SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 4464 Introduced on April 30, 2025
Subject:	Medicaid
Requestor:	House Ways and Means
RFA Analyst(s):	Boggs
Impact Date:	March 31, 2026

Fiscal Impact Summary

This bill requires a Home and Community-Based Services (HCBS) provider agency that receives Medicaid reimbursement for providing personal care services to use at least 70 percent of the Medicaid reimbursement as compensation to direct care workers for furnishing their services, which shall be deemed the wage pass-through percentage, by January 1, 2026. Further, by January 1, 2028, the wage pass-through percentage must be raised to 75 percent and by January 1, 2030, it must be raised to 80 percent, and the Department of Health and Human Services (DHHS) must comply with Code of Federal Regulations (C.F.R.) §441.302(k)(3).

Additionally, this bill requires all HCBS provider agencies to provide notice to each direct care worker employed by that provider agency of the effective date of the wage pass-through and the specific wage and benefits to be paid to that employee as of that effective date. Further, all HCBS provider agencies must provide verification to DHHS that the wage pass-through percentage is being paid as compensation to its direct care workers. Under this bill, DHHS is responsible for setting the standard for verification documentation, which may include methods of accounting, such as payroll-based journals.

The fiscal impact of this bill on the Department of Behavioral Health and Developmental Disabilities (DBHDD) and DHHS is pending, contingent upon a response from the agencies.

Explanation of Fiscal Impact

Introduced on April 30, 2025
State Expenditure
This bill requires a HCBS provider agency that receives Medicaid reimbursement for providing personal care services to use at least 70 percent of the Medicaid reimbursement as compensation to direct care workers for furnishing their services, which shall be deemed the wage pass-through percentage, by January 1, 2026. Further, by January 1, 2028, the wage pass-through percentage must be raised to 75 percent and by January 1, 2030, it must be raised to 80 percent, and DHHS must comply with C.F.R. §441.302(k)(3).

Additionally, this bill requires all HCBS provider agencies to provide notice to each direct care worker employed by that provider agency of the effective date of the wage pass-through and the specific wage and benefits to be paid to that employee as of that effective date. Further, all

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The fiscal impact of this bill on DBHDD and DHHS is pending, contingent upon a response from the agencies.

State Revenue
N/A

Local Expenditure
N/A

Local Revenue
N/A

Frank A. Rainwater

Frank A. Rainwater, Executive Director

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