obligated for this purpose and should be maintained to assure that funds are available should the need arise to relocate patients or to maintain operation of a facility pending corrective action. If adequate funding were not available, the Department would have to request funding from the State General Fund to fund the cost of a nursing facility closure. This is not a consistent monthly need; therefore, one-twelfth carry forward may not be sufficient in the event of a home closure.

3. Please describe the key expenditures of this fund.
   Expenditures are related to the Office of Inspector General Audit Recoveries

4. Please provide a description of the source(s) of funding for this account.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number:41800000 **Fund Name:** Ambulance Assessment Fee

Beginning Balance		**SFY 2025-26**
Receipts		-
Disbursement		4,560,700
Transfers		(4,560,700)
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		0

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 44-6-470: Any use of funds collected by the department as a result of the imposition of civil monetary penalties or other enforcement actions must be for a purpose related to the protection of the health and property of residents of nursing homes that participate in the Medicaid program. These funds may be used for the cost of relocating residents to other nursing homes, if necessary, and also may be used to reimburse residents for personal funds lost as a result of violations of the requirements for participation in the Medicaid program by the nursing home. In addition, these funds may be used for other costs directly associated with enforcement or corrective measures at facilities found to be out of compliance with the requirements for participation in the Medicaid program or for any other purpose that enhances or improves the health and quality of life for residents. These requirements for the use of funds collected also apply to funds received by the department that are collected as the result of enforcement actions directed by federal authorities.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   SC Code of Laws Section 44-6-1120: There is created in the State Treasury the Ambulance Fee Trust Fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The amounts in the fund must be provided to the department solely for Medicaid payments to ambulance services as provided in Section 44-6-1130 and must not be expended for any other purpose.

3. Please describe the key expenditures of this fund.
   Expenditures are related to Medicaid payments to ambulance services.

4. Please provide a description of the source(s) of funding for this account
   Revenues are received from assessments on private ambulance services

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 42750000 **Fund Name:** Tobacco Settlements

		SFY 2025-26
Beginning Balance		119,214,613
Receipts		5,576,573
Disbursement		(78,688,363)
Transfers		61,076,777
Ending Balance		107,179,600
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 117.35 – Tobacco Settlement Funds Carry Forward: State agencies are hereby authorized to retain and carry forward any unexpended Tobacco Settlement Agreement funds from the prior fiscal year into the current fiscal year and to expend such funds for the same purpose.

   Proviso 118.11- Tobacco Settlement: ((A) To the extent funds are available from payments received on behalf of the State by the Tobacco Settlement Revenue Management Authority from the Tobacco Master Settlement Agreement ("MSA") in the current fiscal year, the State Treasurer is authorized and directed, after transferring funds sufficient to cover the operating expenses of the Authority, to transfer the remaining funds as follows:

   (1) $1,253,000 to the Attorney General's Office for Diligent Enforcement and Arbitration Litigation; $450,000 to the State Law Enforcement Division for Diligent Enforcement; and $325,000 to the Department of Revenue for Diligent Enforcement, all to enforce Chapter 47 of Title 11, the Tobacco Escrow Fund Act;

   (2) The Attorney General's Office shall maintain a balance of $1,253,000 in a fund for future tobacco arbitration. Attorney General funds in excess of $1,253,000 may be utilized for information technology expenses and building infrastructure upgrades. These funds may be carried forward from the prior fiscal year into the current fiscal year and utilized for the same purpose; and

   (3) The remaining balance shall be transferred to a restricted account authorized solely for use by the Department of Health and Human Services for the Medicaid program. Earnings on this fund must be credited to the fund and balances may be carried forward from the prior fiscal year for the same purpose.

   (B) The requirements of Section 11-11-170 of the 1976 Code shall be suspended for the current fiscal year.

5. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Proviso 117.35 authorizes state agencies to retain and carry forward any unexpended Tobacco Settlement Agreement funds from the prior fiscal year into the current fiscal year to expend such funds for the same purpose.

6. Please describe the key expenditures of this fund.

   These funds are for Medicaid expenditures.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 44790000 **Fund Name:** Medicaid Expansion (MIAA)

		SFY 2025-26
Beginning Balance		125,268,944
Receipts		972,125,009
Disbursement		(964,420,688)
Transfers		7,070,441
Ending Balance		140,043,706
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 44-6-155: (A) There is created the Medicaid Expansion Fund into which must be deposited funds: (1) collected pursuant to Section 44-6-146 and (2) collected pursuant to Section 12-23-810. This fund must be separate and distinct from the general fund. These funds are supplementary and may not be used to replace general funds appropriated by the General Assembly or other funds used to support Medicaid.

   SC Code of Laws Section 44-6-146: (B) County governments are assessed an additional thirteen million dollars annually for use as matching funds for Medicaid services. Of these funds, seven and a half million dollars must be deposited into the Medicaid Expansion Fund created by Section 44-6-155.

   SC Code of Laws Section 12-23-810: (C) Every hospital licensed as a general hospital by the Department of Health and Environmental Control is subject to the payment on an excise, license or privilege tax. Each hospital's tax must be based on the total expenditures of each hospital as a percentage of total hospital expenditures statewide. Total annual revenues from the tax, exclusive of penalties and interest, in subsection (A) of this section must equal two hundred sixty-four million dollars.

   Proviso 33.20 - DHHS: Medicaid Accountability and Quality Improvement Initiative -From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:
   (C) Improving Access Initiatives - The department may pursue Medicaid reimbursement and health care delivery methodologies to sustain and improve access to services particularly in underserved and designated rural areas. The department shall review existing reimbursement levels and, as funds are available, take measures to implement competitive rate structures that provide incentives for providers to treat Medicaid, uninsured, and underinsured individuals. These structures may include the use of disproportionate share, directed payments, and other supplemental payment programs. The department may adjust provider assessments to align with available supplemental funding not to exceed the safe harbor threshold under the federal hold harmless provision. Utilizing income, population, provider capacity, and other relevant data, the department may designate certain areas of the state as rural for Medicaid initiatives. To be eligible for these initiatives, the department may require providers to participate in quality, accountability, and reporting programs.

Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law). These funds are earmarked for the Medicaid Expansion program and carry forward is due to the timing of the receipt of funds from the Department of Revenue. The agency is required to expend the total amount of two hundred and sixty-four million dollars annually. The increase in the tax amount was the result of a change in state law. The Department of Revenue does send the funds for July of the new state fiscal year to the

agency in June of the prior year, which results in carry forward, but by law, these funds cannot be expended in the prior year.

2. Please describe the key expenditures of this fund.

   These funds are for Medicaid expenditures.

3. Please provide a description of the source(s) of funding for this account.

   Revenues are received from assessments on county governments and excise, license, or privilege taxes imposed on licensed hospitals.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 46K50000 **Fund Name:** Tobacco Sur-Medicaid Res

		SFY 2025-26
Beginning Balance		16,920,012
Receipts		-
Disbursement		(104,999,710)
Transfers		95,567,777
Ending Balance		7,488,079
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   Proviso 118.5- Health Care Maintenance of Effort Funding: The revenue collected from the fifty-cent cigarette surcharge and deposited into the South Carolina Medicaid Reserve Fund established by Act 170 of 2010 and any other funds deposited into the fund shall be deemed appropriated for use by the Department of Health and Human Services for the Medicaid program. Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

Proviso 118.5 allows for unexpended funds to be carried forward to succeeding fiscal years.

3. Please describe the key expenditures of this fund.

   These funds are for Medicaid expenditures.

4. Please provide a description of the source(s) of funding for this account.

   Revenues are received from the Department of Revenue from the fifty-cent surcharge tax on cigarettes.

OTHER FUNDS
CARRY FORWARD/TRUST FUND BALANCES

Agency: Department of Health and Human Services

Fund Number: 49730000 **Fund Name:** Education Improvement Act 1984

		SFY 2025-26
Beginning Balance		-
Receipts		85
Disbursement		(3,978,147)
Transfers		3,978,062
Ending Balance		-
SFY2026 Year to Date as of 08/16/2026		

1. Cite the authorization by which the agency has the authority to carry forward the funds.

   SC Code of Laws Section 2-7-66: Education Improvement Act of 1984 appropriations for programs which are administered by agencies and entities other than the State Department of Education must be included in the annual general appropriations bill under the section containing appropriations for the State Department of Education in a separate subsection titled "Education Improvement Act Appropriations to Other Agencies and Entities";
   HISTORY: 1988 Act No. 658, Part II, § 29.

   Proviso 33.16- – Carry Forward: The Department of Health and Human Services is authorized to carry forward and expend any General Fund balance and any cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen days after the Comptroller General closes the fiscal year.

2. Please describe in detail why the agency needs to carry forward a balance greater than one-twelfth of the funds identified as disbursements (other than it is required by law).

   Generally, the agency does not carry forward a balance greater than one-twelfth.

3. Please describe the key expenditures of this fund.

   Disbursements from Department of Revenue (DOR) in accordance with the state accounting policies and procedures for support of the BabyNet Program.

4. Please provide a description of the source(s) of funding for this account.

   Funds appropriated under this subsection must be disbursed to the agencies and entities by the Department of Revenue (DOR) in accordance with state accounting policies and procedures.