**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 44‑1‑135 SO AS TO PROVIDE THAT THE SOUTH CAROLINA MEDICAL SERVICES AREA IS THE AREA WITHIN THE LEGAL BOUNDARIES OF THIS STATE; TO PROVIDE THAT MEDICAID RECIPIENTS AND PROVIDERS MUST UTILIZE HEALTH CARE FACILITIES WITHIN THIS AREA; AND TO PROVIDE THAT A MEDICAID RECIPIENT ONLY MAY BY TRANSFERRED FOR SERVICES OUTSIDE THIS AREA UNDER CERTAIN CONDITIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 1, Title 44 of the 1976 Code is amended by adding:

“Section 44‑1‑135. (A) For the purpose of defining the South Carolina Medical Service Area (SCMSA) for Medicaid recipient and provider purposes, it is defined as, and is limited to, that area which is within the legal boundaries of this State.

(B)(1) Recipients of Medicaid services and providers of services to Medicaid recipients in this State shall utilize health care facilities, as defined in Section 44‑7‑130, within the South Carolina Medical Services Area and only may transfer a Medicaid recipient to a health care facility outside the SCMSA if:

(a) the following circumstances are met:

(i) in the judgment of the recipient’s attending physician, the Medicaid recipient is unstable medically; and

(ii) the procedure or service required for the Medicaid recipient is not provided at the facility requesting the transfer or at any health care facility within the SCMSA; or

(iii) the health care facilities within the SCMSA that provide the procedure or service that is required for the Medicaid recipient are unable to accept the recipient; or

(b) the following circumstances are met:

(i) in the judgment of the recipient’s attending physician, the Medicaid recipient is unstable medically;

(ii) the procedure or service required for the Medicaid recipient is not provided at the facility requesting the transfer; and

(iii) the transfer to a health care facility outside the SCMSA that provides the procedure or service required for the Medicaid recipient can be accomplished more quickly based on time or distance than a transfer to a health care facility within the SCMSA that provides the procedure or service that is required for the Medicaid recipient.

(C)(1) The department shall review all Medicaid recipient emergency transfers to health care facilities outside the SCMSA, and if the transfers do not satisfy the requirements of subsection (B), the providers within and outside of the SCMSA must be notified.

(2) If a provider within the SCMSA repeatedly violates the requirements of this section, the department shall take appropriate disciplinary action.

(D) The definition of the SCMSA, as provided for in this section, applies to all third‑party providers of Medicaid including, but not limited to, state‑administered Medicaid, Medicaid Medical Home Networks, Medicaid Managed Care organizations, and other organizations providing claims management for South Carolina Medicaid recipients.”

Section 2. This act takes effect upon approval by the Governor.

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