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For Immediate Release

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SCDHHS Urges CMS to Maintain Healthy Connections Community Engagement Initiative
*Medicaid Waiver Program Approved in 2019 Tailors Healthcare Resources to Vulnerable Populations,
Provides Targeted Solution to Support Low-income Workers' Ability to Achieve Financial Independence*

COLUMBIA, S.C. – South Carolina Department of Health and Human Services (SCDHHS) Acting Director Thomas Clark Phillip, in coordination with Governor Henry McMaster, today urged the Centers for Medicare and Medicaid Services (CMS) to maintain a key public health initiative it approved in December 2019. In a [letter sent to Acting CMS Administrator Elizabeth Richter](#), Phillip requested the Biden administration uphold the two Section 1115 demonstration waivers that make up the [Healthy Connections Community Engagement Initiative](#) citing its “innovative approach to promote better health outcomes and financial independence by providing access to resources to the most vulnerable South Carolinians while incentivizing able-bodied South Carolinians to achieve self-sustainability.”

The initiative encourages financial independence by incentivizing South Carolinians to work, participate in an education or work training program or serve their communities, and raises the income cap for Medicaid eligibility for low-income South Carolinians who complete a qualifying activity. The initiative also allocated targeted resources for South Carolinians not otherwise eligible for the Healthy Connections Medicaid program who require medically necessary addiction treatment services, pregnant or postpartum women who have been diagnosed with substance use disorder or serious mental illness and others in need of substance use disorder treatment.

Phillip’s letter was sent in response to two letters Richter sent to SCDHHS on Feb. 12, 2021, advising the agency that CMS was “commencing a process of determining whether to withdraw the authorities approved” in both the Healthy Connections Works and Palmetto Pathways to Independence Section 1115 waivers that collectively make up the Healthy Connections Community Engagement Initiative. In his letter, Phillip wrote:

“As the state continues to dedicate resources to address the long-term implications of the coronavirus disease 2019 (COVID-19) pandemic, including a noted uptick in substance use disorder and mental health crises, SCDHHS believes this pathway out of poverty for low-income workers and these targeted resources dedicated to helping those struggling with substance use disorder will have a positive long-term impact on the state’s public health, healthcare delivery system and economy.”

Currently, most South Carolinians who earn between 67 and 100% of the federal poverty level earn too much to qualify for Medicaid coverage but not enough to qualify for discounted health coverage through the federal exchange. This gap provides an irrational disincentive for low-income adults to earn enough income to rise above the poverty level. Removing this obstacle to escaping poverty will encourage self-sustainability and better overall outcomes for individuals, families and communities across the state.

The Healthy Connections Community Engagement Initiative included specific exemptions from the initiative’s community engagement requirements. Exemptions included those under 19 years of age, adults who served as the primary caretaker of a child or someone who was disabled, pregnant women and women who were less than 365 days postpartum, disabled individuals and individuals residing in a regional area with an

unemployment rate above 8%. As Phillip noted in his letter, South Carolina's unemployment rate, currently 4.6%, remains well below both the national average and the exemption threshold included in the initiative's special terms and conditions. South Carolinians who choose to comply with the initiative's requirements through working or volunteering must work or volunteer for an average of at least 80 hours per month over a three-month period.

Additional information about the initiative and those who will be exempt from community engagement requirements is available on [SCDHHS' website](#).

Implementation for the Healthy Connections Community Engagement Initiative is planned for January 2022; however, in order to comply with the provisions of the Families First Coronavirus Response Act and as acknowledged in Phillip's letter, implementation of the initiative cannot begin until the end of the current federally declared public health emergency.

Read [Acting Director Phillip's letter to CMS](#).

Read Acting Administrator Richter's [Healthy Connections Works](#) and [Palmetto Pathways to Independence](#) letters.

Read CMS' Dec. 12, 2019, [letter approving the Healthy Connections Works Section 1115 Demonstration Waiver](#).

Read CMS' Dec. 12, 2019, [letter approving the Palmetto Pathways to Independence Section 1115 Demonstration Waiver](#).

Read more about the Healthy Connections Community Engagement Initiative by visiting www.scdhhs.gov/ce.

About the South Carolina Department of Health and Human Services

The South Carolina Department of Health and Human Services provides healthcare benefits to more than one million South Carolinians. Its mission is to purchase the most health for our citizens in need at the least possible cost to the taxpayer.

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