



Public Meeting
January 24, 2012
10am - 11:30am

Targeted Case Management (TCM)
Proposed Medicaid State Plan Amendment

For Today's Meeting

- ▶ If you wish to make comments, please sign in. We ask that you limit comments to three (3) minutes.
 - ▶ If you have questions, please write them down on an index card.
 - ▶ All information discussed today, including the presentation, will be posted to the SCDHHS website.
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What is TCM?

- ▶ Case management services include activities which assist eligible Medicaid beneficiaries in gaining access to needed medical, social, educational, and other services.

What is TCM? *(continued)*

- ▶ “Targeted” case management services are those aimed specifically at special groups of enrollees through the following four components:
 - Assessment
 - Care Planning
 - Referral and Linkage; and
 - Monitoring and Follow-up.

(Reference 42CFR 440.169)

How is TCM covered by Medicaid currently?

- ▶ TCM is an optional service under the South Carolina Medicaid State Plan.
 - ▶ Based on 2010 fiscal data, expenditures were \$42m for TCM.
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Current Medicaid Coverage

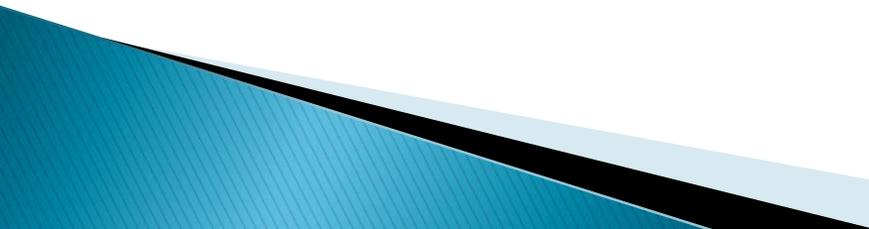
(continued)

- ▶ Currently, TCM services are largely provided by State Agencies. The SC Department of Disabilities and Special Needs comprises the majority of these expenditures, at \$27.9 million.
- ▶ The current TCM covered sections can be found at: http://www.scdhhs.gov/stateplan/Supplement_to_Attachment_3.1-A.pdf

Why are we proposing to amend our State Plan for TCM?

- ▶ The State is being required by the Centers for Medicare and Medicaid services (CMS) to:
 - Bring our State Medicaid Plan in compliance;
 - Define provider qualifications;
 - Clarify of target population definitions;
 - Assure compliance with Freedom of Choice; and
 - Clarify our reimbursement methodology.
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How did this evolve?

- ▶ July 25, 2000– A State Medicaid Director (SMD) letter summarized CMS policy clarifications designed to support State efforts to transition Medicaid Beneficiaries from institutions to community setting
 - ▶ January 19, 2001 – A letter to State Child Welfare and SMDs clarified policy on TCM services under the Medicaid program as it relates to an individual's participation in other social, educational, or other programs.
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Evolution *(continued)*

- ▶ In response to changes to the Deficit Reduction Act, CMS issued an Interim Final Rule on December 4, 2007. This changed the definition of TCM.
- ▶ A moratorium resulted with passage of the Supplemental Appropriations Act of 2008 which delayed CMS from applying changes from the DRA that were more restrictive than those applied on December 3, 2007.

Evolution *(continued)*

- ▶ With the issuance of the Interim Final Rule and a March 3, 2008 effective date, CMS encouraged States to submit necessary SPAs by June 30, 2008 to secure an effective date of April 1, 2008. States were given the option to withdraw pending SPAs.
- ▶ A template was provided to States in 2008 for SPAs.

Evolution *(continued)*

- ▶ SC submitted SPA and later withdrew it.
 - ▶ In May 2009, there was a partial rescission of the TCM Interim Final Rule.
 - ▶ A letter was issued to SCDHHS in May 2011 requiring the submission of a SPA.
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What will the SPA include?

- ▶ A proposed effective date of July 1, 2012; (This could change based on the CMS review time and subsequent negotiations.)
 - ▶ 15 minute billing increments;
 - ▶ Market/Universal Rate;
 - ▶ Benefit Limit;
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SPA *(continued)*

- ▶ Minimum qualifications for all providers;
 - ▶ Discontinued use of Case Manager Assistants;
 - ▶ No Cost Settlements; and
 - ▶ Provider Qualifications in addition to Staff Qualifications.
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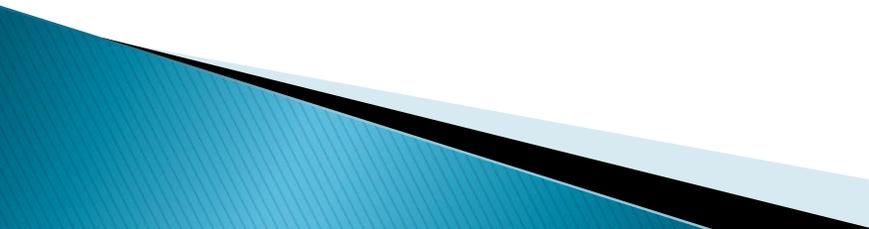
How will the changes impact target groups?

- ▶ At-Risk Children
- ▶ Early Intervention
- ▶ Individuals with Serious and Persistent Mental Illness
- ▶ Children with Serious Emotional Disturbances
- ▶ Individuals with Psychoactive Substance Disorder
- ▶ Individuals with Intellectual & Related Disabilities
- ▶ Individuals with Head and Spinal Cord Injuries & Related Disabilities
- ▶ Individuals with Sensory Impairments
- ▶ At-Risk Pregnant Women
- ▶ Persons at Risk for Genetic Disorders
- ▶ Functionally Impaired Adults

Reimbursement Methodology

- ▶ The TCM rate proposals described below are subject to CMS approval.

Reimbursement *(continued)*

- ▶ As SCDHHS was directed by CMS to amend the State Plan for TCM, it was determined that this amendment gave opportunity for the Medicaid agency to move these rates to an industry-wide or market based rate. The benefits of a market based rate include a uniform, consistent, and equitable approach to reimbursing for services. Market rates also remove the need for annual cost reports if state matching funds are transferred to the Medicaid agency.
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Reimbursement *(continued)*

- ▶ The TCM market based rate was developed based on an analysis of annual compensation and fringe, travel, training, supplies and indirect cost of contracting state agencies and a Department proposed productivity factor.
 - ▶ The proposed rate is \$13.00 per 15 minute TCM unit and will be applicable to all TCM providers.
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Reimbursement *(continued)*

- ▶ It is anticipated that state agencies currently providing TCM services will be allowed a transition period of two years, SFY 2013 and SFY 2014, to fully implement the change from a cost based rate to a market based rate.

Reimbursement *(continued)*

- ▶ During these two years, state agency specific cost based rates will be recognized as a component of the rate. For SFY 2013, the cost based component will comprise 75% of the TCM rate while the market based rate will make up 25%.
 - ▶ The full implementation of the market based rate for TCM services will begin during SFY 2015.
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Freedom of Choice

- ▶ Medicaid beneficiaries must be able to freely choose their case management provider from among those that have qualified to participate in Medicaid and are willing to provide the services.
 - ▶ When a target group consists solely of individuals with developmental disabilities or chronic mental illness, States may limit provider participation to specific persons or entities by setting forth qualifying criteria that assure the ability of the case managers to connect individuals with needed services.
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Freedom of Choice *(continued)*

- ▶ Individuals may choose freely among those case managers or entities that the State has found qualified to provide case management services.
 - ▶ Absent a waiver to the contrary, such individuals also maintain their right to choose qualified providers of all other Medicaid services they receive.
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SPA Process

Public Input

- Discussion with Medical Care Advisory Committee (MCAC) – 09/20/11 and 12/13/11
- Public Meeting – 01/24/2012
- Deadline for Public Comments – 01/31/2012

Internal Review

- Review of Public Comments– 01/31–02/06/12
- Revision to Draft SPA as needed– 02/07– 02/13/12

Final Review

- Final presentation to MCAC – 02/14/12
- Submission to CMS – 02/17/12

Implementation Process

DHHS Interim Steps

- Develop enrollment & prior authorization processes;
- Draft policy & system changes for internal review;

Next Steps

- Seek stakeholder input;
- Develop open enrollment for TCM providers;
- Prepare Medicaid Bulletin announcing availability of training;

Final Steps

- Announce implementation date upon CMS approval; and
- Coordinate implementation with providers

Comments

- ▶ You may email your comments to: comments@scdhhs.gov. All comments must be received by the **close of business January 31, 2012;** or
- ▶ You may mail comments SCDHHS, Attention TCM, Division of Family Services, PO Box 8206, Columbia, SC 29202-8206. All comments must be received by the **close of business January 31, 2012.**