



DDSN Executive Memo

**To: Board Executive Directors
Private Provider Executive Directors/CEOs
Finance Directors**

From: Deputy Director Pat Maley

Date: April 1, 2021

Re: CMS Approval of Appendix K for Retainer Payments

On 9/22/2020, CMS approved South Carolina's Appendix K submission addressing several issues with the implementation of retainer payments being the most notable. The South Carolina Department of Health and Human Services (SCDHHS) sent out a "provider alert" containing the approved Appendix K and guidance to apply for retainer payments for all Medicaid agencies in South Carolina (see link: <https://www.scdhhs.gov/pro-alert/approval-south-carolina%E2%80%99s-appendix-k-retainer-payments>). In short, temporary retainers will be paid covering 40% of a provider's lost revenue due to COVID-19 for those services identified on the linked SCDHHS document during the approved retainer period. The approved retainer period consists of three 30-day periods for services typically provided seven days/week or over three 6-week periods for services typically provided five days/week.

Given the vast majority of DDSN providers directly bill DDSN, rather than SCDHHS, DDSN first had to request retainer payments based on its billing to SCDHHS. DDSN received \$4.13 million last week from SCDHHS regarding this retainer program. DDSN will now calculate retainer payments for providers billing through DDSN. Providers of the covered services billing direct through SCDHHS, such as Adult Day Healthcare and Nursing, have to apply for retainers with SCDHHS.

DDSN will use the upcoming monthly standing Finance Workgroup at 1:00 PM on Tuesday, 4/6/2021, to provide further details on working through this math intensive process.

Thanks you.