SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

Healthy Connections
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Henry McMaster GOVERNOR
Robert M. Kerr DIRECTOR

P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

Medical Care Advisory Committee (MCAC)
Meeting Agenda

Agenda	
Date: Nov. 8, 2022	**Time: 10 a.m.-12 p.m.**	**Location: WebEx**

Topic	Presenter
1. **Director's Welcome**	Robby Kerr, SCDHHS Director
2. **Medicaid Enrollment**	Nicole Mitchell Threatt, Deputy Director of Eligibility, Enrollment and Member Services
3. **Advisement: Nursing Facility Rate Update**	Jeff Saxon, Chief of Reimbursements
4. **Advisement: FFY 2023 DSH Payment Methodology Update and 2023 Swing Bed/Administrative Day Rate Update**	
5. **Advisement: Vagus Nerve Stimulation Rate Increase**	Margaret Alewine, Chief of Policy
6. **Advisement: Dental Rates**	
7. **DME Coverage Updates**	
8. **Hemophilia Factor Transition**	Cheryl Anderson, Director of Pharmacy
9. **Quality Update**	Jordan Desai, Chief of Quality
Closing Comments	
Adjournment	

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Medical Care Advisory Committee
Aug. 9, 2022, Meeting Minutes

Present	**Not Present**
John Barber	Graham Adams
Maggie Cash	Sue Berkowitz
Dr. Michelle Fry	Dr. Amy Crockett
Dr. Thompson Gailey	Chief Bill Harris
Amy Holbert	Mike Leach
Tysha Holmes	Melanie Matney
Bill Lindsey	Dr. Kashyap Patel
JT McLawhorn	Tricia Richardson
Loren Rials	Dr. Jennifer Root
Rebekah Spannagel	Dr. Keith Shealy
Dr. Kevin Wessinger	Lathran Woodard
Amanda Whittle	

Director's Welcome

Director Robby Kerr welcomed the Medical Care Advisory Committee (MCAC) members and thanked them for their participation and interest. He said the agency has completed the fiscal year (FY) 2022. The FY2023 budget process is currently underway and is due Sept. 23, 2022.

Medicaid Enrollment

Deputy Director of Eligibility, Enrollment and Member Services (EEMS) Nicole Mitchell Threatt presented an update on Medicaid enrollment.

There were no questions or comments.

Medicaid Redeterminations Reinstatement Update

EEMS Chief of Policy and Process Lori Risk provided an update on steps the agency is taking to prepare for redeterminations at the end of the federal public health emergency.

There were no questions or comments.

Advisements

Advisement: ICF/IIF and SCDDSN EI Rates

An overview of the advisement was provided by Chief of Reimbursements Jeff Saxon.

There were no questions or comments.

Advisement: Emergency Ambulance Rates

An overview of the advisement was provided by Chief of Policy Margaret Alewine.

There were no questions or comments.

Advisement: RBHS School-based Rates

An overview of the advisement was provided by Margaret Alewine.

The following question(s)/comment(s) were provided:

1. Have the school districts received an increase in providers seeking to do school-based services?
   a. The agency is currently collecting this data.

Advisement: Adult Day Health Care (ADHC) Transportation

An overview of the advisement was provided by Margaret Alewine.

There were no questions or comments.

Advisement: Disaster Relief

An overview of the advisement was provided by Margaret Alewine.

There were no questions or comments.

Advisement: Therapeutic Care Rate Increase

An overview of the advisement was provided by Margaret Alewine.

There were no questions or comments.

Advisement: Mechanical Ventilator Dependent Waiver Renewal

An overview was provided by Margaret Alewine.

There were no questions or comments.

Recap of Recent Bulletins

Margaret Alewine provided an overview of recent bulletins. All bulletins and alerts are posted on the agency website.

There were no questions or comments.

Fingerprint Background Screening

Director of Provider Services Nick Constantino provided an overview of the agency's new fingerprint-based criminal background checks of high-risk Medicaid providers.

The following question(s)/comment(s) were provided:

2. Are the fingerprint requirements for all home health licensed agencies in South Carolina or just those that provide care for Medicaid participants?
    a. The agency said this screening is only for participation in the South Carolina Healthy Connections Medicaid program.

Quality through Technology and Innovation in Pediatrics (QTIP) 2023 Focus

Chief of Quality Jordan Desai provided an overview of the QTIP program including initiative successes and the areas of focus for 2022-2023.

The following question(s)/comment(s) were provided:

1. What type of outreach will be used to connect with underserved and disadvantaged youths for mental health support and vaccinations?
    a. Each QTIP practice is encouraged to meet the needs of their specific populations. The agency plans to take the lessons learned and bring them to the managed care organizations.

Closing

The meeting was closed by thanking attendees for their participation and reminding them of the next MCAC meeting date on Nov. 8, 2022.

Thank you for participating in the Medical Care Advisory Committee.

The meeting will begin shortly.

Medical Care Advisory Committee (MCAC)
Nov. 8, 2022

The meeting will begin shortly.
Microphones are muted.

Thank you for participating in the

MCAC meeting.

Meeting Logistics

- Attendee lines will be muted for the duration of the webinar to minimize disruption

- MCAC members are welcome to comment or ask questions throughout the meeting

- All other attendees who wish to comment or ask questions should do so during the specified public comment periods

- Use the chat feature in Webex
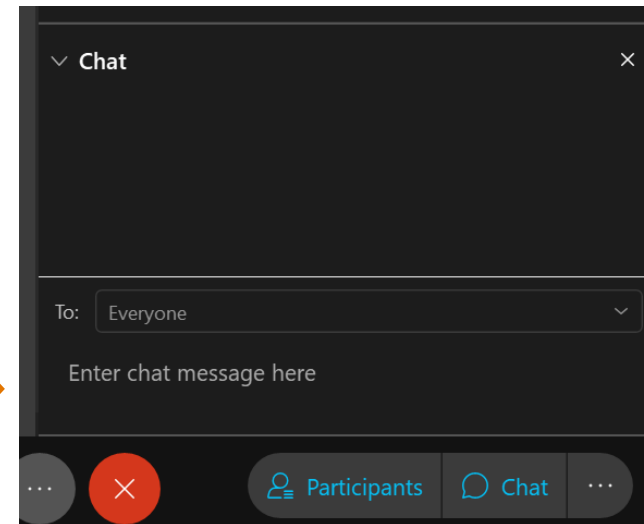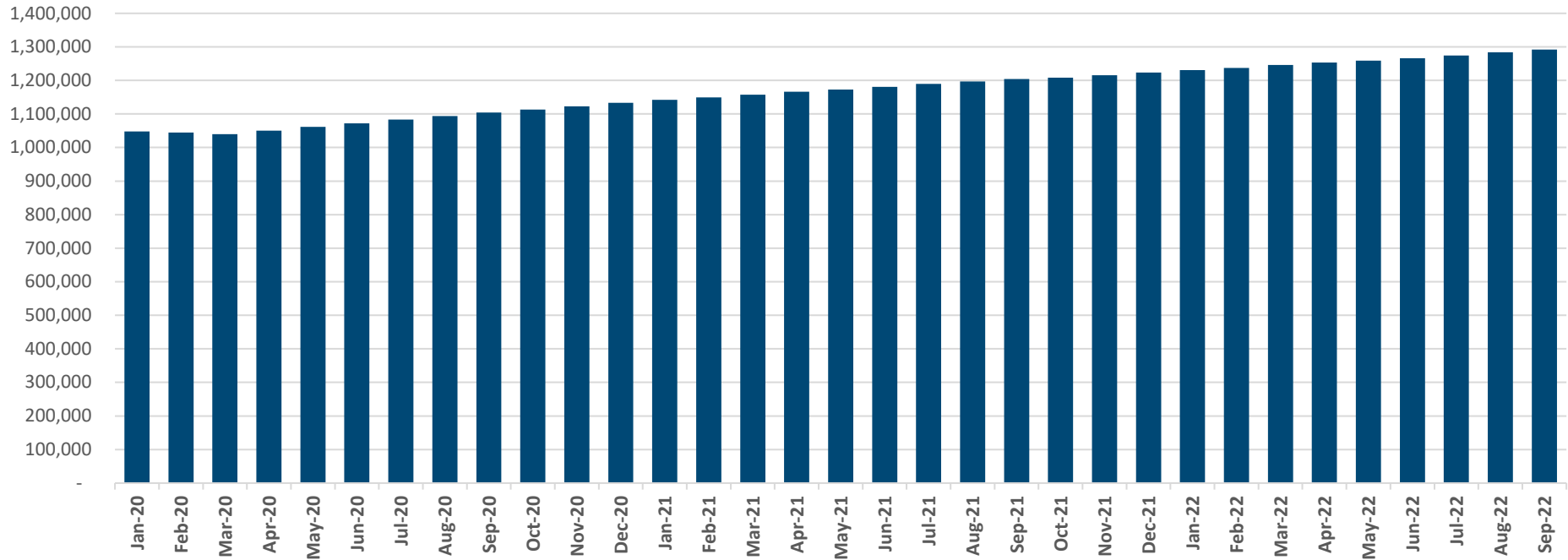
Director's Welcome

Robby Kerr, Director

Medicaid Enrollment

Nicole Mitchell Threatt, Deputy Director

Eligibility, Enrollment and Member Services

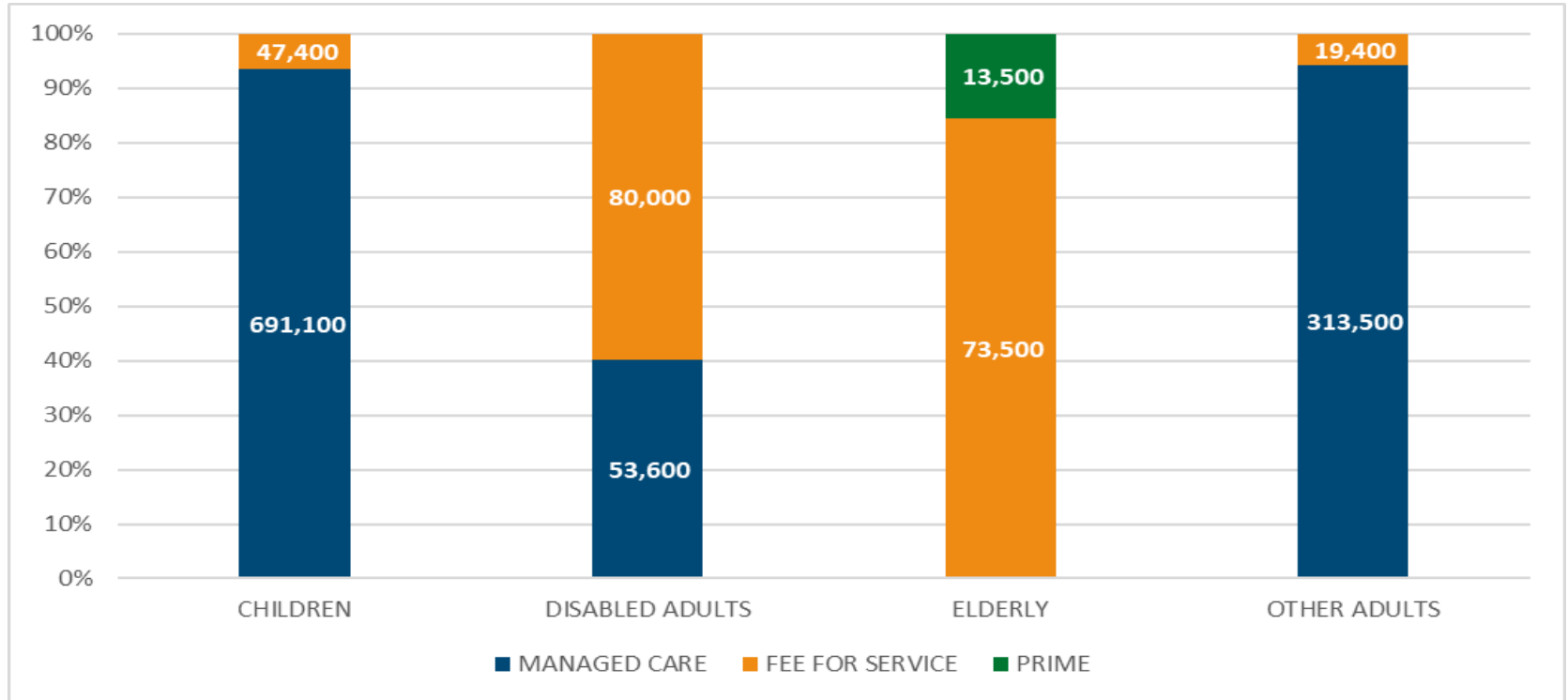# Full-benefit Membership
(as of Sept. 30, 2022)

During the federal public health emergency (PHE), full-benefit membership has increased to approximately 1.29 million

Full-benefit Membership by Population
(as of Sept. 30, 2022)

Current Status of Public Health Emergency

- Extended as of Oct. 13, 2022

- States anticipate at least 60 days' notice for end of federal PHE and end of continuous enrollment requirement
  - Should know by Nov. 12 if it will be extended again

- CMS has provided additional guidance that is being used to update planning for PHE unwinding

Agency Goals:

- Promote continuity of coverage for eligible individuals

- Minimize administrative burdens on members

- Limit delays in redetermination processing

- Distribute redeterminations to have a balanced workload for the PHE unwinding period, as well as subsequent years

Annual Review Process

- Monthly, electronic data will be used as much as possible to confirm continued eligibility

- Annual review forms will be sent approximately 60 days ahead of the redetermination date to members for whom eligibility cannot be confirmed with electronic data

- Members who do not return completed review forms within 30 days will receive a notice to let them know their Medicaid coverage will end if they do not return the form by the due date

- **If the PHE ends January 2023:**
  - ➢ **First reviews sent February 2023**
  - ➢ **First closures anticipated April 1, 2023**

- **Current activities: verify action items are outlined for once PHE end date is announced.**

Distribution of Redeterminations

- Redeterminations will begin the month after the PHE ends
- They will be distributed across a 12-month period
  - States have 12 months to initiate redeterminations and 14 months to complete the work.
- Distribution will begin with groups likely no longer eligible or no longer eligible in current category
  - Ex parte renewals likely limited in first few months, with most members requiring a review form be sent
- Remainder will be distributed across 12 months
- The state may initiate no more than one-ninth of reviews each month

Communications Plan

- Audiences
  - Members
  - Providers
  - Agency staff
  - Managed care plans
  - Stakeholders, community partners
- Tools/communications materials
  - Annual reviews website live
  - www.scdhhs.gov/annualreviews
    - Central place containing all key information for resuming redeterminations and support materials
    - Sample review forms
    - Contact information/how to get help
    - Review form process
    - Instructions for completing review form
    - Reminder/instructions on how to update contact information
  - Fact sheet(s)
  - FAQs
  - Speakers bureau
  - Social media

Advisement:
Nursing Facility Rate Update Effective Oct. 1, 2022

Jeff Saxon, Chief of Reimbursements

Background

- Update the private and the non-state-owned governmental Medicaid nursing facility payment rates effective Oct. 1, 2022, and begin the phaseout of the "Lost COVID Occupancy Payment" methodology beginning with the calculation of the Oct. 1, 2022, quarterly payment amounts for qualifying nursing facilities.

- To establish the Oct. 1, 2022, Medicaid nursing facility payment rates, SCDHHS made the decision to continue the use of the fiscal year end (FYE) 2020 Medicaid cost reports as well as the resulting Oct. 1, 2021, Medicaid payment rates as the baseline starting point for Oct. 1, 2022, rate-setting purposes.

- For nursing facilities whose Oct. 1, 2021, Medicaid payment rate was limited to their Jan. 1, 2021, Medicaid payment rate due to the nursing facility receiving Paycheck Protection Program funds during the FYE Sept. 30, 2020, Medicaid cost reporting period, this penalty will not be applied to the Oct. 1, 2022, Medicaid payment rate period. Therefore, these impacted nursing facilities will now start off with their computed Oct. 1, 2021, Medicaid rate based upon their FYE Sept. 30, 2020, Medicaid cost report.

Changes

To account for the impact of COVID on nursing facility operations, the following methodology adjustments were implemented:

- The minimum occupancy factor used to determine individual Medicaid reimbursement rates effective Oct. 1, 2022, will be reduced from 90% to 85%. The cost of capital reimbursement calculation remains at the 90% minimum occupancy level. There will be no changes made to the ancillary adjustments due to the minimum occupancy percentage change. Due to the change in minimum occupancy, the cost center standards for rates effective Oct. 1, 2022, will be based upon the FYE Sept. 30, 2020, cost reports but will be set at 110% of the mean in lieu of 105%.

- The percent skilled used in establishing each nursing facility's Oct. 1, 2021, Medicaid reimbursement rate will remain the same unless the percent skilled increased based upon state fiscal year (SFY) 2022 Medicaid paid days. In the event a nursing facility's percent skilled increased based upon SFY 2022 Medicaid paid days, the percent skilled will be updated for Medicaid rate setting purposes effective Oct. 1, 2022.

- To account for another year of inflation to the base year Sept. 30, 2020, cost reporting period, the annual trend factor increased from 3.5% effective Oct. 1, 2021, to 6.81% (1.035 x 1.032) – 1.000) effective Oct. 1, 2022. The two trend rates were obtained from the Revenue and Fiscal Affairs Office. The trend factor rate of 6.81% does not apply to cost of capital, cost incentive/profits, profit cap of $1.75 PPD or any add on.

- The cost of capital spending requirement will be waived for rates effective Oct. 1, 2022. However, the $500/bed spending requirement must be met during the Oct. 1, 2022—Sept. 30, 2023, cost reporting period that will be used for rates effective Oct. 1, 2024.

Changes Based Upon Comments Received from Proposed Public Notice

- Based upon comments received relating to the Oct. 1, 2022, Medicaid payment rates, SCDHHS will apply a 2% general services reimbursable cost add-on to each nursing facility's rate to account for the significant increase in nursing /certified nurse aide/restorative salaries. The 2% will be applied to the lower of the allowable general services cost on a per patient day basis or the general services cost center standard on a per patient day basis.

- Based upon comments received relating to the changes to the Lost COVID Occupancy Payment methodology, SCDHHS has made the following changes regarding the percentage of the Jan. 1, 2021, Medicaid rate that will be used to determine these payments beginning Oct. 1, 2022:

  - For the Oct. 1, 2022—Dec. 31, 2022, Lost COVID Occupancy Payment calculation for qualifying nursing facilities, the Jan. 1, 2021, Medicaid rate will be reduced from 100% of the rate to 85% of the rate.

  - In the event the federal PHE extends into calendar year 2023, the Jan. 1, 2023—March 31, 2023, Lost COVID Occupancy Payment calculation for qualifying nursing facilities will be established using 60% of the Jan. 1, 2021, Medicaid rate.

  - In the event the federal PHE extends into the April 1, 2023—June 30, 2023, payment quarter, the Lost COVID Occupancy Payment calculation for qualifying nursing facilities will be established using 30% of the Jan. 1, 2021, Medicaid rate. This will be the last Lost COVID Occupancy Payment.

- Authorizing 3,864,665 Medicaid Permit Days to be permitted by the South Carolina Department of Health and Environmental Control (DHEC) for SFY 2023.

Budget Impact and Effective Date

Budgetary Impact:

- Annual aggregate expenditures related to bullets one through five are expected to increase by approximately $46.4 million (total dollars)

- Quarterly aggregate expenditures relating to bullet six are expected to decrease by approximately $2.7 million (total dollars) initially, but will decrease by approximately $18 million (total dollars) on a quarterly basis once the payment methodology ends

Effective Date:

- On or after Oct. 1, 2022

Public Comment

MCAC members and all other attendees who wish to comment, please use the chat feature now.

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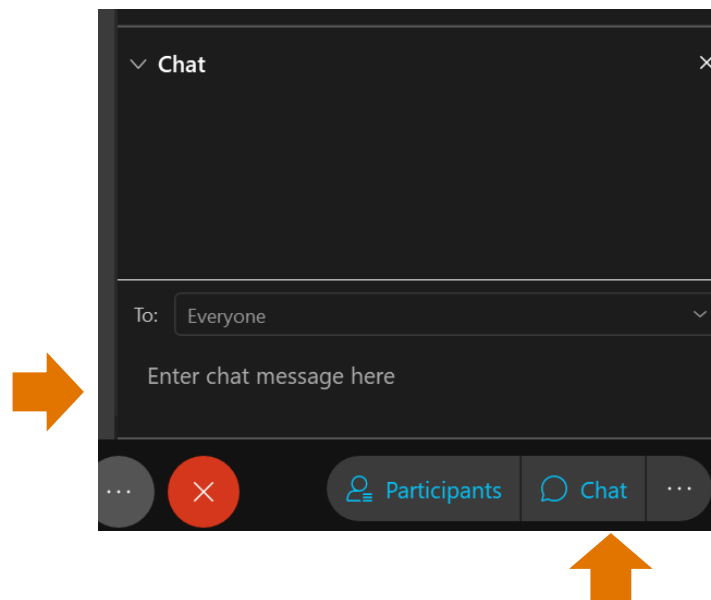
Advisement:
The South Carolina Medicaid Disproportionate Share (DSH) payment program updates effective for the Oct. 1, 2022—Sept. 30, 2023 (FFY 2023) DSH payment period. The inpatient hospital swing bed and administrative day rate updates effective Jan. 1, 2023.

Jeff Saxon, Chief of Reimbursements

Background

- Update DSH payments for federal fiscal year (FFY) 2023 using updated base year DSH financial and statistical data (hospital fiscal year [HFY] 2021) as well as the updated FFY 2023 DSH allotment amount.

- Update the inpatient hospital swing bed rate and administrative day rate effective Jan. 1, 2023, based upon the Oct. 1, 2022, nursing facility rebasing project.

- **REMINDER:** The Federal Consolidated Appropriations Act of 2021 further delayed implementation of the DSH Patient Protection and Affordable Care Act (ACA) reductions until FFY 2024. In accordance with this legislation, the DSH ACA reductions are planned to be implemented beginning with FFY 2024 and end with FFY 2027. The annual DSH reductions will amount to $8 billion federal dollars each year over a four-year period.

- Update the base year used to calculate the interim DSH payments for the DSH allotment period which ends on Sept. 30, 2023, (FFY 2023) using HFY end 2021 data, the continued use of the Dec. 19, 2008, Final Rule (Federal Register/Vol. 73, No. 245) relating to the audits of the Medicaid DSH payment plans, and the Dec. 3, 2014, Final Rule (Federal Register/Vol. 79, No. 232) which relates to the Medicaid Program DSH Payments Uninsured Definition;

- Update the inflation rate used to trend the DSH base year cost to the end of the 2021 calendar year;

- Expend 100% of its FFY 2023 Medicaid DSH allotment to qualifying DSH-eligible hospitals during the Medicaid State Plan Rate Year; and,

- In accordance with Budget Proviso 33.20 (A) of the SFY 2023 South Carolina State Appropriations Act, SCDHHS proposes/may tie DSH payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

Inpatient Hospital Reimbursement Changes Effective Jan. 1, 2023

- Update the inpatient hospital swing bed and administrative day rates based upon the Oct. 1, 2022, rebasing of nursing facility payment rates.

Budget Impact and Effective Date

Budgetary Impact:

- DSH – unable to estimate impact at this time due to the delay of CMS publishing the FFY 2023 DSH Allotment amounts

- Swing Bed/Administrative Day Rates - $10,000 (total dollars). All amounts reflected above relate to the Medicaid fee-for-service program only

Effective Date:

- For the South Carolina Medicaid DSH Program, the FFY 2023 DSH payment period (Oct. 1, 2022—Sept. 30, 2023)

- For the swing bed and administrative day rates, Jan. 1, 2023

Public Comment

MCAC members and all other attendees who wish to comment, please use the chat feature now.
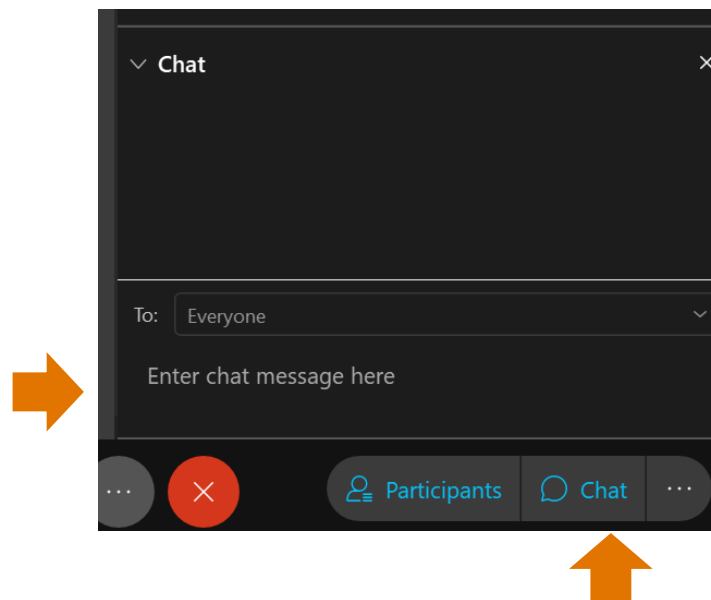
Advisement: Vagus Nerve Stimulation Rate Increase

Margaret Alewine, Chief of Policy

Background

- Effective Nov. 1, 2022, SCDHHS is increasing reimbursement rates for vagus nerve stimulation.

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Changes

- The new rates will be reflected on the Outpatient Hospital Fee Schedule by Nov. 1, 2022.

Budget Impact and Effective Date
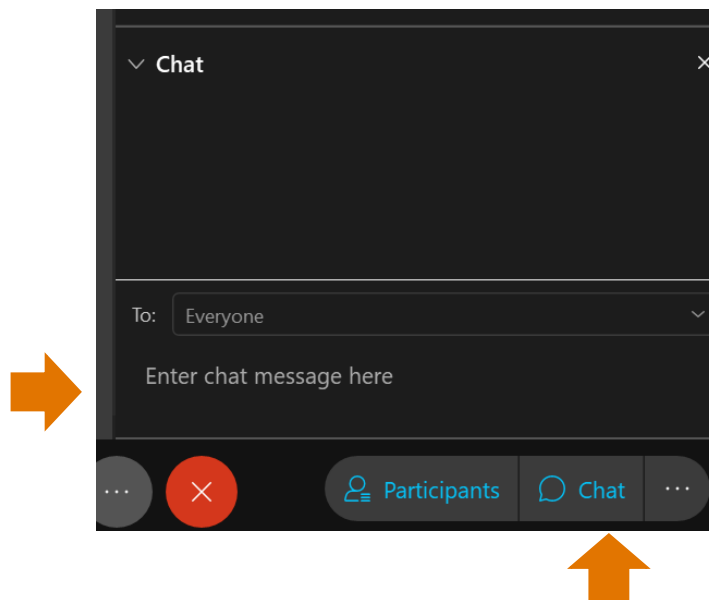
Budgetary Impact:

- The projected budgetary impact is expected to be approximately $1 million total dollars annually.

Effective Date:

- Nov. 1, 2022

Public Comment

MCAC members and all other attendees who wish to comment, please use the chat feature now.

Advisement: Dental Rates

Margaret Alewine, Chief of Policy

Background

- SCDHHS intends to increase reimbursement rates for State Plan Dental Services for beneficiaries under the age of 21 years.

- Under the 1915(c) Home and Community-based Waiver authority, this rate increase will also apply to dental services for the Intellectual Disability and Related Disabilities (ID/RD) waiver members.

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Changes

- Percentage of rate increases vary per procedure code.
- Priority was given to those services that:
  - Improve access and oral health outcomes for beneficiaries
  - Reduce administrative burden for both SCDHHS and Providers.
- Priority services were identified in consultation with the dental community.

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Changes *(cont.)*

- Rate increases will be implemented for select procedure codes in the following categories:
  - ➤ Examination
  - ➤ Radiograph
  - ➤ Prevention
  - ➤ Restorative
  - ➤ Endodontic
  - ➤ Prosthodontic
  - ➤ Oral Surgery
  - ➤ Ancillary
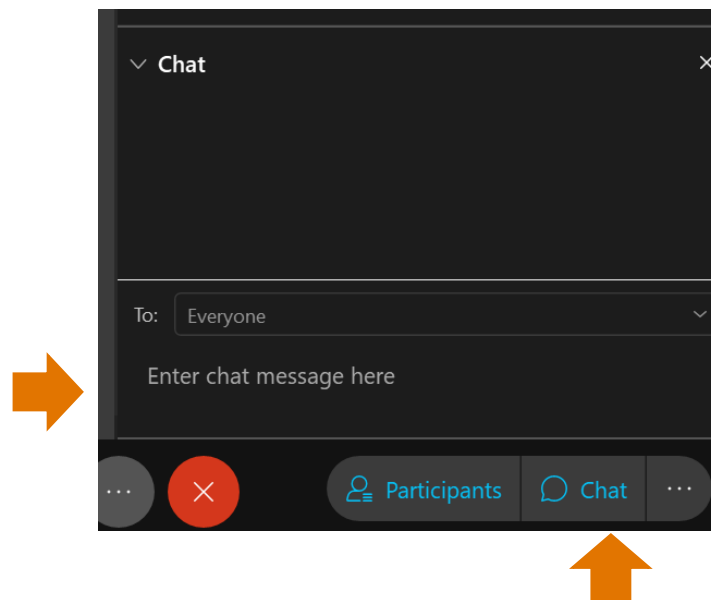
Budget Impact and Effective Date

Budgetary Impact:

- The fiscal impact of the rate increases is expected to be $10.7 million total dollars annually.

Effective Date: On or after Jan. 1, 2023

Public Comment

MCAC members and all other attendees who wish to comment, please use the chat feature now.

Durable Medical Equipment (DME) Coverage Updates

Margaret Alewine, Chief of Policy

Background

- This policy update will bring SCDHHS into compliance with federal regulation 42 CFR §440.70(b)(3)(v), also known as the Home Health Final Rule, by establishing a process that allows medical review of items not included on the pre-approved DME list for adult (21 years old and older) members.

- Per the regulation, states can have a list of preapproved medical equipment supplies and appliances for administrative ease, but states are prohibited from having absolute exclusions of coverage on medical equipment, supplies or appliances.

Background *(cont.)*

- States must have processes and criteria for requesting medical equipment that is made available to individuals to request items not on the state's list. The procedure must use reasonable and specific criteria to assess items for coverage. When denying a request, a state must inform a beneficiary of the right to a fair hearing.

Changes

- SCDHHS will implement a phased approach for the changes.
- Phase I: Items previously covered under 1915(c) home and community-based waivers will move to the DME state plan benefit.
  - ➢ Timeline: by March 2023
- Phase II: The top five requested codes will be reviewed for coverage and prior authorization criteria
  - ➢ Timeline: by March 2023
- Phase II: The remaining non-covered codes will be systematically reviewed for coverage and if approved, prior authorization criteria established
  - ➢ Timeline: by Jan. 2024

Budget Impact and Effective Date

- The estimated fiscal impact of these changes is between $1.5 million to $3.5 million total dollars annually.
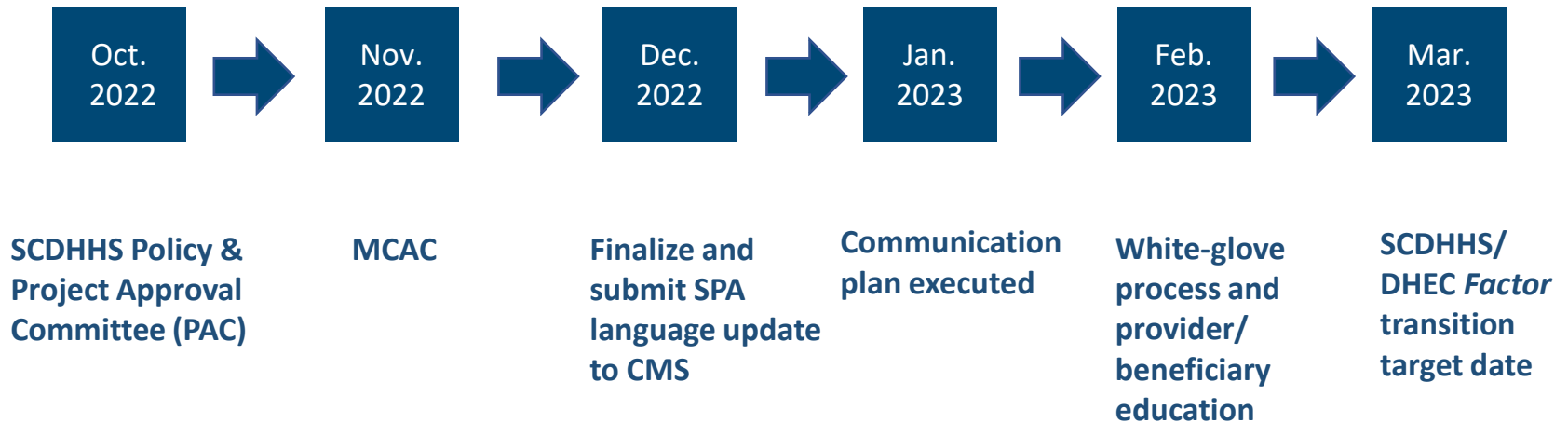
Hemophilia Factor Transition

Cheryl Anderson, Director of Pharmacy

Hemophilia Factor Transition Overview

- Intent
  - SCDHHS will discontinue the Hemophilia Program arrangement with DHEC, at their request, and move the current and ongoing fee-for-service (FFS) hemophilia/clotting factor (*Factor*) coverage to point-of-sale adjudication
  - Allow *Factor* services to be provided by any willing FFS pharmacy provider
  - Reimbursement methodology will be the current methodology for FFS pharmacy benefit (lesser than logic calculation)
- Utilization and impact
  - Current number of FFS beneficiaries: 9
  - Current number of providers: 7
  - Cost savings: $1,490/yr. per beneficiary

Timeline

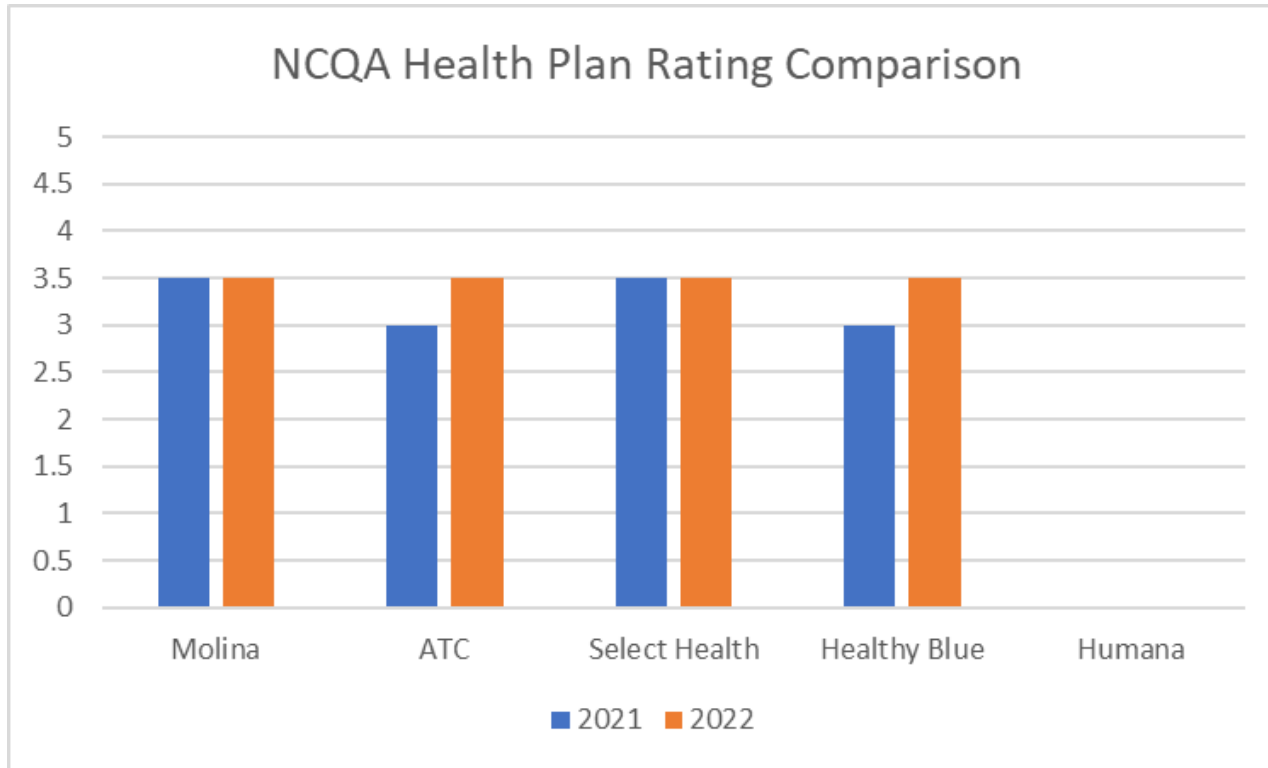| Oct. 2022	→	Nov. 2022	→	Dec. 2022	→	Jan. 2023	→	Feb. 2023	→	Mar. 2023
SCDHHS Policy & Project Approval Committee (PAC)		**MCAC**		**Finalize and submit SPA language update to CMS**		**Communication plan executed**		**White-glove process and provider/ beneficiary education**		**SCDHHS/ DHEC *Factor* transition target date**

Quality Update

Jordan Desai
Chief of Quality
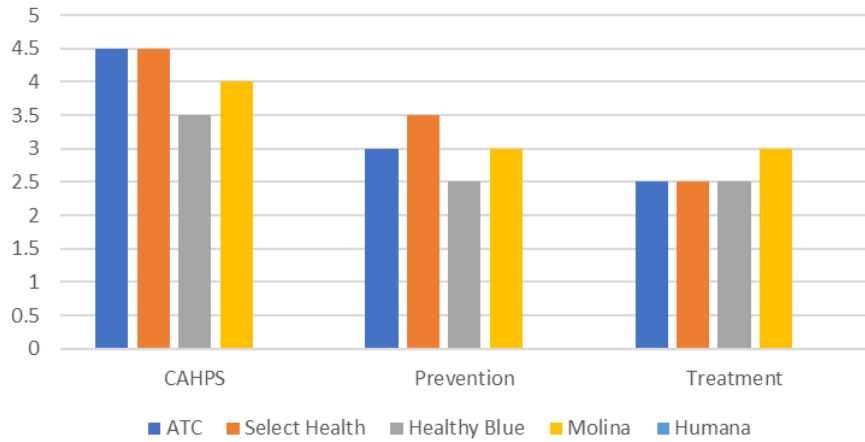
Quality Strategy Update

- Goal 1: Assure the quality and appropriateness of care delivered to members enrolled in managed care

- Goal 2: Assure Medicaid members have access to care and a quality experience of care

- Goal 3: Assure MCO contract compliance

- Goal 4: Manage continuous performance improvement

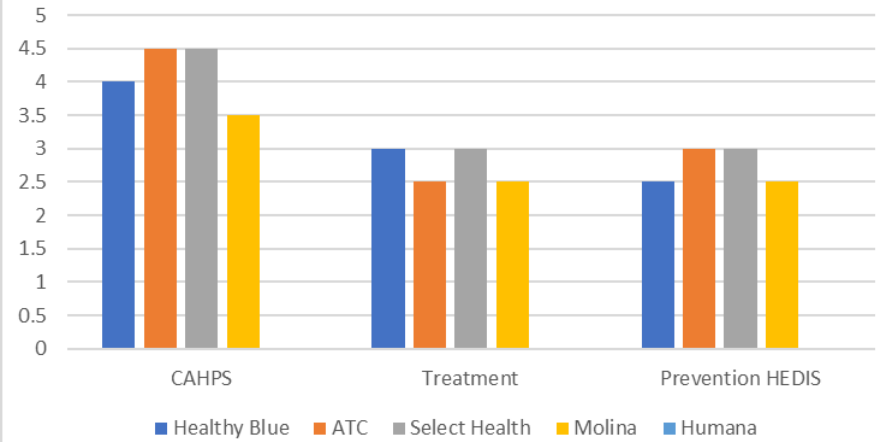- Goal 5: Conduct targeted population quality activities

Health Plan Ratings

NCQA Health Plan Rating Comparison

2021 Health Plan Ratings

Legend: ATC, Select Health, Healthy Blue, Molina, Humana

	CAHPS	Prevention	Treatment
ATC	4.5	3	2.5
Select Health	4.5	3.5	2.5
Healthy Blue	3.5	2.5	2.5
Molina	4	3	3

2022 Health Plan Ratings

Legend: Healthy Blue, ATC, Select Health, Molina, Humana

|	CAHPS	Treatment	Prevention HEDIS
Healthy Blue	4	3	2.5
ATC	4.5	2.5	3
Select Health	4.5	3	3
Molina	3.5	2.5	2.5

Health Plan Assessments

- Provider network standards

- Access performance measures

- State-directed payment arrangements

- National Committee for Quality Assurance Health Equity Accreditation (HEA)

  - 4 of 5 plans have achieved this quality strategy goal

  - Remaining health plan expected to achieve before year end, currently undergoing HEA survey

Health Plan External Quality Review

- External quality review
  - Administration
  - Provider services
  - Member services
  - Quality improvement
  - Utilization management
  - Delegation
  - State mandated services

Quality Goal 3: External Quality Review
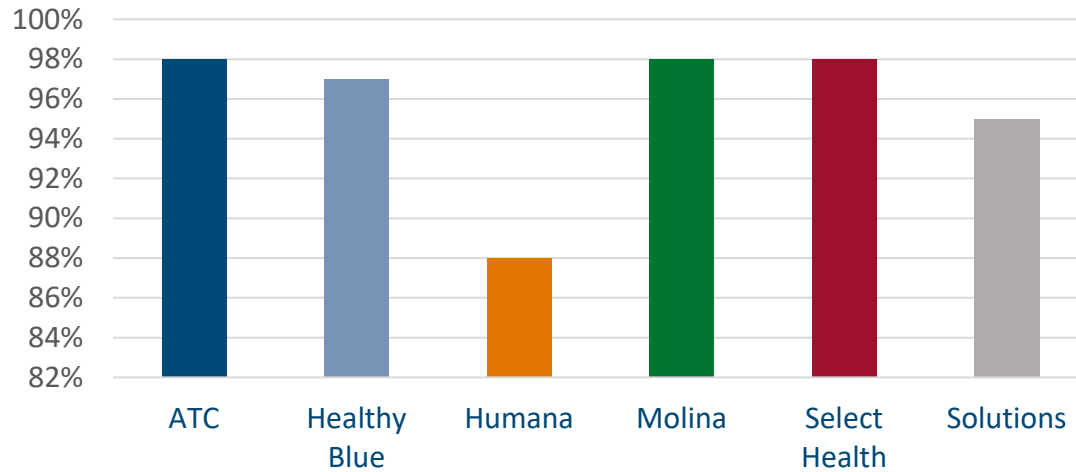
	Met	Partially Met	Not Met	Not Evaluated	Total Standards	*Percentage Met Scores
Humana	174	16	8	16	214	88%
Molina	209	4	1	0	214	98%
Select Health	210	2	2	0	214	98.13%
Solutions	58	2	1	0	61	95.08%
ATC	210	2	2	0	214	98.13%
Healthy Blue	208	5	1	0	214	97.2%

*Percentage is calculated as: (Total Number of Met Standards/Total Number of Evaluated Standards) x 100
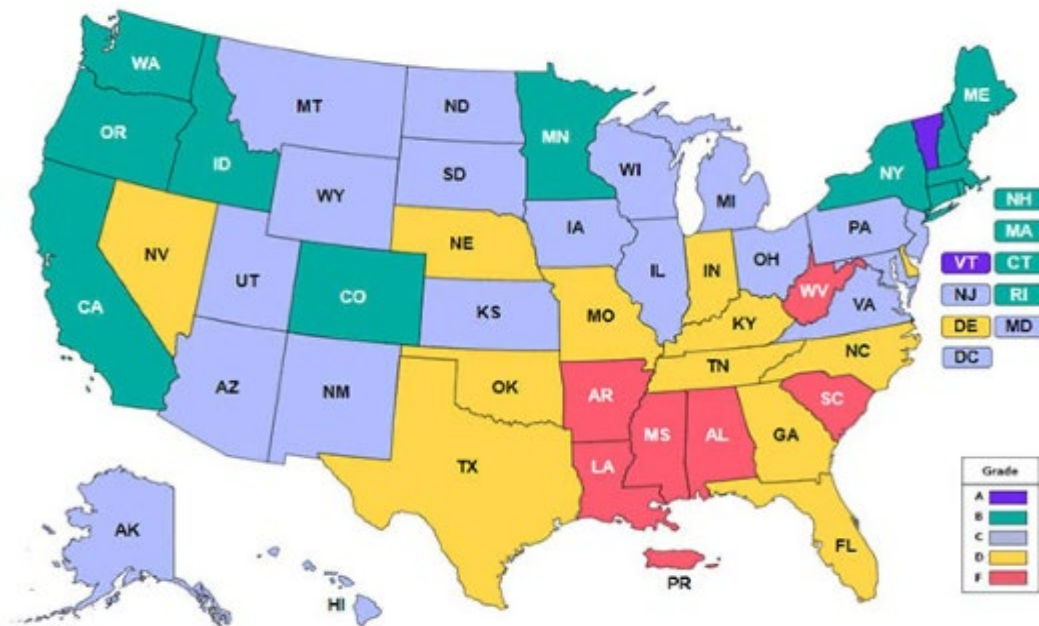
Quality Goal 4

- MCO performance improvement projects (PIPs)
  - Monthly meetings with MCO quality teams
  - Quarterly PIP reporting
- MCO focus project
  - Prenatal and postpartum care
- Report card

Quality Goal 4 *(cont.)*

- Report Card
  - SC ranks 39th in overall child well-being, 43rd in child health
  - SC earned an F for the 11.8% preterm birth rate in 2021

March of Dimes 2021 Peristats Map

Quality Goal 4: Report Card

- Aligned with strategic plan goal three to improve the health and well-being of members through a continuous quality improvement strategy
  - Birth outcomes
  - Mental and behavioral health
  - Immunizations
  - Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)

Quality Goal 5

- Targeted population projects
  - Psychiatric Residential Treatment Facility (PRTF) report
  - Infant mortality
  - Quality through Technology and Innovation in Pediatrics (QTIP)

Data Links

- [2022 South Carolina Medicaid Quality Strategy.pdf (scdhhs.gov)](#)

- [Health Plan Ratings - NCQA](#)

- [External Quality Review (EQR) Reports | SC DHHS](#)

- [KidsCount Data Workbook (aecf.org)](#)

- [South Carolina, 2020 | PeriStats | March of Dimes](#)

- [QTIP (scdhhs.gov)](#)

Closing Comments

- Future meetings will be held virtually for the foreseeable future

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