

Dec. 3, 2018

PUBLIC NOTICE

SUBJECT: Community Engagement Section 1115 Demonstration Waiver Application

I. Overview

In accordance with federal law, specifically 42 C.F.R. Section 431.408, the South Carolina Department of Health and Human Services (SCDHHS) must notify the public of its intent to submit to the Centers for Medicare & Medicaid Services (CMS) an application for a section 1115 demonstration waiver project. SCDHHS must provide an appropriate public comment period before submitting to CMS a new section 1115 demonstration waiver application.

Public notice is hereby given that SCDHHS intends to submit an application for a new section 1115 demonstration waiver to CMS. The public can review the official waiver application online at <https://msp.scdhhs.gov/cew/> and provide comments until Jan. 22, 2019.

In addition, all public comments will be communicated to CMS as part of the final waiver application.

II. Background

Section 1115 of the Social Security Act provides the Secretary of the United States Department of Health and Human Services (HHS) broad authority to authorize research and demonstration projects, which are experimental or pilot, or demonstration projects likely to assist in promoting the objectives of the Medicaid statute. Flexibility under section 1115 is sufficiently broad to allow states to test substantially new ideas of policy merit. SCDHHS will submit a new section 1115 demonstration waiver application to CMS that will authorize SCDHHS to implement policies related to community engagement activities for beneficiaries who are enrolled in Medicaid in the Parent Caretaker Relative (PCR) and Transitional Medicaid Assistance (TMA) groups. Once approved, this waiver will allow SCDHHS to apply community engagement activities to qualified PCR and TMA Medicaid beneficiaries as a condition of maintaining an active eligibility status.

III. Project Goals

The goal of demonstration waiver is to improve the health and well-being of qualified PCR and TMA Medicaid beneficiaries by promoting participation in community engagement activities to assist them with obtaining employment and transitioning to other health insurance.

IV. Project Objectives

- To connect individuals with resources designed to assist them with employment training and other community engagement activities.
- To assist individuals moving from Medicaid to other health insurance.
- To reduce the number of individuals dependent on Medicaid.

V. Project Description

SCDHHS seeks to implement community engagement activities for non-disabled adults currently covered under traditional Medicaid, including low-income parents and caretaker relatives eligible under Section 1931 and individuals eligible for TMA. Community engagement activities will not be applicable to the following:

- Children enrolled in Medicaid or the Children's Health Insurance Program (CHIP);
- Pregnant women;
- Disabled individuals, including individuals who have a medical condition that would prevent them from participation in this project;
- Individuals over the age of 65;
- Individuals who are the primary caregiver of a child under the age of six or someone who is disabled;
- Individuals receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)
- Individuals participating in a Medicaid covered treatment program for alcohol or substance abuse addiction, including opioid addiction;
- Individuals receiving treatment through Medicaid's Breast and Cervical Cancer Program;
- Individuals compliant with or exempt from the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) requirements related to employment; and
- Individuals who are determined by SCDHHS to be exempt on a case specific basis.

Individuals can fulfill the workforce training activities in a variety of ways. The following list contains acceptable activities and may be amended as necessary depending on individual needs:

- Participation in an adult secondary education program through a public-school district or technical college. The Department is exploring the provision of support for activities not otherwise covered by other state- or federally-funded adult education programs, including the cost of GED testing.
- Full-time (as defined by the South Carolina Commission on Higher Education) participation in a degree- or certificate- seeking program in an accredited institution of higher education.
- Compliance with unemployment insurance (UI) work-search requirements (first 16 weeks of UI benefits).

- For dual Medicaid-SNAP/TANF beneficiaries, demonstrated compliance with SNAP community engagement standards.
- Full-time employment, or part-time employment for not less than 80 hours per month.

Individuals who qualify for community engagement activities and who fail to participate in one of the approved activities will have their Medicaid eligibility placed in a suspended status until the requirements are met.

VI. Delivery System Impact

The demonstration waiver will not change the current health care delivery system, benefit coverage or cost sharing for individuals participating in the waiver.

VII. Hypothesis and Evaluation Parameters

During the approved waiver period, SCDHHS will test the following hypotheses:

- Participation in community engagement opportunities will result in transitions to other health insurance.
- Participation in community engagement activities will result in an increase in the number of individuals entering the workforce.

A detailed evaluation design will be developed for review and approval by CMS. SCDHHS will use relevant data from the Medicaid program and its managed care organizations as well as information from other pertinent organizations and programs such as the Supplemental Nutrition Program (SNAP) and the Temporary Assistance for Needy Families (TANF). Data elements may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews and other administrative data. All evaluation reports will be made public and posted on the SCDHHS website.

VIII. Enrollment and Cost Effectiveness Analysis

Federal policy requires section 1115 waiver demonstrations be budget neutral to the federal government. This means that a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Particulars, including methodologies, are subject to negotiation between SCDHHS and CMS.

To ensure budget neutrality for each fiscal year of this new section 1115 demonstration waiver, SCDHHS will continue to use a per-member per-month (PMPM) methodology specific to the PCR and TMA adult populations with income under 100 percent of the federal poverty level (FPL). The demonstration will measure the financial impact to the program independent of enrollment fluctuations.

In establishing the baseline PMPM, historic enrollment and expenditure experience related to PCR and TMA adults (both in managed care and fee-for-service) were evaluated. To predict future costs,

adjustments to reflect enrollment trends based on community engagement activities were predicted based on information related to work requirements for SNAP and TANF.

Table 1: Historical Information

Enrollment and Member Months Average Growth

	Count	Member Months	PMPM
2014	114,330	940,876	\$369.39
2015	154,982	1,418,989	\$346.57
2016	196,393	1,731,032	\$336.45
2017	207,186	1,954,288	\$319.50
2018	209,244	1,949,467	\$327.39

The following table illustrates the state's enrollment projections by total member months, updated to reflect the proposed modifications to the program. The table also demonstrates the state's budget projections based on enrollment fluctuations during the five-year period.

Without Waiver

	DY1-2019	DY2-2020	DY3-2021	DY4-2022	DY5-2023
Estimated Number of Member Months	2,256,006	2,610,746	3,021,266	3,496,337	4,046,110
PMPM	\$317.17	\$307.27	\$297.68	\$288.38	\$279.38
WOW Total Costs	\$715,538,946.08	\$802,201,773.90	\$899,360,809.89	\$1,008,287,307.10	\$1,130,406,487.02

With Waiver

	DY1-2019	DY2-2020	DY3-2021	DY4-2022	DY5-2023
Non-Primary Caregiver Member Months	1,001,528	1,167,572	1,361,014	1,586,355	1,848,834
Non-Primary Caregiver, Non-Elderly, Non-Working Member Months	280,428	326,920	381,084	444,179	517,673
Member Months Remaining Noncompliant with Community Engagement Requirements	19,630	22,884	26,676	31,093	36,237
WW Medicaid Member Months (Removed)	(19,630)	(22,884)	(26,676)	(31,093)	(36,237)
PMPM	\$317.17	\$307.27	\$297.68	\$288.38	\$279.38
Removed Medicaid Enrollment Cost (Savings)	(\$6,226,040.77)	(\$7,031,676.19)	(\$7,940,790.94)	(\$8,966,594.06)	(\$10,123,971.78)
(Savings)	(\$6,226,040.77)	(\$7,031,676.19)	(\$7,940,790.94)	(\$8,966,594.06)	(\$10,123,971.78)
WW Total Costs	\$709,312,905.31	\$795,170,097.71	\$891,420,018.94	\$999,320,713.05	\$1,120,282,515.24

During the five-year demonstration period, PMPM for South Carolina Medicaid is expected to decrease by \$37.79. In addition, the anticipated number of enrollees is expected to decrease by approximately 11,377 individuals over the course of the demonstration period. Member months will fluctuate based on individuals remaining in the program or exiting the program.

IX. Specific Waiver and Expenditure Authorities

Title XIX Waiver Requests

1. Eligibility

Section 1902(a)(10)(A)

To the extent necessary, to enable SCDHHS to make compliance with community engagement activities a condition of active eligibility status for the population identified in Section II of this notice.

X. Review of Documents and Submission of Comments

Location of Demonstration Application for Public Comment and Review

Copies of the demonstration application may be requested in writing from:

South Carolina Department of Health and Human Services
ATTN: Community Engagement Waiver
Post office Box 8206
Columbia, S.C. 29202-8206

A copy of the demonstration can be downloaded and printed from <https://msp.scdhhs.gov/cew/> or may be requested at CEWaiver@scdhhs.gov.

Copies are also available at all Healthy Connections County Offices (see Attachment A) and the SCDHHS lobby, located at 1801 Main Street, Columbia, SC.

Public Hearings

The first public hearing on this proposed demonstration request is scheduled for Monday, Dec. 10, 2018, from 11 a.m.-noon at:

LRADAC Education & Training Center
2711 Colonial Dr.
Columbia, SC 29203

The second public hearing on this proposed demonstration request is scheduled for Tuesday, Dec. 11, 2018, from 11 a.m.-noon at:

Charleston Public Library
68 Calhoun Street
Charleston, SC 29401

The third public hearing on this proposed demonstration request is scheduled for Thursday, Dec. 13, 2018, from 11 a.m.-noon at:

Greenville Health System Auditorium
701 Grove Road
Greenville, SC 29605

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The SCDHHS will also hold a webinar Wednesday, Dec. 12, at 3 p.m. Information on registering for the webinar is available at <https://msp.scdhhs.gov/cew/>. Instructions will be provided to participants when they complete the registration process.

Additional opportunities to learn about the application will be available in early January.

Submitting Public Comments

SCDHHS wants to hear from the public about the proposed section 1115 demonstration waiver to improve the health of Medicaid beneficiaries through community engagement. Public comments must be received by 5 p.m. Jan. 22, 2019:

1. Website: <https://msp.scdhhs.gov/cew>
2. Email: CEWaiver@scdhhs.gov
3. Mail: South Carolina Department of Health and Human Services
Attn: Community Engagement Waiver
P.O. Box 8206
Columbia, SC 29202

Attachment A: Healthy Connections County Offices

SCDHHS COUNTY OFFICE	ADDRESS
Abbeville	909 W. Greenwood Street, Suite 1, Abbeville, SC 29620
Aiken	1410 Park Ave, Aiken, SC 29801
Allendale	521 Barnwell Road, Allendale, SC 29810
Anderson	224 McGee Road, Anderson, SC 29625
Bamberg	374 Log Branch Road, Bamberg, SC 29003
Barnwell	10913 Ellenton Street, Barnwell, SC 29812
Beaufort	1905 Duke Street, Beaufort, SC 29901
Berkeley	2 Belt Drive, Moncks Corner, SC 29461
Calhoun	2831 Old Belleville Road, St. Matthews, SC 29135
Charleston	3366 Rivers Avenue, North Charleston, SC 29405
Cherokee	1231 N. Limestone Street, Suite C, Gaffney, SC 29340
Chester	115 Reedy Street, Chester, SC 29706
Chesterfield	203 Commerce Avenue, Chesterfield, SC 29709
Clarendon	236 Commerce St., Manning, SC 29102
Colleton	215 South Lemacks Street, Walterboro, SC 29488
Darlington	300 Russell Street, Room 145, Darlington, SC 29532 404 S. Fourth Street, Suite 301, Hartsville, SC
Dillon	1213 Highway 34 West, Dillon, SC 29536
Dorchester	216 Orangeburg Road, Summerville, SC 29483
Edgefield	120 W.A. Reel Drive, Edgefield, SC 29824
Fairfield	1136 Kincaid Bridge Road, Winnsboro, SC 29180
Florence	2685 South Irby Street, Box I, Florence, SC 29505 345 South Ron McNair Blvd., Lake City, SC 29560
Georgetown	330 Dozier Street, Georgetown, SC 29440
Greenville	301 University Ridge, Suite 6700, Greenville, SC 29601
Greenwood	1118 Phoenix Street, Greenwood, SC 29646
Hampton	102 Ginn Altman Avenue, Hampton, SC 29924
Horry	1201 Creel Street, Conway, SC 29526
Jasper	10908 North Jacob Smart Blvd., Ridgeland, SC 29936
Kershaw	110 East Dekalb Street, Camden, SC 29020
Lancaster	1599 Pageland Hwy, Lancaster, SC 29720
Laurens	93 Human Services Drive, Clinton, SC 29325
Lee	820 Brown Street, Bishopville, SC 29010
Lexington	605 West Main Street, Lexington, SC 29072
Marion	137 Airport Court, Suite J, Mullins, SC 29574
Marlboro	1 Ag Street, Bennettsville, SC 29512
McCormick	215 North Mine St/Hwy 28 North, McCormick, SC 29835

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Newberry	2107 Wilson Road, Newberry, SC 29108
Oconee	223 B Kenneth Street, Walhalla, SC 29691
Orangeburg	2570 St Matthews Road, Orangeburg, SC 29116
Pickens	212 McDaniel Avenue, Pickens, SC 29671
Richland	3220 Two Notch Road, Columbia, SC 29204
Saluda	613 Newberry Highway, Saluda, SC 29138
Spartanburg	1000 N. Pine Street, #23, Spartanburg, SC 29303
Sumter	105 N. Magnolia Street, 3rd Floor, Sumter SC
Union	200 South Mountain Street, Union, SC 29379
Williamsburg	121 Hampton Avenue, Kingstree, SC 29556
York	454 S. Anderson Road, Suite 11, Rock Hill, SC 29730