



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

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).

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State Revenue

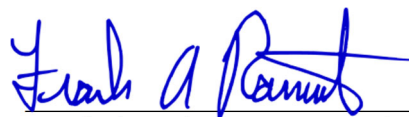
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director