

II PROGRAM ELEMENTS

C. 1938(a)(3) The State demonstration program addresses/incorporates all of the following criteria as described in section 1938(a)(3) of the Act. Describe how each of these required program elements are implemented, monitored, and measured (below or on a separate page).

1. Creating patient awareness of the high cost of medical care;

The State will be providing, through its enrollment broker, information to the potential voluntary enrollees at the time they are made aware of their options. The information will include general information regarding the increase in Medicaid expenses in South Carolina, an outline of this option, how it is different from regular Medicaid and the use of the potential incentive at the conclusion of their Medicaid eligibility. Additionally, monthly the voluntary enrollees will receive detailed feedback on the care they have received, the HOA balance, and suggestions for further reducing their medical expenses. The suggestions might include communications such as “you are irregularly filling your maintenance drug,” or “you visited the ER for an earache during your Physician’s regular office hours.”

2. Providing incentives to patients to seek preventive care services;

Expenses for routine preventive care which is covered by the South Carolina Medicaid program, will be covered outside of the HOA expense. For example, annual physicals and EPSDT checkups are paid by Medicaid regardless of HOA balance and without deducting the payment from the HOA balance. Necessary follow-up services related to preventive check ups are subject to HOA expense.

3. Reducing inappropriate use of health care services;

Enrollees will be required to have a primary care provider to coordinate care. Use of an emergency room for non-emergent care will result in a deduction from the HOA, reducing the balance of any carry forward or post-Medicaid HOA balance. There is no co-pay for appropriate use of the emergency room. The monthly statement of expense will include consumer tips on changes in consumer behavior that would have reduced expense

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and improve outcomes. Initially, this may be limited to reminders such as “this prescription has a generic equivalent of NAME, please ask your primary care provider if it is appropriate for you” or “this is a non-emergent visit to an emergency room, your primary care physician provides 24 hour phone coverage at 800-999-9999.”

4. Enabling patients to take responsibility for health outcomes;

The enrollees have exposure to the cost and take direct responsibility through the HOA. To the extent that they obtain preventive care and outcome effective delivery of service, they will have an account balance to carry forward. If they do not seek preventive services and those that have effective outcomes, they will likely experience expensive, episodic delivery of service and routinely exhaust their account.

5. Providing enrollment counselors and ongoing education activities;

The State has already awarded a contract for enrollment counselor and education services. This project will be incorporated into the counselor services. The contract includes contact with Medicaid eligibles to obtain a healthcare assessment, explain all Medicaid delivery models available to the applicant, obtain information to enroll the client into a plan and Medicaid education services. This will include information on the HOA option. Ongoing education is provided by the counselor through customer service calls and the recipient’s statement of expenditures.

6. Providing transactions involving HOAs to be conducted electronically and without cash; and

The recipients that volunteer to participate will receive the standard Medicaid card or one very similar. The card will have additional capabilities since it will be linked to the enrollee’s HOA. As the provider renders service, the card is swiped for billing purposes. Providers that do not have access to swipe card technology are provided alternatives through standard electronic and paper claim processes. Providing that routine program requirements are met, a payment will be issued to the medical provider. An electronic transaction will be communicated to the HOA for routine reporting.

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7. Providing access to negotiated provider payment rates.

The State will pay providers using the existing Medicaid state plan methodologies established under the fee-for-service program. The Medicaid rates are public information available on the web, are established in the State Plan and are available to the HOA beneficiary. The Medicaid rate paid is noted on the beneficiary's HOA statement.

D. 1938(a)(3) If the State provides incentives for preventive care, describe the incentives and how they will be implemented.

/ Additional account contributions for an individual demonstrating healthy prevention practices.

/ Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals. There will be no patient obligation or HOA withdrawal for these services, to encourage regular utilization.

/ Periodic physicals and EPSDT evaluations are covered and not subject to a deduct from the HOA.

/ Routine prenatal and well-child care. To encourage regular utilization, there will no patient obligation or HOA withdrawal for these services.

/ Well child EPSDT exams are covered, pregnant women are excluded from the program

/ Child and adult immunizations. To encourage regular utilization, there will no patient obligation or HOA withdrawal for these services.

/ Child and adult immunizations covered without HOA deduct

/ Tobacco cessation programs.

/ Obesity weight loss programs.

/ Screening services.

/ Other (describe)

III. Statewideness

OR

B. 1938(a)(4) X/ The State implements this demonstration on less than a

statewide basis, specifically, only in the following areas:

Initial implementation will be limited to Richland County and 1000 recipients. As success is demonstrated, the plan will be expanded to other areas.

The State understands that the implementation of the 1000 volunteers cannot discriminate on the basis of sex, race, color, national origin, handicap, disability and age. The State will operationalize the 1000 volunteer limit by:

- Enrolling volunteers on a first come, first serve basis
- Establishing a waiting list should volunteers exceed 1000
- As volunteers withdraw or are otherwise removed from the program, the next beneficiary on the waiting list will be contacted to determine continued interest in the plan
- If the volunteer indicates continued interest, the plan is again reviewed to ensure understanding of the differences from regular Medicaid and the member is enrolled for the next month.

IV Eligibility

F. 1938(b)(5) Voluntary Participation

Describe how the State will assure and document an individual's voluntary enrollment.

Each voluntary participant will be counseled by an enrollment counselor who explains all options including the HOA program.

The HOA participant will be required to sign a statement indicating that they understand that the participation is voluntary and that they are choosing to disenroll from the standard Medicaid program.

V. Alternative Benefits

B. 1938(c)(2) Annual deductible.

The amount of the annual deductible described in paragraph (A) above shall be at least 100 percent, but no more than 110 percent, of the annualized amount of contributions to the HOA under section VI.B. 1.a., determined without regard to any limitation described in section VI.C.2.. For each eligibility group please specify the amount of the deductible (between 100 percent and 110 percent of the annualized

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State contribution to the HOA – see section VI.B. below):

<u>Eligibility Group:</u>	<u>Annual Deductible:</u>
Transitional Medical Assistance (TMA)- Section 1902(a)(10)(A)(i)(I) Section 1925	110%
Infants (OCWI) – Section 1902(a)(10)(A)(i)(IV)	110%
Partners for Healthy Children (PHC) – Section 1902(a)(10)(A)(i)(VI)and (VII)	110%
Section 1931 Low Income Families (LIF) – Section 1902(a)(10)(A)(i)(I) and Section 1931	110%
Ribicoff – Section 1902(a)(10)(A)(i)(I)	110%

VI. Health Opportunity Account

B. 1938(d)(2) Contributions

2. State Contribution – Specify for each eligibility group the contribution amount that shall be deposited into an HOA. See section V.B. for limits on annual deductibles for the groups based on these contributions.

<u>Eligibility Group:</u>	<u>Contribution</u>
Transitional (TMA)	\$2500 per eligible adult \$1000 per eligible child
OCWI Infants	\$2500 per eligible adult \$1000 per eligible child
PHC	\$2500 per eligible adult \$1000 per eligible child
LIF	\$2500 per eligible adult \$1000 per eligible child
Ribicoff.	\$2500 per eligible adult \$1000 per eligible child

E. 1938(d)(3) Use

1. General Uses

- c. Electronic Withdrawals - The State demonstration program will use the following method to ensure that withdrawals will be made from the HOA using an electronic system, and that withdrawals will not be permitted in cash.

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The eligibility card provided will resemble a normal Medicaid card. Transactions will be processed according to covered services of the Medicaid program. No other withdrawals are permitted until the beneficiary is no longer eligible for Medicaid. At that time, 75% of the account is available to the beneficiary. The federal share of the 25% is refunded to the federal government. At that time, the former beneficiary contacts the Medicaid program to process acceptable transactions (health plan coverage, education).

First expense dollars come from the account made by the State contribution. Should the beneficiary expend the State contribution, they have a responsibility of 10% out of pocket deductible. Provider and beneficiary education will be important. As the beneficiary receives medical services, the provider will bill the State however claims will be maintained as encounter data only; reimbursement will not be made. Billing and payment for the non-covered (out of pocket) service(s) will be coordinated between the provider and the beneficiary. The State will monitor this data and will communicate to the beneficiary by monthly statements of the status of their deductible, and inform providers through electronic verification systems messages. After the 10% deductible is satisfied, the State will resume payment at the normal Medicaid rate reimbursement. Regular state plan cost sharing rules will not apply to the beneficiary.

F. 1938(d)(3) Maintenance of HOA After Becoming Ineligible for Public Benefit

2. Special Rules - Withdrawals from an account—

b. X / may, subject to 4. below, be used for the following additional expenditures:

 X / job training

 X / tuition expenses

 / other (please describe)

Job training and tuition expenses are allowed for the beneficiary at any postsecondary educational institution accredited by accrediting agencies and state approval agencies recognized by the U.S. Secretary of Education. Undergraduate and graduate courses are eligible. Courses taken for academic credit but not necessarily for the completion of a degree are eligible. After the first allowance, members must provide proof of a passing grade before further expenses are allowed.