

Medical Care Advisory Committee (MCAC)
Feb. 9, 2021
SCDHHS, 1801 Main Street, Columbia, South Carolina 29202
10 a.m.-12 p.m.

I. Welcome by Acting Director

II. Advisements

- Medication-Assisted Treatment (MAT)
Janelle Smith, Deputy Director, Health Programs

Recovery Audit Contractor (RAC) Waiver
Betsy Corley, Program Manager, Operations and Managed Care Oversight

SCDHHS Updates

Kelly Eifert, Program Manager, Office of Compliance

- Home and Community-Based Services (HCBS) Settings Rule- South Carolina Statewide Transition Plan

Quincy Swygert, Budget Director

- Quarter 2 Budget Update

III. Public Comment

IV. Closing Comments

V. Adjournment



Medical Care Advisory Committee
Dec. 8, 2020, Meeting Minutes

Present

Graham Adams
John Barber
Sue Berkowitz
Maggie Cash
Dr. Tom Gailey
Amy Holbert
Tysha Holmes
Bill Lindsey
J.T. McLawhorn
Michael Leach
Mary Poole
Loren Rials
Tricia Richardson
Amanda Whittle
Lathran Woodard

Not Present

William Bilton
Dr. Amy Crockett
Chief Bill Harris
Melanie Matney
Dr. Kashyap Patel
Dr. Jennifer Root
Dr. Keith Shealy

Introduction

Director Baker welcomed MCAC members and introduced the agenda. He advised that questions should be submitted through the WebEx chat box.

Advisements

Advisement: Community Choices and HIV/AIDS 1915 (c) Wavier Renewals

An overview of the advisement was provided by Margaret Alewine.

No questions were asked.

SCDHHS Updates

Finance

Quincy Swygert presented the FY 2021-22 General Appropriations Request and supplemental slides.

The following questions were asked:

1. Is fee-for-service affecting behavioral health percentages?
 - a. SCDHHS responded that yes there is some utilization drop off on the fee-for-service line.
The agency responded that behavioral health has been slightly over-budgeted after



carve-in any way and that the agency typically runs below the appropriation the General Assembly has included on that line in the budget. The agency added that it saw some drop off in utilization early on but that the agency has produced a significant amount of telemedicine guidance and that it has seen utilization bounce back. Finally, the agency added that there may also be some spillover effects from utilization dropping off in school-district services as well.

Closing

Director Baker stated that the committee can expect more advisements at the next MCAC meeting in February and that the agency will have more of a sense of what the budget situation at that time.

Director Baker closed by wishing everyone a safe and happy holiday season.

**South Carolina Department of Health and Human Services
Medical Care Advisory Committee
Item for Committee Advisement**

PREPARED BY: Ann-Marie Dwyer, Director, Behavioral Health

PRESENTED BY: Janelle Smith, Deputy Director, Office of Health Programs

DATE: Feb. 9, 2021

SUBJECT: Mandatory Medicaid State Plan Coverage of Medication-Assisted Treatment (MAT)

OBJECTIVE: To comply with mandatory federal requirements and create a new MAT section in the South Carolina State Plan.

BACKGROUND: On Dec. 30, 2020, the Centers for Medicare and Medicaid Services issued guidance to states regarding section 1006(b) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act. To increase access to MAT for opioid use disorders (OUDs), section 1006(b) of the SUPPORT Act requires states to provide Medicaid coverage of certain drugs and biological products, and related counseling services and behavioral therapy.

MAT is an effective, comprehensive, and evidence-based treatment that is integral to addressing the nation's opioid crisis. Section 1006(b) of the SUPPORT Act amended the Social Security Act to require states to cover MAT for all who are eligible to enroll in the State Plan.

The new mandatory MAT benefit includes all FDA-approved drugs and licensed biologicals used for MAT to treat OUD, as well as associated counseling and behavioral therapies. Covered drugs are methadone, buprenorphine, and naltrexone. Covered behavioral health services include individual/group therapy, peer support services and crisis intervention.

Currently MAT is covered under different authorities in the State Plan, but to be compliant with the SUPPORT Act, South Carolina will have to create a new required benefit to be in effect for a five-year period beginning Oct. 1, 2020, and ending Sept. 30, 2025.

BUDGETARY IMPACT: The South Carolina Department of Health and Human Services anticipates this change will be budget neutral since these services are already covered under the State Plan.

EXPECTED OUTCOMES: Compliance with Section 1006(b) of the SUPPORT Act.

EXTERNAL GROUPS AFFECTED: This amendment will apply to opioid treatment programs and behavioral health service providers (Rehabilitative Behavioral Health Services, Community Mental Health Services, and Licensed Independent Practitioners).

RECOMMENDATION: To submit a state plan amendment to comply with federal requirements and create a MAT section in the State Plan.

EFFECTIVE DATE: Oct. 1, 2020

**South Carolina Department of Health and Human Services
Medical Care Advisory Committee
Item for Committee Advisement**

PREPARED BY: Betsy Corley, Program Manager, Operations and Managed Care Oversight

PRESENTED BY: Betsy Corley, Program Manager, Operations and Managed Care Oversight

DATE: Feb. 5, 2021

SUBJECT: Waiver of Recovery Audit Contractor (RAC) requirements in 42 CFR Section 455.508(b).

OBJECTIVE: The state is seeking an exception to 42 CFR §455.508(b), the requirement that the RAC must hire a minimum of 1.0 full-time equivalent (FTE) contractor medical director. The state shall require the RAC to hire no less than 0.1 FTE named and available medical director who is a doctor of medicine in good standing with the relevant state licensing authorities.

BACKGROUND: Under Section 1902(a)(42)(B)(i) of the Social Security Act, states and territories are required to establish programs to contract with one or more Medicaid RACs. The purpose is to identify underpayments and overpayments and recoup overpayments under the State Plan and under any waiver of the State Plan with respect to all services for which payment is made to any entity under such State Plan or waiver. Under 42 CFR §455.516, states may submit a state plan amendment (SPA) seeking exception from some or all Medicaid recovery audit contracting requirements. The South Carolina Department of Health and Human Services (SCDHHS) is seeking an exception to 42 CFR §455.508(b), to waive the requirement of a 1.0 FTE medical director dedicated to the South Carolina market.

In previous years, SCDHHS has contracted with vendors for the RAC program. However, with the growth of managed care organizations and decreased fee-for-service volume, many states have been unable to attract and contract with RAC vendors. Many states, including South Carolina, were granted waivers of the RAC program until a vendor could be contracted.

To stay competitive like other state markets and allow SCDHHS' Division of Program Integrity to contract and retain a RAC vendor, SCDHHS agreed to seek a waiver of the above requirement.

BUDGETARY IMPACT: SCDHHS anticipates this policy change to be budget neutral since the vendor is paid a contingency fee based on the amounts recovered.

EXPECTED OUTCOMES: The waiver would eliminate the requirement of a 1.0 FTE medical director for duties that may not be required on a full-time basis.

EXTERNAL GROUPS AFFECTED: None

RECOMMENDATION: To submit a SPA to the Centers for Medicare and Medicaid Services (CMS) to grant a waiver of 42 CFR Section 455.508(b).

EFFECTIVE DATE: On or after Jan. 1, 2021

Home and Community-Based Services (HCBS) Settings Rule – South Carolina Statewide Transition Plan Update

Kelly Eifert, Ph.D.
Project Manager
February 9, 2021



HCBS Rule - Timeline

Date	Action
Jan. 16, 2014	The Centers for Medicare & Medicaid Services (CMS) released HCBS regulation
March 17, 2014	HCBS regulation effective
2014-2015	Development of Statewide Transition Plan and systemic assessment
Feb. 26, 2015	Statewide Transition Plan submitted to the CMS
Nov. 4, 2016	Initial approval of Statewide Transition Plan
2016 – 2017	Transition work continues: changes to policies, provider settings assessments
May 9, 2017	CMS extends transition deadline to March 17, 2022
2018 – 2020	Transition work continues: provider settings compliance action, monitoring of milestones
2019-2021	Home and Community Based (HCB) Quality Review process – heightened scrutiny of settings
Feb. 4, 2020	Final approval of Statewide Transition Plan
July 14, 2020	CMS extends transition deadline to March 17, 2023, due to public health emergency
2020-2023	Transition work continues: provider settings compliance action, monitoring of milestones
March 17, 2023	HCBS transition complete, ongoing monitoring of compliance

South Carolina HCBS Statewide Transition Plan

- Statewide Transition Plan - status update
 - Plan received “final approval” by CMS Feb. 4, 2020
 - Systemic assessment process and changes approved by CMS
 - Settings assessment process, outcomes and changes approved by CMS (even with changes still pending)
- Next steps:
 - Settings heightened scrutiny review process and submission to CMS
 - Category 2 settings – submit to CMS by March 31, 2021
 - Category 3 settings – submit to CMS by Oct. 31, 2021
 - Includes public notice
 - Update CMS on transition milestones

South Carolina HCBS Statewide Transition Plan

- Will release for public notice and comment period on Feb. 10, 2021
 - Public comment Feb. 10 – March 12, 2021
 - Public webinar:
 - Feb. 17, 2021, 11:30 a.m. – 1 p.m.
 - Setting-specific meetings are scheduled for direct beneficiary participation
- Will submit to CMS March 31, 2021

South Carolina HCBS Statewide Transition Plan

- Statewide Transition Plan revisions
 - Date changes throughout the document due to CMS' extension of HCBS transition deadline
 - Fully described state-level review for CMS Heightened Scrutiny:
 - Adult Day Health Care setting
 - South Carolina Department of Disabilities and Special Needs (SCDDSN) settings
- Category 2 SCDDSN settings submitted for CMS heightened scrutiny review
 - These are settings next to or adjacent to Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)
 - Seven settings fall in this category for submission

Heightened Scrutiny Category 2 settings

SCDDSN settings in Category 2

	Setting Name	Setting Type	<u>Region</u>
1.	Fountain Inn	SLP II	Piedmont
2.	Gibbs Activity Center	Day/AAC	Pee Dee
3.	Meadowlark	CTH II	Midlands
4.	Patrick Center Activities	Day /AAC	Piedmont
5.	Piedmont Skills – Patrick Center	Day/AAC	Piedmont
6.	Piedmont Skills – Fountain Inn	Day/AAC	Piedmont
7.	Washington	CTH II	Pee Dee

SLP II = Supervised Living Program

AAC = Adult Activity Center

CTH II = Community Training Home

Appropriation/Authorization to Year to Date Actual Spending
FY 2021 YTD (Through December-QTR 2)

Budget by Major Program and Spending Purpose	FY 2021 Continuing Resolution	FY 2021 Expenditures	Remaining from Approp./Auth.	% Expended	Variance Notes
SCDHHS Medicaid Assistance					
Coordinated Care	3,211,533,433	1,757,380,798	1,454,152,635	55%	
Hospital Services	570,679,187	261,210,548	309,468,639	46%	
Disproportionate Share	551,388,621	284,261,706	267,126,915	52%	
Nursing Facilities	652,042,013	311,217,412	340,824,601	48%	
Pharmaceutical Services	161,827,370	61,954,332	99,873,038	38%	Utilization down by 23% compared to prior fiscal year.
Physician Services	101,830,682	41,361,681	60,469,001	41%	
Community Long-term Care (CLTC)	194,404,049	136,106,128	58,297,921	70%	Community Choices and Personal Care Attendant waivers seeing significant growth beyond budgeted in Continuing Resolution
Dental Services	154,521,932	71,723,957	82,797,975	46%	
Clinical Services	45,774,768	13,184,472	32,590,296	29%	Utilization down by 3%, patient count down by 25%, and expenditures down by 51% compared to prior fiscal year.
Transportation Services	93,817,099	44,997,118	48,819,981	48%	
Medical Professional Services	27,515,628	16,682,712	10,832,916	61%	Utilization up by 9% compared to prior fiscal year.
Durable Medical Equipment	33,811,651	20,885,649	12,726,002	62%	Average patient receiving more units of service in FY2021. Utilization up by 5% compared to prior fiscal year.
Lab & X-Ray Services	12,415,512	5,956,274	6,459,238	48%	
Hospice	15,813,290	8,464,887	7,348,403	54%	
Program of All-Inclusive Care (PACE)	16,211,851	8,366,678	7,845,173	52%	
EPSTD	3,976,527	1,307,646	2,668,881	33%	EPSTD services seeing a trending decrease in FY2021. Utilization down by 39% compared to prior fiscal year.
Home Health Services	13,042,685	7,444,891	5,597,794	57%	
OSCAP	8,300,611	2,994,418	5,306,193	36%	
Optional State Supplement (OSS)	20,633,161	8,873,422	11,759,739	43%	
Premiums Matched	257,979,091	132,963,779	125,015,312	52%	
MMA Phased Down Contributions	114,156,884	36,754,249	77,402,635	32%	Part D rate reduced due to FFCRA. Credit received in July for Prior QTRs
Premiums 100% State	22,605,412	12,210,531	10,394,881	54%	
Children's Community Care	20,510,164	11,035,420	9,474,744	54%	
Behavioral Health	75,212,140	19,703,224	55,508,916	26%	Budget alignment between Coordinated Care and FFS
Total SCDHHS Medicaid Assistance	\$ 6,379,803,761	\$ 3,277,041,932	\$ 3,102,761,829	51%	
Disabilities & Special Needs (DDSN)	702,448,900	344,831,630	357,617,270	49%	
Education (DOE)	46,091,978	7,738,465	38,353,513	17%	Spend weighted towards end of year
Health & Environmental Control (DHEC)	1,739,760	700,056	1,039,704	40%	
Medical University of SC (MUSC)	17,935,870	86,448	17,849,422	0%	Timing of Supplemental Teaching Payments
Mental Health (DMH)	54,937,749	20,039,021	34,898,728	36%	
University of South Carolina (USC)	510,321	6,333	503,988	1%	Timing of Supplemental Teaching Payments
Other Entities Funding	12,249,758	47,483	12,202,275	0%	Timing of Supplemental Teaching Payments
State Agencies & Other Entities	\$ 835,914,336	\$ 373,449,436	\$ 462,464,900	45%	
SCDHHS Operating Expenditures					
Personnel & Benefits	86,409,229	39,670,912	46,738,317	46%	
Medical Contracts	416,806,993	100,439,990	316,367,003	24%	Contracts issued annually; spend weighted towards end of year
Other Operating Costs	72,797,051	35,073,643	37,723,408	48%	
Total SCDHHS Operating Expenditures	\$ 576,013,273	\$ 175,184,545	\$ 400,828,728	30%	
Total Budget - Annual Budget Appropriation	\$ 7,791,731,370	\$ 3,825,675,913	\$ 3,966,055,457	49.1%	