**South Carolina General Assembly**

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**S. 486**

**STATUS INFORMATION**

General Bill

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Summary: Medicaid

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/25/2025 Senate Introduced and read first time ([Senate Journal‑page 8](h:\sj\20250325.docx))

3/25/2025 Senate Referred to Committee on **Medical Affairs** ([Senate Journal‑page 8](h:\sj\20250325.docx))

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**VERSIONS OF THIS BILL**

[03/25/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/486_20250325.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 44‑6‑230 SO AS TO ESTABLISH MINIMUM COMPENSATION REQUIREMENTS FOR DIRECT CARE WORKERS PROVIDING PERSONAL CARE SERVICES THROUGH MEDICAID HOME AND COMMUNITY‑BASED SERVICE PROVIDERS AND TO PROVIDE FOR PHASED IN UPWARD ADJUSTMENTS TO THE COMPENSATION PAID; TO REQUIRE CERTAIN REPORTING BY PROVIDER AGENCIES TO THE SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND TO AUTHORIZE THE DEPARTMENT TO TAKE CERTAIN ENFORCEMENT ACTIONS TO ADDRESS POSSIBLE INACCURACIES OR FRAUD.

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

SECTION 1. Article 1, Chapter 6, Title 44 of the S.C. Code is amended by adding:

Section 44‑6‑230. (A) For purposes of this section:

(1) “Compensation” means all payments and benefits provided to direct care workers, including:

(a) salary, wages, overtime pay, and other remunerations;

(b) health, dental, life, and disability insurance;

(c) paid leave, retirement benefits, and tuition reimbursement; and

(d) the employer share of payroll taxes.

(2) “Department” means the South Carolina Department of Health and Human Services.

(3) “Direct care worker” means a worker who spends the majority of working time providing personal care services to individual beneficiaries of Medicaid Home and Community‑Based Services. The direct care worker may be:

(a) employed by a Medicaid provider, state agency, or third party;

(b) contracted with a Medicaid provider, state agency, or third party; or

(c) delivering services under a consumer‑directed services delivery model.

(4) “HCBS” means Medicaid Home and Community‑Based Services whether through the State plan, 1915(c) waiver, managed care, or demonstration programs.

(5) “Personal care services” means personal care services provided through the home and community‑based service waiver programs administered by the South Carolina Department of Health and Human Services including, but not limited to: intellectual disability/related disabilities, head and spinal cord injury, community supports, community choices, HIV/AIDS, medically complex children, and mechanical ventilator waivers authorized pursuant to Section 1915(c) of the Social Security Act and administered by the department.

(6) “HCBS provider agency” means an entity that:

(a) has entered into a Medicaid provider participation agreement with the South Carolina Department of Health and Human Services;

(b) is eligible to be reimbursed for personal care services provided to eligible members; and

(c) employs or engages direct care workers to provide personal care services for HCBS beneficiaries.

(B)(1)(a) By January 1, 2026, an HCBS provider agency that receives Medicaid reimbursement for providing personal care services must use at least seventy percent of the Medicaid reimbursement as compensation to direct care workers for furnishing their services, which shall be deemed the “wage pass‑through percentage.”

(b) By January 1, 2028, the wage pass‑through percentage must be raised to seventy‑five percent.

(c) By January 1, 2030, the wage pass‑through percentage must be raised to eighty percent, and the South Carolina Department of Health and Human Services must comply with 42 C.F.R. Section 441.302(k)(3).

(2) Before calculating the minimum amount of Medicaid reimbursement that a personal care services provider agency is required to use to compensate direct care workers, the costs of providing training, travel, and personal protective equipment to direct care workers must be deducted from the total amount of Medicaid reimbursement that the personal care services provider agency receives.

(3) All HCBS provider agencies shall 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.

(C)(1) HCBS provider agencies must submit a cost report to the South Carolina Department of Health and Human Services to document the compliance of payment of the mandated compensation to its direct care workers from the reimbursement rates provided by the department.

(2) The cost report must be submitted within one hundred eighty calendar days after the effective date of this section. The cost report must be submitted thereafter on an annual basis and must adhere to the following requirements:

(a) the accuracy of the cost report must be attested under penalty of perjury by an authorized representative of the provider agency; and

(b) the cost report must provide information of a wage pass‑through from the reimbursement rate on a per‑worker basis.

(3) The department reserves the right to require HCBS provider agencies to engage an independent certified public accounting firm to verify the information and data submitted by the provider agency if the department is in possession of evidence to suggest the information and data submitted is inaccurate, incomplete, or fraudulent. This audit must be performed at the provider agency’s expense.

(4) The department may take appropriate contract enforcement action in the following instances:

(a) a provider agency did not submit a cost report;

(b) a cost report is inaccurate, incomplete, or fraudulent; or

(c) a provider agency did not increase the wages paid to its direct care professionals in the amount required by this section.

(5) Possible contract enforcement actions by the department include, but are not limited to, recoupment of part or all of the funding resulting from reimbursement rates and termination of contracts.

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

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