

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

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PRESENTED BY: Sam Waldrep

DATE: January 9, 2013

SUBJECT: Coverage of Incontinence Supplies

OBJECTIVE: Coverage of Incontinence Supplies under the mandatory Medicaid State Plan Home Health benefit pursuant to 42 CFR 440.70(b)(3)

BACKGROUND:

SCDHHS has covered incontinence supplies through home and community-based waiver programs for over 20 years. Currently, seven of the State's nine waivers include incontinence supplies as a service. The Centers for Medicare & Medicaid Services (CMS) indicated that the appropriate authority for incontinence supplies coverage is under the Medicaid State Plan Home Health benefit. This determination is connected in part to a CMS Notice of Proposed Rule Making (NPRM) (Vol. 76, Issue 133; July 12, 2011) that revised the Medicaid home health service definition as required by Section 6407 of the Affordable Care Act. The NPRM revised the home health definition of supplies to include health care related items that are consumable or disposable, or cannot withstand repeated use by more than one individual.

Services provided in home and community-based waivers do not have to be available to all Medicaid beneficiaries; waivers can target a specific population, and enrollment can be limited. In contrast, services covered under the Medicaid State Plan Home Health benefit must be made available to all beneficiaries who meet medical necessity criteria to receive the service and have a physician's order. This potentially will allow an increase in the number of beneficiaries receiving these incontinence supplies, leading to an increase in expenditures.

After almost two years of discussions with CMS, SCDHHS agreed to transition to providing incontinence supplies as a home health benefit. While the agency requested a July 1, 2013 start to ensure an orderly transition, CMS required the state to begin its implementation January 1, 2013. During the time of these discussions, three of the seven waivers were up for renewal, and CMS indicated it would not approve any extension including incontinence supplies as a waiver service past January 1, 2013. The three waivers were revised and have now been approved for five-year renewals. (One of the waivers was altered to include incontinence supplies only for amounts above and beyond the state plan monthly limit. This type of *extended* state plan service is allowable for waiver programs and is referenced in the MCAC Advise ment concerning the renewal of the Head and Spinal Cord Injury Waiver.)

SCDHHS has also developed medical necessity criteria to be applied for any beneficiary requesting incontinence supplies, including a physician's order for the supplies. To increase efficiency, the agency is developing automated processes for taking applications for the supplies.

SCDHHS must still amend the other four waiver programs which also include incontinence supplies. These amendments are in process with a requested effective date of April 1, 2013. In addition, a beneficiary notification will be developed to inform beneficiaries of this available service. There will also be changes in billing and reporting, with a requested implementation date of April 1, 2013. A State Plan Amendment in the Home Health section is not needed.

BUDGETARY IMPACT: The budgetary impact is still under evaluation. Incontinence Supplies paid claims totaled \$11,942,814 for the 1915(c) HCBS waiver programs from July 2011 to December 2012. This is expected to increase as more people begin receiving the supplies.

EXPECTED OUTCOMES: Medicaid beneficiaries who meet the medical necessity criteria for Home Health incontinence supplies, and whose supplies are ordered by a physician, will receive incontinence supplies.

EXTERNAL GROUPS AFFECTED: Physicians, providers of incontinence supplies and eligible beneficiaries.

RECOMMENDATION: To amend the remaining four waivers and to continue working toward a complete implementation of providing incontinence supplies under the Medicaid State Plan by April 1, 2013.

EFFECTIVE DATE: Ongoing, but will be completed by April 1, 2013.