Medical Care Advisory Committee
September 17, 2013 Meeting Minutes

Present	**Not Present**
Sue Berkowitz	John Barber
William Bilton	Chief Bill Harris
Richard D'Alberto	Alicia Jacobs
Dr. Charles Darby	Lea Kerrison
Diane Flashnick	Gloria McDonald
Dr. Tom Gailey	Rhonda L. Johnson-White, PhD
Dr. Greta Harper	
Bill Lindsey	
Dr. Kashyap Patel	
Dr. Amy Picklesimer	
Gloria Prevost	
Crystal Ray	
Jackie Richards	
Dr. Lynn Wilson	

The Agency Director welcomed members and discussed proviso 33.34. There are multiple components to the proviso with the Healthy Outcomes program being one of them. This is an effort to look at subset of patients chronically ill utilizing the emergency room. The idea behind proviso is to know who these people are and why health challenges are so great. This effort tied participation in program to DSH to look at the uninsured and to lower the cost. MCAC members asked questions about the number of patients that are children, poverty levels, patient access to medications and attestations. All these questions were answered by the Agency Director.

Advisement presented by Jeff Saxon:
Disproportionate Share (DSH) Payment and Reporting Requirements Effective October 1, 2013: The objective of this advisement is to update the South Carolina Medicaid DSH Payment and Reporting Requirements for qualifying DSH hospitals effective October 1, 2013 based upon the requirements of Budget Proviso #33.34 of the State Fiscal Year (SFY) 2013/2014 State Appropriations Act. In accordance with the requirements of Budget Proviso #33.34 and to base DSH payments effective October 1, 2013 using the most recent data available, SCDHHS will make the following changes to its SC Medicaid DSH payment and reporting requirements effective October 1, 2013: 1) update the base year used to calculate the October 1, 2013 through September 30, 2014 (FFY 2013/2014) DSH interim payments using hospital fiscal year end 2012 data, the continued use of the December 19, 2008 Final Rule, and any future clarification guidance/policy changes that may be provided by CMS as it relates to the final rule; 2) update the inflation rate used to trend the DSH base year cost to the end of the 2012 calendar year; 3) SCDHHS will continue the use of its qualification criteria to determine those DSH hospitals that will be subject to a reduction in their FFY 2013/2014 DSH payments but in lieu of retaining the savings generated they will be redistributed to the remaining SC Medicaid DSH eligible hospitals (excluding SCDMH owned hospitals); 4) SCDHHS will expend one hundred percent of its FFY 2013/2014 Medicaid DSH allotment to qualifying DSH eligible hospitals during the Medicaid State Plan Rate Year; 5) In accordance with Budget Proviso #33.34 of the SFY 2013/2014 South Carolina State Appropriations Act, SCDHHS will implement its Healthy Outcomes Initiative; 6) In accordance with Budget Proviso #33.34 of the SFY 2013/2014 SC State Appropriations Act, SCDHHS will create a separate $20 million (total dollar) DSH pool from the existing FFY

2013/2014 DSH allotment that will be spread among the SC defined rural hospitals as defined in Attachment 4.19-A of the SC Medicaid State Plan; 7) SCDHHS will ensure that all hospitals that participate in the Healthy Outcomes Initiative and submits a Healthy Outcomes Plan will receive 100% of its calculated DSH payment for the FFY 2013/2014 DSH payment period; 8) SCDHHS will ensure that in accordance with Budget Proviso #33.34, all South Carolina Medicaid-designated rural hospitals must participate in the Healthy Outcomes Initiative to receive the full coverage of its uncompensated care (not to exceed $20M total funds) under the Rural Hospital DSH Payment initiative; 9) SCDHHS will ensure that all DSH-eligible hospitals will be required to participate in the Disproportionate Share Payment Accountability Initiative. Therefore, effective on the following dates the following requirements must be implemented and put into effect by all DSH-eligible hospitals in order to continue to receive DSH payments form the SC Medicaid Program beginning with the FFY 2013/2014 DSH payment period as determined in accordance with the changes outlined below: 1) Claims-level detail applicable to all uninsured individuals eligible for whom the hospital seeks compensation via DSH must be submitted to the agency for discharges/dates of service beginning on and after January 1, 2014; 2) All DSH–eligible hospitals (excluding out of-state border hospitals and SCDMH hospitals) must obtain attestations from uninsured patients for whom the hospital seeks compensation via DSH for discharges/dates of service beginning on and after January 1, 2014 and .10) SCDHHS will review current hospital charity care policies and subsequently establish a uniform policy for determining which claims should be eligible for payment via DSH for all DSH-eligible hospitals (excluding SCDMH hospitals) effective for discharges/services provided on or after January 1, 2014. Annual aggregate Medicaid DSH expenditures beginning October 1, 2013 are expected to increase by approximately $17.30 million (total dollars). MCAC members had some general comments about this advisement that were answered by SCDHHS staff.

Inpatient Hospital Rate Updates and Outpatient Hospital Multiplier Updates Effective October 1, 2013:

The objective of this advisement is to update the South Carolina general acute care hospitals Medicaid inpatient hospital specific per discharge rate as well as its hospital specific outpatient multiplier based upon funding provided via budget proviso #33.34 of the State Fiscal Year 2013/2-14 State Appropriations Act. In regards to the SCDHHS defined rural hospitals and qualifying burn intensive care unit hospitals, SCDHHS will reimburse these hospitals at one hundred percent of its allowable Medicaid reimbursable costs on a retrospective basis for inpatient and outpatient hospital services provided to South Carolina Medicaid fee for service individuals for discharges/services incurred on or after October 1, 2013. Annual aggregate expenditures are expected to increase by approximately $35.0 million (total dollars) for both Medicaid fee for service and Medicaid managed care enrollees

Advisement presented by Kathleen Snider:

Recovery Audit Contractor State Plan Amendment (SPA) Request: SCDHHS is seeking a SPA to allow the agency's Recovery Audit Contractor to identify overpayments and underpayments in claims that might be more than three years old from the date of payment. MCAC members were concerned that this needed to be explained in more detail and asked if policy and SPA could specify that SCDHHS had to direct this action. All MCAC questions were answered by Kathleen Snider.

Advisement presented by Bryan Amick:

Amend the State Plan to reflect the effective date of the FY2014 Air Ambulance fee schedule revision: The objective is to provide timely notification to CMS of proposed rate changes. Currently emergency air ambulance transport is provided if 911 is called and the beneficiary is transported for emergency conditions (e.g., collision, drowning, fall, etc.). This State Plan is required to post the effective date of this rate change in the State Plan. The budget impact for this program update will be an estimated $160,000 per fiscal year.

Advisement presented by Deirdra Singleton:

State Plan Amendment (SPA) Related to Reimbursement Methodology for the Program of All-Inclusive Care for the Elderly (PACE):

PACE is a benefit under Medicare and an optional state benefit under Medicaid that focuses entirely on persons 55 and older who are frail enough to meet their state's standards for nursing home care. The program brings together all the medical, functional and social services needed for someone who otherwise might be in a nursing home. A team, including a physician, registered nurse, therapists and other health professionals, assesses the participant's needs, develops a comprehensive plan of care and provides for total care. Generally, services are provided in the adult day health center, but also may be given in the participant's home, a hospital, a long-term care facility or in a nursing home. Enrollment is voluntary, and once enrolled, PACE becomes the sole source of all Medicare and Medicaid covered services, as well as any other items or medical, social or rehabilitation services the PACE interdisciplinary team determines an enrollee needs. A PACE organization receives a fixed monthly payment from Medicare and Medicaid for each participating beneficiary, depending on their Medicare and Medicaid eligibility. The payments remain the same during the contract year, regardless of the services a participant may need. There are currently two PACE organizations in SC: Palmetto Senior Care (serving approx. 301 participants in Richland and Lexington Counties) and The Oaks PACE (serving approx. 112 participants in Orangeburg and Calhoun Counties). A third program servicing Greenville county is currently in the early planning stages with a projected start date of May 2015. These programs have not had a rate increase since 2008 and were subject to a 3 percent rate reduction in 2011. The amended methodology will be adjusted by developing capitation rates gross of patient liability and processing net payments to plans for each enrollee based on their respective patient liability amount in accordance with CMS regulations as detailed in the PACE capitation rate checklist. In addition to the methodology change, SCDHHS will also adjust the PACE upper payment limit and capitation rate calculation to incorporate more recent data and assumptions.

Advisement presented by Peter Liggett

Amendments to the following Home and Community-Based Waiver programs: Intellectually Disabled/Related Disabilities (ID/RD) (formerly known as the Mental Retardation/Related Disabilities (MR/RD)); Head and Spinal Cord Injury (HASCI); Pervasive Developmental Disability (PDD), and Community Supports (CS).

The State is planning the following amendments: 1) add the waiver case management (WCM) service to the ID/RD, HASCI and CS programs, and amend the PDD program to incorporate the same service definition (PDD has a different version of case management); 2) update the quality assurance sections for the WCM service, and as needed; 3) update all applicable waiver applications to remove the term "mentally retarded" and replace with "intellectually disabled" in keeping with Federal and State law; and 4) update the Adult Day Health Care definition in the ID/RD waiver to remove the medical complexity requirement. There is no intent to take Medicaid funding from direct service delivery, but rather to ensure it is appropriately and effectively directed to the performance of approved Medicaid case management activities.

John Supra, Deputy Director and CIO, Office of Information Management presented on the following:

Enrollment Trends: FY 2014 June 2014 enrollment projection was 1,147,500. Express Lane Eligibility (ELE) increased Medicaid enrollment by about 100,000. ACA impact from currently eligible but un-enrolled member projection for June 2014 is 127,049. Strategies for identifying and enrolling eligible but un-enrolled individuals are through SNAP/TNAF adults (DSS) and reduced lunches for children (DoE). MCAC members asked questions about outreach, training and the possibility of addressing Express Lane Eligibility for Cancer patients and other Medicaid categories. All questions were answered by John Supra.

Eligibility (October 1st planning and January 1st planning): The new applications will be in online replacement system and initial MAGI assessments will be completed by system and staff will transfer information to MEDS (which will remain the system of record until January 2014). SCDHHS will transfer accounts to and receive accounts from the Federal Marketplace (FFM/Exchange). SCDHHS will hold applications not eligible for Medicaid until the Federal Exchange is ready; once it is ready this information will be passed on. SCDHHS is currently trying to eliminate the application backlog that was about 28,000 in August. The statewide document imaging system enabled SCDHHS to address the backlog. This effort is scheduled to eliminate existing backlog by early October. SCDHHS will expand call center support by adding a team to address ACA-related questions with a focus on ensuring South Carolinians are directed to the right place.

Replacement Eligibility System: Screenshot of new SCDHHS application website was shown. This new website will screen people quickly. If individuals are Medicaid eligible it will start that process if they are not Medicaid eligible the Federal Exchange process will start. MCAC member asked if information about the navigators would be available on this website. John stated the plan is to link to what the federal government has on their website.

Eligibility & January 1st Planning: The automated processes for MAGI determinations and applications approval will be included in the Replacement system. The replacement system will become the system of record for MAGI categories. After January, SCDHHS will work to move remaining (non-MAGI) categories into replacement system by June and continue to add additional automated data sources. SCDHHS will also complete transition from MEDS system and begin to shift staffing/workforce toward community focus. Director Keck asked for the definition of MAGI. John stated MAGI stands for Modified Adjusted Gross Income and it is based on tax returns. The goal is to eliminate the state variation because of the allowed disregards and keep the number of people in the program consistent. [Following discussion/notes about MAGI and renewals followed ICD-10 content but is related to January 1st planning] MCAC Member wanted to know if CMS was sympathetic regarding potential loss of Medicaid due to changes in MAGI and if CMS would be willing to do grandfathering. Supra answered questions regarding lack of clarity from CMS on the Transitional Medicaid Assistance (TMA) program and other changes in renewal processes. Keck stated he would like to look at more specifics on this and show summary. Keck asked this be on the agenda for the next MCAC meeting.

ICD-10 Planning and Implementation: Most of the MMIS/System changes have been done to the claims processing system remediation and these changes will be completed by December 2013. There are additional systems/changes to be completed by January 2014. SCDHHS has a dedicated website that would explain how to code and provide additional information such as forums, links, FAQs and contacts. Pilot testing will begin November 2013 and open testing will begin February 2014.

Deirdra Singleton, Deputy Director, Health Services presented on the following:

Managed Care (MCO) Plan Transitions: SCDHHS is on schedule for the MCO transitions and MHN conversions. SC Solutions, Palmetto Physician Connections and Carolina Medical Homes will transition on December 1, 2013. SC Solutions will transition to Molina; Palmetto Physician Connections will transition to Advicare and Carolina Medical Homes will transition to Wellcare. SCDHHS will monitor these plans to ensure all deadlines are met. MCAC member asked how notices were being delivered. This question was answered by the Director Keck and Deirdra Singleton. The Medicaid Coordinated Care Improvement Group (CCIG) schedule was discussed. This meeting will be utilized to receive feedback. MCAC member asked if TEFRA would remain a FFS category and Deirdra stated it would remain under FFS.

ACA Enhanced Primary Care Payments: The 1st quarter CY 2013 Jan-March MCO payments were made at the end of July. The total payments for 1st quarter encounter data to all plans were $6,836,466.68. Select Health received $4,486,808.30, Wellcare/United Healthcare received $516, 641.61, BlueChoice received $832,349.75 and ATC received $1,000,667.02. ATC and United Healthcare made physician payments in August and Select Health made physician payments 1st week of September. The 2nd quarter CY 2013 April-

June MCO payments are preliminary figures. Total payments for 2nd quarter encounter data currently indicate total payment of $6,723,209.92. File reviews and corrections are currently being completed and payments to the MCO's should be made later in the month of September.

MCO Incentive Payments SFY 13: For SFY 13 SCDHHS has made a total payment to the MCO's of $1,454,100.35 for the Patient Centered Medical Home (PCMH) incentive. From the 1st to 4th quarter of SFY 13 the total practice representation has increased from 66 to 166 medical practices. The total Screening Brief Intervention, Referral and Treatment (SBIRT) incentive payments through 4th quarter SFY13 are as follows: Select Health: $27,220; Absolute Total Care: $10,900; BlueChoice: $12,160 and Wellcare/United Healthcare: $5,320. The total MCO centering incentive payments were $10,000. SCDHHS continues to work with centering programs. MCAC member asked if SCDHHS counted how the 166 was split and the percentage of the total number. These questions were answered by Deirdra Singleton.

SCDuE: The SCDuE team is finalizing Memorandum of Understanding (MOU) negotiations with CMS and anticipates it being signed later this month. Six plans have submitted formal letters of application and the names of all applicants will be released this week. SCDHHS is participating in the Center for Health Care Strategies' (CHCS) new initiative, Improving New Systems of Integration for Dual Eligibles (INSIDE). The first meetings were held September 25-27th. The demonstration name is under development and should be finalized in September 2013. SCDHHS will launch a new SCDuE website in October 2013 and provider forums will be conducted beginning October 2013.

Beth Hutto, Interim Director of Finance and Administration presented on the following:

FY13 Budget overview and FY14 Budget Year to Date: Beth gave an overview of the FY13 budget, the recurring and one time surpluses, plans to fully fund the Medicaid reserve via non-recurring surpluses up to 3% of the Medicaid operating budget. The agency will use recurring surpluses to back fill one time money received in FY14 and restore emergency adult dental services which were cut during the economic recession. An overview of the FY14 budget Year to Date actual spending as of July 31, 2013 was also presented.

Meeting Adjourned

Next meeting scheduled for Tuesday, November 5, 2013 10:00AM to 12:00 PM