

H. 3726

STATUS INFORMATION

General Bill

Sponsors: Reps. Mack, Neal, Gilliard, Robinson-Simpson, Howard, Mitchell, Parks, G.A. Brown, R.L. Brown, Dillard, Rutherford, Weeks and Whipper

Document Path: I:\council\bill\bh\26240vr15.docx

Introduced in the House on February 25, 2015

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Palmetto Comprehensive Health Care Act

HISTORY OF LEGISLATIVE ACTIONS

Date Body Action Description with journal page number

2/25/2015 House Introduced and read first time ([House Journal-page 17](#))

2/25/2015 House Referred to Committee on **Labor, Commerce and Industry**
([House Journal-page 17](#))

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VERSIONS OF THIS BILL

[2/25/2015](#)

(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "PALMETTO COMPREHENSIVE HEALTH CARE ACT" BY ADDING CHAPTER 18 TO TITLE 44 SO AS TO CREATE A PUBLICLY FINANCED SINGLE-PAYER HEALTH CARE PROGRAM AVAILABLE TO ALL RESIDENTS OF THE STATE EQUALLY; TO PROVIDE DEFINITIONS FOR TERMS USED IN THE CHAPTER; TO ALLOW NONRESIDENTS TO RECEIVE PROGRAM BENEFITS FOR A CERTAIN TIME PERIOD; TO MAKE RESIDENTS WHO MOVE OUT OF STATE INELIGIBLE TO RECEIVE PROGRAM BENEFITS AFTER A CERTAIN TIME PERIOD; TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROMULGATE REGULATIONS TO RAISE AWARENESS OF THE PROGRAM AMONG RESIDENTS AND HEALTH CARE PROFESSIONALS AND TO FACILITATE ENROLLMENT IN THE PROGRAM; TO APPLY FOR WAIVERS TO ALLOW THE STATE TO OPERATE MEDICARE, MEDICAID, AND OTHER FEDERAL PROGRAMS AS PART OF THE PROGRAM; TO ESTABLISH BENEFITS PROVIDED FOR BY THE PROGRAM INCLUDING, BUT NOT LIMITED TO, PRIMARY CARE, PREVENTIVE CARE, DENTAL AND VISION CARE, PRESCRIPTION DRUG COVERAGE, MATERNITY AND NEWBORN CARE, AND MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES; TO PROHIBIT PRIVATE INSURANCE COMPANIES FROM SELLING HEALTH INSURANCE THAT PROVIDES BENEFITS COVERED BY THE PROGRAM AND TO ALLOW THESE COMPANIES TO SELL POLICIES THAT PROVIDE COVERAGE FOR BENEFITS NOT COVERED BY THE PROGRAM; TO PROHIBIT THE PROGRAM AND HEALTH CARE PROFESSIONALS FROM CHARGING INDIVIDUALS ANY AMOUNTS FOR RECEIVING HEALTH CARE SERVICES INCLUDING, BUT NOT LIMITED TO, PREMIUMS, COPAYS, DEDUCTIBLES, AND COINSURANCE; TO PROVIDE FOR THE PROGRAM TO ISSUE INDIVIDUALS A PROGRAM IDENTIFICATION CARD TO PRESENT TO HEALTH CARE PROVIDERS TO RECEIVE SERVICES WITHOUT CHARGE; TO REQUIRE THE BENEFITS PACKAGE TO PROVIDE ADDITIONAL BENEFITS FOR THOSE INDIVIDUALS WHO ARE ELIGIBLE FOR MEDICAID, THE CHILDREN'S HEALTH INSURANCE PROGRAM, AND MEDICARE; TO ESTABLISH A DRUG FORMULARY SYSTEM, AS PART OF WHICH THE DEPARTMENT PURCHASES DRUGS WHOLESALE AND PROMOTES THE USE OF GENERIC MEDICATION; TO PROVIDE A PROCESS FOR INDIVIDUALS TO APPEAL ADVERSE COVERAGE DECISIONS; TO PROVIDE A PROCESS FOR THE PUBLIC TO MAKE RECOMMENDATIONS RELATED TO THE BENEFITS COVERED BY THE PROGRAM; TO COMPENSATE HEALTH CARE PROFESSIONALS USING A STANDARD FEE; TO COMPENSATE HOSPITALS, NURSING HOMES, AND COMMUNITY HEALTH CENTERS AS PART OF A GLOBAL PAYMENT SYSTEM; TO PAY PHARMACISTS A REASONABLE DISPENSING FEE AND THE WHOLESALE COST OF PRESCRIPTION DRUGS; TO REQUIRE THE PROGRAM TO BE FUNDED BY PAYROLL ASSESSMENTS AND NONPAYROLL INCOME ASSESSMENTS; TO CREATE A PALMETTO COMPREHENSIVE HEALTH CARE PROGRAM FUND IN WHICH TO DEPOSIT ALL FUNDS COLLECTED THROUGH PAYROLL AND NONPAYROLL INCOME ASSESSMENTS AND OTHER MONIES COLLECTED BY THE DEPARTMENT FOR OPERATION OF THE PROGRAM; TO REQUIRE THE ESTABLISHMENT OF A PROGRAM ADVISORY COMMITTEE TO PERFORM CERTAIN FUNCTIONS; AND TO PROVIDE FOR CERTAIN REPORTING OF THE PROGRAM AND THE DEPARTMENT; TO AMEND SECTION [11-35-310](#), AS AMENDED, RELATING TO DEFINITIONS OF TERMS USED IN THE SOUTH CAROLINA CONSOLIDATED PROCUREMENT CODE, SO AS TO EXEMPT THE PROGRAM FROM THE REQUIREMENTS OF THE CONSOLIDATED PROCUREMENT CODE; BY ADDING SECTION [12-6-650](#) SO AS TO PROVIDE FOR THE COLLECTION OF PAYROLL AND NONPAYROLL INCOME ASSESSMENTS, TO LIMIT THE PAYROLL ASSESSMENTS TO INCOME SUBJECT TO THE MEDICARE TAX, TO REQUIRE THE ASSESSMENTS TO BE GRADUATED TO CHARGE HIGHER RATES TO INDIVIDUALS EARNING HIGHER INCOMES, AND TO TREAT RESIDENTS WORKING OUTSIDE OF THE STATE AS SELF-EMPLOYED INDIVIDUALS; TO AMEND SECTION [44-6-30](#), AS AMENDED, RELATING TO THE POWERS OF THE DEPARTMENT OF HEALTH AND

HUMAN SERVICES, SO AS TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ADMINISTER THE PALMETTO COMPREHENSIVE HEALTH CARE PROGRAM; AND FOR OTHER PURPOSES.

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

SECTION 1. This act may be cited as the "Palmetto Comprehensive Health Care Act".

SECTION 2. Title 44 of the 1976 Code is amended by adding:

"CHAPTER 18

Palmetto Comprehensive Health Care

Article 1

General Provisions

Section [44-18-10](#). Effective January 1, 2016, there is created the Palmetto Comprehensive Health Care Program. The purpose of the program is to provide comprehensive health insurance benefits to all residents of the State equally in a seamless and equitable manner regardless of income, assets, health status, or availability of other health care coverage.

Section [44-18-20](#). As used in this chapter:

- (1) 'Affordable Care Act' means the federal Patient Protection and Affordable Care Act of 2010, as amended.
- (2) 'Ambulatory patient services' means:
 - (a) health care received without admission to a hospital, including at a physician's office, clinic, or same-day outpatient surgery center, but does not include emergency care; and
 - (b) home health services and hospice care.
- (3) 'CHIP' means the federal Children's Health Insurance Program.
- (4) 'Chronic care' means health care services provided by a health care professional for an established clinical condition that is expected to last a year or more and that requires ongoing clinical management attempting to restore the individual to highest function, minimize the negative effects of the condition, prevent complications related to chronic conditions, engage in advanced care planning, and promote appropriate access to palliative care.
- (5) 'Chronic care management' means a system of coordinated health care interventions and communications for individuals with chronic conditions, including significant patient self-care efforts, systemic supports for licensed health care practitioners and their patients, and a plan of care emphasizing prevention of complications utilizing evidence-based practice guidelines, patient empowerment strategies, and evaluation of clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.
- (6) 'Chronic conditions' includes diabetes, epilepsy, hypertension, cardiovascular disease, cancer, asthma, pulmonary disease, substance abuse, mental illness, spinal cord injury, and hyperlipidemia.

- (7) 'Department' means the South Carolina Department of Health and Human Services.
- (8) 'Director' means the Director of the South Carolina Department of Health and Human Services.
- (9) 'Emergency care' means medical care to diagnose emergent conditions and stabilize a patient for definitive care that is provided in hospital emergency departments, prehospital settings via emergency medical services, and other locations where initial medical treatment of illness takes place, but does not include urgent care as defined in this section.
- (10) 'Federal health insurance marketplace' means the organizations established to facilitate the purchase of health insurance in each state pursuant to the Affordable Care Act, which provide a set of government-regulated and standardized health care plans and from which individuals may purchase health insurance policies eligible for federal subsidies.
- (11) 'Global payment' means a fixed prepayment made to a group of health care professionals or a health care system that covers most or all of a patient's care during a specified time period paid monthly for a patient over a year, unlike fee-for-service, which pays separately for each service.
- (12) 'Health care professional' means an individual, partnership, corporation, facility, or institution licensed or certified or otherwise authorized pursuant to state law to provide health care services.
- (13) 'Health care service' means a treatment or procedure delivered by a health care professional to maintain an individual's physical or mental health or to diagnose or treat an individual's physical or mental health condition including, but not limited to, services ordered by a health care professional, chronic care management, preventive care, wellness services, and medically necessary services to assist in activities of daily living.
- (14) 'Hospital service' means services provided by a hospital in an inpatient or outpatient setting and associated costs including, but not limited to, health care professional fees and hospital room expenses.
- (15) 'Laboratory services' means testing provided to help a physician diagnose an injury, illness, or condition or to monitor the effectiveness of a particular treatment.
- (16) 'Maternity and newborn care' means medical care that is provided to a woman during pregnancy throughout labor, delivery, and post-delivery, and care for the newborn.
- (17) 'Mental health services and addiction treatment' means inpatient and outpatient care provided to evaluate, diagnose, and treat a mental health condition or substance abuse disorder.
- (18) 'Nonpayroll income assessment' means an assessment on upper-bracket taxable income not subject to the payroll assessment.
- (19) 'Palliative care' means specialized medical care for a person with a serious illness, which focuses on providing the patient with relief from the symptoms, pain, and stress of the illness to improve quality of life for both the patient and the family.
- (20) 'Payroll assessment' means an assessment on income subject to the federal Medicare tax, which must be progressively graduated so that the percentage is higher on higher incomes.

(21) 'Pediatric services' means medical care provided to infants and children, including sick and well visits, recommended vaccines and immunizations, routine dental cleaning and exams twice a year, dental care, annual vision screening, and corrective lenses.

(22) 'Preventive care' means health care services provided by a health care professional to identify and treat asymptomatic individuals who have risk factors or preclinical disease, but in whom the disease is not clinically apparent, including immunizations; mammograms, pap smears, colonoscopies, PSA tests, and other screenings; family planning; counseling; and other treatments and medication determined by scientific evidence to be effective in preventing or detecting a medical condition or disease.

(23) 'Primary care' means health care services provided by a physician licensed pursuant to the provisions of Title 40 who is specifically trained for and skilled in first-contact and continuing care for individuals with signs, symptoms, or health concerns, not limited by problem origin, organ system, or diagnosis, and includes family planning, prenatal care, and mental health and substance abuse treatment.

(24) 'Program' means the Palmetto Comprehensive Health Care Program.

(25) 'Rehabilitative services and devices' means services and devices to help a person gain or recover mental and physical skills lost to injury, disability, or a chronic condition.

(26) 'Resident' means an individual domiciled in South Carolina as evidenced by an intent to maintain a principal dwelling place in this State indefinitely and to return to this State if temporarily absent, coupled with an act or acts consistent with that intent, but does not include an individual eighteen years of age or older who is claimed as a dependent on the tax return of a resident of another state.

(27) 'Specialist care' means health care services provided by a physician licensed pursuant to the provisions of Title 40 who has completed advanced education and clinical training in a specific area of medicine.

(28) 'Unified health care budget' means a budget established pursuant to this chapter that:

(a) serves as a guideline within which health care costs are controlled, resources directed, and quality and access are assured;

(b) identifies the total amount of money that has been and is projected to be expended annually for all health care services provided by health care facilities and providers in the State and for all health care services provided to residents of the State; and

(c) analyzes health care costs and the impact of the budget on those who receive, provide, and pay for health care services.

(29) 'Wellness services' means health services, programs, or activities that focus on the promotion or maintenance of good health.

Article 3

Eligibility

Section [44-18-310](#). (A) All residents of this State are eligible equally for the Palmetto Comprehensive Health Care Program. The Department of Health and Human Services shall promulgate regulations necessary to determine proof and verification of residency.

(B) If an individual is determined to be a resident of the State based on information later found to be false, the department shall make reasonable efforts to recover from the individual the amounts expended for his care. In addition, if the individual knowingly provided the false information, the individual must be assessed an administrative penalty of not more than five thousand dollars.

(C) The penalties created pursuant to subsection (B) are in addition to, and not instead of, penalties available pursuant to any other applicable provisions of state or federal law.

(D) A person who is not a resident of this State is eligible to receive program benefits for a period not to exceed thirty days.

Section [44-18-320](#). (A) A resident of this State who moves to another state shall notify the Department of Health and Human Services within sixty days of becoming a resident of the other state at which time the individual is no longer eligible to receive program benefits.

(B) An individual who obtains or attempts to obtain health care services through the program more than sixty days after becoming a resident of another state shall reimburse the department for the amounts expended for the individual's care and must be assessed an administrative penalty of not more than one thousand dollars for a first violation and not more than two thousand dollars for a second or subsequent violation.

(C) The penalties created pursuant to subsection (B) are in addition to, and not instead of, penalties available pursuant to any other applicable provisions of state or federal law.

Section [44-18-330](#). (A) The Department of Health and Human Services shall promulgate regulations and adopt policies and procedures to establish a system that:

(1) raises public awareness of the Palmetto Comprehensive Health Care Program, including the scope of benefits and the importance of having a primary care physician or other medical home;

(2) enrolls residents of the State in the program in an efficient manner to avoid delay in providing health care services; and

(3) raises awareness among health care professionals of the program and encourages their participation as a member of the program network.

(B) After a resident of the State enrolls in the Palmetto Comprehensive Health Care Program, the program shall collect additional information as necessary to determine whether Medicaid, CHIP, Medicare, or any other federal funds may be applied toward the cost of the health care services provided by the program.

(C) The department shall promulgate regulations to ensure that residents of the State who are temporarily out of the State and who intend to return and reside in the State remain eligible for the program while outside of the State.

(D) A nonresident visiting this State must be billed for all health care services received through the program beyond thirty days. The department may enter into interstate and intercountry arrangements or contracts to provide reciprocal coverage for temporary visitors and shall promulgate regulations to carry out the purposes of this subsection.

Article 5

Health Benefits

Section [44-18-510](#). (A)(1) The Palmetto Comprehensive Health Care Program must include benefits for ambulatory care, chronic care, chronic care management, dental and vision care, emergency care, hospital care, long-term illness care, mental health and substance abuse treatment services, prescription medication, preventive care, primary care, specialist care, and wellness services, as those terms are defined in Section [44-18-20](#), and for any other health care services covered on January 1, 2016, as part of the federal health insurance marketplace.

(2) The program must not:

(a) limit coverage for preexisting conditions; or

(b) charge a premium, copay, deductible, coinsurance, or any other cost to receive health care through the program.

(B) Upon enrollment in the program, a person shall receive a program identification card to present to a health care provider when obtaining health care services. A health care provider shall not charge a person any amount for the health care services for which the program provides benefits.

Section [44-18-520](#). (A) For individuals eligible for Medicaid or CHIP, the benefits package must include the benefits required by federal law, as well as any additional benefits provided as part of the Palmetto Comprehensive Health Care Program.

(B) Upon implementation of the program, the benefits package for individuals eligible for Medicaid or CHIP also must include the optional Medicaid benefits covered pursuant to 42 U.S.C. Section 1396d and the services covered by the CHIP state plan pursuant to 42 U.S.C. Section 1397cc for which these individuals are eligible on January 1, 2016. Beginning with the second year of the program, it may modify, consistent with federal law, these optional benefits, as long as, at all times, the benefits package for these individuals contains at least the benefits described in subsection (A) and this subsection.

(C) For children eligible for benefits paid for with Medicaid funds, the benefits package must include early and periodic screening, diagnosis, and treatment services as defined under federal law.

(D) For individuals eligible for Medicare, the benefits package must include the benefits provided to these individuals pursuant to federal law, as well as any additional benefits provided as part of the program benefits package.

Section [44-18-530](#). (A) The Department of Health and Human Services shall establish a prescription drug formulary system, which encourages best-practices in prescribing and discourages the use of ineffective, dangerous, or excessively costly medications when better alternatives are available. The Palmetto Comprehensive Health Care Program shall purchase prescription drugs wholesale.

(B) The formulary shall promote the use of generic medications as a cost-control measure but allow the use of name-brand and off-formulary medications for which the program may require an individual to pay a reasonable amount pursuant to department regulation. (C)(1) Notwithstanding subsection (B), the department shall establish a procedure through which an individual may provide information that demonstrates that a name-brand or other off-formulary medication is necessary to treat a covered disease or condition effectively in which case the program shall allow the individual to be prescribed the name-brand.

(2) The department shall establish procedures and guidelines for an individual to follow to demonstrate the need for the name-brand medication to control a particular disease or condition pursuant to item (1).

(D) The department shall review and update the formulary frequently to comply with subsection (A) and establish a procedure through which a health care professional or patient may petition the department to add new medications or to remove ineffective or dangerous medications from the formulary.

Section [44-18-540](#). (A) An individual aggrieved by an adverse decision regarding a coverage claim may appeal to a benefits coverage committee. The committee shall include, at a minimum, the Director of the Department of Health and Human Services, a representative of the Palmetto Comprehensive Health Care Program, and a medical professional participating in the physician network. The individual shall have the right to provide documentation and other information to the coverage committee for review.

(B) An individual aggrieved by an adverse decision of the benefits coverage committee may appeal the decision to the Administrative Law Court pursuant to the provisions of Chapter 23, Title 1.

Section [44-18-550](#). (A)(1) The Department of Health and Human Services, before approving the initial benefits package and before making material changes to the program benefits, as provided for in subsection (B), shall provide written notice and opportunity for written and oral comments to:

- (a) the Governor;
- (b) the General Assembly;
- (c) the Palmetto Comprehensive Health Care Advisory Board; and
- (d) an individual or organization requesting notification. (2) The department shall promulgate regulations that prescribe procedures and processes to request and receive notice and to provide comments as provided in item (1).

(B) Material changes to the program include, at a minimum, changes to:

- (1) the application;
- (2) the benefits package;
- (3) health care professional reimbursement rates;
- (4) the health care professional provider network; and

(5) right of review of coverage determinations.

Section [44-18-560](#). The Department of Health and Human Services shall provide a process for soliciting public input to the Palmetto Comprehensive Health Care Program benefits package on an ongoing basis, including a mechanism by which the public may request inclusion of particular benefits or services. The process may include receiving written comments on proposed new or amended regulations or holding public hearings, or both.

Article 7

Administration

Section [44-18-710](#). (A)(1) The Director of the Department of Health and Human Services shall appoint a Director of the Palmetto Comprehensive Health Care Program who serves at the department director's pleasure.

(2) The program director shall hire employees necessary to implement the program.

(B) The program must be publicly financed pursuant to Section [44-18-950](#) and administered through regional boards. The department shall promulgate regulations to implement this section.

Section [44-18-715](#). (A) The department, under an open-bidding process, may solicit bids from and award contracts to public or private entities for administration of certain elements of the program including, but not limited to, claims administration and provider relations.

(B) The department shall ensure that entities awarded contracts pursuant to this section do not have a financial incentive to restrict an individual or group of individuals from accessing the health care services. The department may establish performance measures that provide incentives for contractors to provide timely, accurate, transparent, and courteous services to individuals enrolled in the program and to health care professionals.

Section [44-18-720](#). It is unlawful for a private health insurer to sell health insurance that duplicates benefits provided as part of the Palmetto Comprehensive Health Care Program. Nothing prohibits a private health insurer to sell health insurance for coverage of benefits not covered by the program.

Section [44-18-730](#). The Department of Health and Human Services shall seek permission from the Centers for Medicare and Medicaid Services to be the administrator of the Medicare program in this State as part of the Palmetto Comprehensive Health Care Program. If the department is unsuccessful in obtaining permission, the program is the secondary payer with respect to any health care services that may be covered in whole or in part by Medicare.

Section [44-18-740](#). The Palmetto Comprehensive Health Care Program is the secondary payer with respect to any health care services that may be covered in whole, or in part, by another health benefits plan including, but not limited to, retiree health benefits or federal health benefit plans offered by the Veterans Administration, by the military, or to federal employees.

Section [44-18-750](#). The Department of Health and Human Services may seek a waiver under Section 1115 of the Social Security Act to include Medicaid and under Section 2107(e)(2)(A) of the Social Security Act to include CHIP as part of the Palmetto Comprehensive Health Care Program. If the department is unsuccessful in obtaining one or both of these waivers, the program is the secondary

payer with respect to any health care services that may be covered in whole or in part by Medicaid or CHIP, as applicable.

Article 9

Health Care Professional Reimbursement

and

Palmetto Comprehensive Health Care Program Funding

Section [44-18-910](#). (A) It is the intent of the General Assembly that, in setting reimbursement rates for health care professionals, the Palmetto Comprehensive Health Care Program shall ensure that the payments:

- (1) are sufficient to maintain a robust and adequate network of health care professionals who are located in the State or who are regularly providing services to residents of the State, including mental health and substance abuse health care professionals;
- (2) are consistent with efficiency, economy, and quality of care and permit health care professionals to provide, on a solvent basis, effective and efficient health care services that are in the public interest; and
- (3) eliminate cost shifting among payers of health care services.

(B) The program shall review and approve payment methodologies that encourage:

- (1) cost containment;
- (2) provision of high-quality, evidence-based health care services in a coordinated setting;
- (3) patient self-management of health conditions and healthy lifestyles; and
- (4) access to primary care health services for underserved individuals, populations, and areas.

(C) The methodologies approved pursuant to subsection (B) must be consistent with evidence-based practices and payment reform, taking into consideration the use of global payments.

Section [44-18-920](#). (A) The Department of Health and Human Services, in coordination with the Palmetto Comprehensive Health Care Program, shall adopt policies and promulgate regulations, as necessary, to establish and oversee a program health care professional provider network.

(B) A health care professional participating in the provider network shall adhere to best-practice and other quality of care standards established or adopted by the program, provide health care services to any individual participating in the program, comply with the reimbursement processes established pursuant to this article, and adhere to any other requirements established by the program or department for its health care professional provider network.

Section [44-18-930](#). (A) The department in coordination with the program shall establish a fair and reasonable fee to compensate health care professionals for providing services pursuant to this chapter. The department shall promulgate regulations to implement this subsection.

(B) Hospitals, nursing homes, and community health centers shall receive a global budget from which to be compensated for services provided to individuals. The funding budgeted must be in an amount sufficient to compensate these health care providers fairly for services provided, as determined by the department, in coordination with the program, the program advisory board, and interested stakeholders.

(C) Community health centers employing salaried physicians shall receive a global budget from which to compensate these health care providers.

(D) The program shall pay pharmacists wholesale costs of medication in addition to a reasonable dispensing fee for prescription drugs on the formulary and for other drugs approved for payment by the program.

Section [44-18-940](#). The Department of Health and Human Services has the discretion to provide a higher reimbursement rate for health care professionals who are part of the health care provider network established pursuant to Section [44-18-920](#) than for health care professionals who are not part of the provider network.

Section [44-18-950](#). (A) The General Assembly shall provide the funds necessary for the Palmetto Comprehensive Health Care Program to provide the health care services to individuals pursuant to the provisions of this chapter through payroll and nonpayroll income assessments as provided for in Section [12-6-650](#).

(B) The program may accept gifts, bequests, and grants from a person or foundation for uses to carry out the purposes of the program.

Section [44-18-960](#). (A) There is created the Palmetto Comprehensive Health Care Program Fund, in the Office of the State Treasurer, an account separate and distinct from the general fund. Except as otherwise provided, monies collected or received by the Department of Health and Human Services or the program pursuant to the provisions of this chapter must be transmitted to the State Treasurer and credited to the program to be used to administer and deliver health care services covered by the program as provided pursuant to the provisions of this chapter.

(B) The fund consists of:

- (1) payroll assessments and nonpayroll income assessments collected by the program;
- (2) any general fund revenue appropriated to the fund for operation of the program;
- (3) if authorized by a waiver from federal law, federal funds for Medicaid, Medicare, and the federal health insurance marketplace established pursuant to the Affordable Care Act;
- (4) fines and fees; and
- (5) proceeds from grants, donations, contributions, taxes, and any other sources of revenue as may be provided by statute or regulation.

(C) Any monies in the fund not expended at the end of a fiscal year may be invested by the State Treasurer as provided by law, and all interest and income derived from the investment must be credited

to the fund. Any unexpended and unencumbered monies remaining in the fund at the end of a fiscal year must be carried forward to be used for the purposes provided in subsection (A).

(D) The program shall maintain records indicating the amount of money in the fund at any time.

Article 11

Palmetto Comprehensive Health Care Advisory Board

and Reporting Requirements

Section [44-18-1100](#). There is created the Palmetto Comprehensive Health Care Program Advisory Board which shall:

- (1) make recommendations and provide comments to the program regarding the initial benefits package and proposed changes to the program; and
- (2) provide other assistance to the program upon request.

Section [44-18-1110](#). Members of the advisory board include:

- (1) a primary care physician appointed by the Governor on recommendation of the South Carolina Medical Association, who serves ex officio;
- (2) an emergency care physician appointed by the Governor on recommendation of the South Carolina Medical Association, who serves ex officio;
- (3) a physician with extensive experience providing free health care services appointed by the Governor on recommendation of the South Carolina Medical Association, who serves ex officio;
- (4) a member who is a director of a free medical clinic, appointed by the Governor on recommendation of the South Carolina Hospital Association, who serves ex officio;
- (5) the Director of the South Carolina Chamber of Commerce, or a designee, who serves ex officio;
- (6) the Director of Appleseed Legal Justice Center, or a designee, who serves ex officio;
- (7) the President of the Medical University of South Carolina, or a designee, who serves ex officio;
- (8) the President of the University of South Carolina School of Medicine, or a designee, who serves ex officio;
- (9) the Director of the South Carolina chapter of the National Association for Mental Illness, or a designee, who serves ex officio; and
- (10) two members of the public appointed by the Governor.

Section [44-18-1120](#). (A) A nonrepresentative member of the advisory board shall serve for a term of two years and until a successor is appointed, except that an initially appointed nonrepresentative member shall serve for a term of one year and until a successor is appointed. A vacancy must be filled within sixty days in the manner of original appointment for the unexpired portion of the term. A term commences on July first of the year of appointment.

(B) Members of the advisory board may not receive compensation but are entitled to mileage, subsistence, and per diem as allowed by law for members of state boards, commissions, and committees.

(C) The Department of Health and Human Services shall designate staff to assist the advisory board upon request.

Section [44-18-1130](#). (A) The Palmetto Comprehensive Health Care Program director shall select a chairman for the Palmetto Care Advisory Board from among the advisory board's membership and establish a policy related to rotation of the selection of a chairman of the advisory board.

(B) A member who is appointed to serve on the advisory board serves at the pleasure of the appointing authority.

Section [44-18-1140](#). (A) Annually by January fifteenth, the Palmetto Comprehensive Health Care Program shall submit a report of its activities for the preceding calendar year to the Governor, the General Assembly, and the Department of Health and Human Services, which addresses, at a minimum:

- (1) program benefits, health care professional reimbursement rates, and hospital, nursing home, and community health center global budget funds on the date of the report's submission;
- (2) changes to the program benefits, health care professional reimbursement rates, and hospital, nursing home, and community health center global budget funds during the reporting period;
- (3) members of the program's health care professional provider network;
- (4) data regarding residents with a primary care physician or other medical home;
- (5) data regarding utilization of the program and utilization of health care professionals in the program's network;
- (6) data regarding the availability, quality, and distribution of health care services throughout the State, especially in underserved areas;
- (7) data regarding the availability, quality, and distribution of mental health and substance abuse services and of mental health and substance abuse health care professionals throughout the State;
- (8) data regarding the availability, quality, and distribution of primary care physicians and of health care professionals providing preventive and chronic care management services throughout the State, especially in underserved areas;
- (9) data regarding coordination of health care services throughout the State, including coordination of services for patients with chronic conditions;
- (10) revenues and expenses for operation of the program during the reporting period;
- (11) five-year revenue forecast, projections of federal and other funds available to support the program, and estimated expenses for the program for an equivalent time period;
- (12) final reports of study committees;

(13) public and health care professional satisfaction with the program and the outcome measures used to determine satisfaction; and

(14) recommendations for changes to the program, including changes to benefits and health care professional reimbursement rates, global budgets for hospitals, nursing homes, and neighborhood health centers and for changes to statutes and regulations."

SECTION 3. Section [11-35-310](#)(18) of the 1976 Code, as last amended by Act 31 of 2013, is further amended to read:

"(18) 'Governmental Body' means a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive or judicial branch. Governmental body excludes the General Assembly or its respective branches or its committees, Legislative Council, the Legislative Services Agency, the Palmetto Comprehensive Health Care Program, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts or any entity created by act of the General Assembly for the purpose of erecting monuments or memorials or commissioning art that is being procured exclusively by private funds."

SECTION 4. Article 5, Chapter 6, Title 12 of the 1976 Code is amended by adding:

"Section [12-6-650](#). (A)(1) Beginning in tax year 2017, in addition to the taxes imposed pursuant to this article on the South Carolina taxable income of individuals, there is imposed a Palmetto Comprehensive Health Care Program tax equal to an amount determined by the General Assembly in the 2016 session. However, if the individual has an employer, the employer is responsible for eighty percent of the tax imposed pursuant to this subsection. The tax must be withheld pursuant to the provisions of Chapter 8 of this title.

(2) The tax is only imposed on the portion of South Carolina taxable income that is subject to the federal Medicare tax.

(3) A resident who works out of state must be treated as self-employed for purposes of this article.

(B) Beginning in tax year 2017, in addition to the taxes imposed pursuant to this article on the South Carolina taxable income of individuals, there is imposed an additional program tax equal to an amount determined by the General Assembly in the 2016 session. The tax is imposed on all of the individual's South Carolina taxable income not subject to subsection (A).

(C) In setting the rates pursuant to subsections (A) and (B), the General Assembly must consider the amount necessary to fully fund the program, including an amount necessary to fund increased enrollment. The rates must be graduated so that higher levels of income pay higher rates.

(D) All revenue attributable to the taxes imposed pursuant to this section must be credited to the program."

SECTION 5. Section [44-6-30](#) of the 1976 Code, as last amended by Act 263 of 2004, is further amended to read:

"Section [44-6-30](#). The department shall:

- (1) administer Title XIX of the Social Security Act (Medicaid), including the Early Periodic Screening, Diagnostic and Treatment Program, and the Community Long-Term Care System;
- (2) be designated as the South Carolina Center for Health Statistics to operate the Cooperative Health Statistics Program pursuant to the Public Health Services Act;
- (3) administer the Palmetto Comprehensive Health Care Program; and
- (4) be prohibited from engaging in the delivery of services."

SECTION 6. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 7. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 8. This act takes effect upon approval of the Governor.

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This web page was last updated on February 26, 2015 at 2:42 PM