SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

Henry McMaster GOVERNOR
Robert M. Kerr DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

Medical Care Advisory Committee (MCAC)
May 11, 2021
SCDHHS, 1801 Main Street, Columbia, South Carolina 29201
10 a.m.-12 p.m.

I. Welcome by Director

II. Advisements

- Supplemental Teaching Physician (STP) Payment Program
- Nursing Facility COVID-19 Lost Medicaid Revenue Payment Adjustments

Jeff Saxon, Program Manager, Finance and Administration

- Intellectually Disabled/Related Disabilities (ID/RD) Waiver Renewal
- Medically Complex Children (MCC) Waiver Renewal
- Dental Services
- Program for All-Inclusive Care for the Elderly (PACE)

Janelle Smith, Deputy Director, Health Programs

SCDHHS Updates

Quincy Swygert, Budget Director

- Fiscal Year 2021 Quarter 3 Budget Update

III. Public Comment

IV. Closing Comments

V. Adjournment

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

Henry McMaster GOVERNOR
Robert M. Kerr DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

Medical Care Advisory Committee
Feb. 9, 2021, Meeting Minutes

Present	Not Present
Graham Adams	John Barber
Sue Berkowitz	William Bilton
Maggie Cash	Chief Bill Harris
Dr. Amy Crockett	Dr. Kashyap Patel
Dr. Tom Gailey	Loren Rials
Amy Holbert	Dr. Jennifer Root
Tysha Holmes	Dr. Keith Shealy
Bill Lindsey	
J.T. McLawhorn	
Melanie Matney	
Michael Leach	
Mary Poole	
Tricia Richardson	
Amanda Whittle	
Lathran Woodard	

Introduction

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

Advisements

Advisement: Mandatory Medicaid State Plan Coverage of Medication-Assisted Treatment (MAT)
An overview of the advisement was provided by Janelle Smith.

No questions were asked.

Advisement: Waiver of Recovery Audit Contractor (RAC) requirements in 42 CFR Section 455.508(b).
An overview of the advisement was provided by Betsy Corley.

No questions were asked.

SCDHHS Updates

Office of Compliance

Kelly Eifert provided an update on the Home and Community-Based Services (HCBS) Settings Rule- South Carolina Statewide Transition Plan.

No questions were asked.

Finance
Quincy Swygert presented the Quarter 2 Budget Update

The following question(s) were asked:

1. Where is the family planning line and is it trending up in numbers and money?
    a. SCDHHS responded that some of the expenditures route to the physicians and some to the pharmaceuticals line. Family Planning is not currently its own individual line, but the agency sends a report to the General Assembly on family planning and can send that report to the committee.
2. Where are the budget dollars associated with the Healthy Connections Check-up program?
    a. SCDHHS responded that they would pull claims information for this program and send a summary of the trend analysis to the committee.

****The above reports for questions 1a and 2a were sent to the MCAC members on April 2, 2021****

Public Comment
The following question(s) were asked:

1. Is there an organization chart available for the committee so we can better understand who will be doing what roles at the agency now?
    a. SCDHHS responded that it will distribute an organization chart but noted that the agency recently lost several positions and some of those may not be filled. The agency also added that it is under acting leadership and a permanent director may have a different opinion of how the agency should be organized.
2. If we have outstanding items that were not resolved or completed before the last director left can we send those emails and requests to you?
    a. SCDHHS asked members of the committee to email the outstanding items so requests can be reviewed. The agency added that some issues may need to wait until a permanent director is in place but there may items that can be resolved prior to that time.

Closing
Acting Director Phillip closed the call by noting that the next meeting is scheduled for May 11, 2021.

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

PREPARED BY: Jeff Saxon, Program Manager, Office of Finance and Administration

PRESENTED BY: Jeff Saxon, Program Manager, Office of Finance and Administration

DATE: May 11, 2021

SUBJECT: The South Carolina Medicaid Supplemental Teaching Physician (STP) Payment Program

OBJECTIVE: To update the base year data used for the determination of the STP payments under the Centers for Medicaid and Medicare Services (CMS) approved STP average commercial rate (ACR) payment methodology.

BACKGROUND: The current STP payment methodology, effective April 1, 2020, employs the use of average commercial rates, Medicaid fee-for-service (FFS) claims experience and supplemental teaching physician listings applicable to calendar year 2019 service dates for each STP provider. In order to update the STP ACR payments for the period April 1, 2021, through March 31, 2022, SCDHHS will employ calendar year 2020 commercial payer rates, Medicaid FFS claims data, and updated teaching physician listings for each STP provider. The Medicaid FFS claims data will be adjusted by an incurred but not reported (IBNR) factor to account for any incurred calendar year 2020 claims that may pay during the course of calendar year 2021. SCDHHS will continue to determine the STP ACR payments on a provider-specific level based upon the use of the ACR per code.

BUDGETARY IMPACT: Annual aggregate Medicaid FFS STP expenditures will decrease by approximately $2,000,000. This reduction in expenditures results primarily from a reduction in the volume of services provided during the base year (i.e. calendar year 2020). No state match will be incurred by SCDHHS since the state matching funds required for these payments are provided via intergovernmental transfers from the Medical Universities, non-state-owned governmental hospitals or from the South Carolina Area Health Education Consortium (AHEC).

Additionally, SCDHHS has received CMS approval of the recently agreed to prospective funding arrangement reached between PRISMA Health and the University of South Carolina. The effective date of this funding agreement is July 1, 2020.

EXPECTED OUTCOMES: Medicaid member access to STP providers is expected to be maintained or increased.

EXTERNAL GROUPS AFFECTED: STP providers and Medicaid members.

RECOMMENDATION: Move to amend the current state plan to incorporate the use of updated base year data and continued use of an IBNR factor when determining the ACR payments for qualifying STP providers.

EFFECTIVE DATE: For services provided on and after April 1, 2021.

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

PREPARED BY: Jeff Saxon, Program Manager, Office of Finance

PRESENTED BY: Jeff Saxon, Program Manager, Office of Finance

DATE: May 11, 2021

SUBJECT: Nursing Facility Coronavirus Disease 2019 (COVID-19) Lost Medicaid Revenue Payment Adjustments

OBJECTIVE: To provide eligible contracting nursing facilities with quarterly payments relating to "lost Medicaid revenue" due to the COVID-19 pandemic.

BACKGROUND: As a result of the agency's review of census data provided by the South Carolina Health Care Association, the South Carolina Department of Health and Human Services (SCDHHS) recognized the need to provide certain South Carolina Medicaid contracting nursing facilities with additional funding due to their loss of South Carolina Medicaid patient revenue resulting from the impact of the COVID-19 pandemic. To address this issue, SCDHHS proposes to submit the following methodology to the Centers for Medicare and Medicaid Services (CMS) for approval to determine which nursing facilities qualify for the subject payments as well as the payment calculation process.

Qualification Process:

The South Carolina Medicaid contracting nursing facilities that will qualify for the additional payments will be those nursing facilities whose Jan. 1, 2021, total occupancy rate, based upon Medicaid certified beds only, is less than eighty-two percent (82%). Nursing facilities whose Jan. 1, 2021 total occupancy rate is equal to or greater than eighty-two percent (82%) will not be eligible to receive the additional payment. Additionally, any nursing facility whose Jan. 1, 2021 total occupancy rate is greater than their fiscal year end (FYE) Sept. 30, 2019, total occupancy rate will not be eligible to receive the additional payment.

Individual Payment Calculation Process:

- First, the FYE Sept. 30, 2019, total occupancy rate of each nursing facility is compared to the January 2021 monthly total occupancy rate.
- Next, the difference in the occupancy rates is multiplied by the number of available bed days for a thirty-one (31)-day month to determine the lost total days.
- Next, the lost total days applicable to the thirty-one (31)-day month period is multiplied by the FYE Sept. 30, 2019, Medicaid occupancy rate to determine the number of lost Medicaid days.
- Next, the number of lost Medicaid days is multiplied by the nursing facility's Jan. 1, 2021, Medicaid rate to determine the monthly payment amount for each qualifying nursing facility. The quarterly payment calculations will be adjusted to account for the number of days in each month for which the payment represents.

- Finally, beginning with the July 1, 2021, payment quarter, the total occupancy rate will be reset based upon a more recent SCDHHS-selected census month and payments will be adjusted accordingly. This quarterly update methodology (i.e., updated census data) will continue until the end of this payment program.

Additional Payment Requirements:

1. Nursing facilities will be required to spend one hundred percent (100%) of the federal funds provided for revenue loss associated with the national public health emergency in order to receive the subject payments.

2. The payment adjustments will end once the national public health emergency is lifted or earlier if total occupancy improves.

3. Nursing facilities will be required to submit monthly census data to SCDHHS based upon Medicaid certified beds only. This census data will be used to evaluate whether a nursing facility will be eligible to receive, or continue to receive, payments under this program based upon a moving average two-month period trend rate beginning with the April 2021 census. This information will also be used to reset total occupancy rates used for future quarterly payment purposes.

4. Finally, all interim census data reports used for this payment process will be compared to the FYE Sept. 30, 2021, census report contained within the South Carolina Medicaid Nursing Facility Cost Report to ensure accuracy. This could possibly result in an adjustment to the payment amounts under this program for qualifying nursing facilities in the event that variances exist.

BUDGETARY IMPACT: Quarterly aggregate expenditures are expected to be approximately $28.0 million (total dollars) and are expected to decrease each and every quarter as total occupancy improves.

EXPECTED OUTCOMES: Nursing facility services provided to Medicaid members will be maintained/should improve.

EXTERNAL GROUPS AFFECTED: Qualifying Medicaid nursing facilities.

RECOMMENDATION: SCDHHS moves to amend the current state plan to allow for the "lost Medicaid revenue" payments due to the COVID-19 event.

EFFECTIVE DATE: On or after April 1, 2021.

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

PREPARED BY: Margaret Alewine, Program Manager, Community Options

PRESENTED BY: Janelle Smith, Deputy Director, Health Programs

DATE: May 11, 2021

SUBJECT: Proposed changes to Intellectually Disabled and Related Disabilities 1915(c) waiver.

OBJECTIVE: To incorporate changes at time of renewal for the Intellectually Disabled and Related Disabilities home and community-based services waiver.

BACKGROUND: The Intellectually Disabled and Related Disabilities (ID/RD) waiver is scheduled to expire Dec. 31, 2021. As part of the waiver renewal process, a full review of the waiver applications is being conducted. The following are proposed changes.

- Modification of respite care service to include:
  - A daily rate for group respite in a licensed residential facility.
  - Tiered rates for service provision when delivered to multiple participants residing within the same household requiring respite services at the same time.
  - The option for participant/representative direction of respite care service.
- Addition of in-home support service as a new participant/representative-directed service.
  - In-home support will replace adult attendant care.
- Remove adult attendant care.
  - A transition plan for participants currently receiving adult attendant care is required.
- Increase the service limit for environmental modification service.
  - Current limit is $7,500 per lifetime and there has been no increase since the original waiver application.
  - Analysis shows that of the ID/RD waiver participants with environmental modification expenditures from July 2016 through February 2021, 50% were either equal to or closely approaching the current cap.
  - Recommendation is to increase to $15,000 per lifetime with a re-evaluation of utilization following waiver year one.

BUDGETARY IMPACT: In its application and each year during the period that the waiver is in operation, the state must demonstrate that the waiver is cost neutral. The average per participant expenditures for the waiver and non-waiver Medicaid services must be no more costly than the average per person costs of furnishing institutional (and other Medicaid State Plan) services to persons who require the same level of care.

EXPECTED OUTCOME: Waiver is renewed prior to expiration date.

EXTERNAL GROUPS AFFECTED: Waiver participants, stakeholders, service providers.

RECOMMENDATION: Issue public notification of proposed waiver changes to allow for public input in accordance with 42 CFR 441.304(f).

EFFECTIVE DATE: On or after Jan. 1, 2022.

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

PREPARED BY: Margaret Alewine, Program Manager, Community Options

PRESENTED BY: Janelle Smith, Deputy Director, Health Programs

DATE: May 11, 2021

SUBJECT: Proposed changes to Medically Complex Children 1915(c) waiver.

OBJECTIVE: To incorporate changes at time of renewal for the Medically Complex Children home and community-based services waiver.

BACKGROUND: The Medically Complex Children (MCC) waiver is scheduled to expire on Dec. 31, 2021. As part of the waiver renewal process, a full review of the waiver application is being conducted. The following are proposed changes.

- Increase maximum age for waiver participants from 18 to 21.
    - Registered nurse care coordination is offered as a waiver service. Increasing the maximum age allows for continuity of care during the transition from pediatric to adult care systems and aligns with State Plan services, such as children's personal care and children's private duty nursing, that are available up to age 21 under the Early and Periodic Screening, Diagnostic, and Treatment benefit.
- Remove non-utilized respite service.
    - This service has not been authorized during the current waiver period.
- Add environmental modification service with $7,500 lifetime cap.
    - Service limit is consistent with other 1915(c) waivers.
    - Analysis shows average expenditures for other waiver participants under the age of 20 averaged $5,500, based on claims incurred and paid January 2019 – February 2021.

BUDGETARY IMPACT: In its application and each year during the period that the waiver is in operation, the state must demonstrate that the waiver is cost neutral. The average per participant expenditures for the waiver and non-waiver Medicaid services must be no more costly than the average per person costs of furnishing institutional (and other Medicaid State Plan) services to persons who require the same level of care.

EXPECTED OUTCOME: Waiver is renewed prior to expiration date.

EXTERNAL GROUPS AFFECTED: Waiver participants, stakeholders, service providers.

RECOMMENDATION: Issue public notification of proposed waiver changes to allow for public input in accordance with 42 CFR 441.304(f).

EFFECTIVE DATE: On or after Jan. 1, 2022.

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

PREPARED BY: Gerta Ayers, Senior Consultant

PRESENTED BY: Janelle Smith, Deputy Director

DATE: May 11, 2021

SUBJECT: Dental Services and Medical and Surgical Services of a Dentist Update

OBJECTIVE:

A. Revise the State Plan language for dental services as follows:
   1) Clarify and update the language for the allowable dental services for eligible adult beneficiaries (in accordance with the Social Security Act, Sections 1905(a)(5)(B) and 1902(a)(10)(A) and 42 CFR 440.50(b)).
   2) Clarify providers qualified to be reimbursed for delivering dental services.
   3) Increase the annual maximum for the adult preventive dental benefit to $1,000 per state fiscal year (SFY).

B. Articulate limitations for medical and surgical services of a dentist.

C. Articulate the reimbursement methodology for medical and surgical services of a dentist based on the current approved reimbursement methodology for physician and dental services, respectively.

BACKGROUND:

A. The current State Plan language does not clearly identify 1) provider qualifications needed to be eligible for reimbursement for delivering dental services; or, 2) dental services allowable to adult beneficiaries as mandated under the Social Security Act, Section 1905(a)(5)(B) or 42 CFR 440.50. These services are already State Plan services allowable under section 5.b of the Attachment 3.1-A of the State Plan.

   These updates involve mostly language clarification and housing of the currently allowed services under section 10. Dental Services of the State Plan with minimal or no budget impact.

B. The current State Plan language under section 5.b does not clearly articulate the benefit limitations for the medical and surgical services of a dentist.

C. The current annual maximum allowance for the adult preventive dental benefit is $750 per SFY, excluding dental sedation services.

   An increase in the annual maximum allowance for adult beneficiaries to $1,000 per SFY is necessary, especially for those cases with complex and extensive treatment needs. The goal for this change is to reduce the number of emergency room (ER) visits or opioid prescriptions given for dental-related issues left untreated due to the annual limitation.

The new annual maximum will apply to any dental service, excluding diagnostic and dental sedation, when delivered under the adult preventive dental benefit.

1) The percentage of adult beneficiaries that have accessed dental services and have reached their $750 annual limit during SFY19 is approximately 4.2%, or about 0.8% of all eligible adult beneficiaries.

2) The percentage of adult beneficiaries that have accessed dental services and used between $650-$749.99 during SFY19 is about 5.2%, or approximately 1.1% of all eligible adult beneficiaries.

BUDGETARY IMPACT: The State Plan language clarifications would have minimal to no budget impact. However, the increase of the annual maximum for the adult preventive dental benefit would have a budget impact mostly from the potential expenditures of about 1.9% of all eligible adult beneficiaries utilizing the benefit beyond the $750 annual maximum benefit. The South Carolina Department of Health and Human Services anticipates a one-time budget impact of approximately $700,000 (total dollars) for SFY22 of which approximately $208,250 are state dollars.

EXPECTED OUTCOMES: This policy change will provide a clearer criteria and description of allowable dental services, specifically for the adult beneficiaries. It will also improve beneficiaries' health outcomes and reduce the number of ER visits and/or opioid prescriptions given due to dental-related issues.

EXTERNAL GROUPS AFFECTED: Medicaid beneficiaries and dental providers.

RECOMMENDATION: Amend the State Plan to clearly define covered dental services and medical and surgical services of a dentist.

EFFECTIVE DATE: On or after July 1, 2021.

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

PREPARED BY: Judy Baskins, PACE Program Consultant

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

DATE: May 11, 2021

SUBJECT: State Plan Amendment (SPA) addressing the Program of All-Inclusive Care for the Elderly (PACE) rate setting methodology.

OBJECTIVE: To bring the State Plan into compliance with the Centers for Medicare & Medicaid Services (CMS) rate setting guidelines for PACE programs issued in 2016.

BACKGROUND: CMS requires that the rate setting methodology applied to PACE programs is consistent with the information in the State Plan, the three-way program agreement and the rate information submitted to CMS for approval. In review of the current proposed rate for 2021, CMS has identified information contained in the 2013 SPA that is not consistent with the rate methodology currently being applied to PACE programs. CMS has developed a SPA pre-print that should be used in updating this information. The updated SPA will correct the term "Upper Payment Limit" (UPL) and replace it with the term "As Would Otherwise have been Paid" (AWOP), which more accurately reflects the rate setting methodology now applied to PACE programs in determining the capitated payments.

BUDGETARY IMPACT: SCDHHS anticipates this policy change to be budget neutral.

EXPECTED OUTCOMES: Ongoing compliance with CMS rate setting guidelines for PACE programs issued in 2016.

EXTERNAL GROUPS AFFECTED: None

RECOMMENDATION: To amend the existing SPA to comply with CMS rate setting guidelines.

EFFECTIVE DATE: On or after July 1, 2021

Appropriation/Authorization to Year to Date Actual Spending
FY 2021 YTD (Through March-QTR 3)

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	2,663,319,199	548,214,234	83%	Coordinated Care variance will continue to increase until PHE ends
Hospital Services	570,679,187	445,809,363	124,869,824	78%	
Disproportionate Share	551,388,621	415,966,430	135,422,191	75%	
Nursing Facilities	652,042,013	451,001,712	201,040,301	69%	
Pharmaceutical Services	161,827,370	91,520,958	70,306,412	57%	Utilization down by 23% compared to prior fiscal year. Partly due to shift to generic prescriptions.
Physician Services	101,830,682	63,765,442	38,065,240	63%	Units of service down by 8%, Patient count down by 21% compared to prior fiscal year
Community Long-term Care (CLTC)	194,404,049	195,198,197	(794,148)	100%	Community Choices and Personal Care Attendant waivers seeing significant growth beyond budgeted in Continuing Resolution
Dental Services	154,521,932	107,738,147	46,783,785	70%	
Clinical Services	45,774,768	19,781,357	25,993,411	43%	Utilization down by 3%, patient count down by 25%, and expenditures down by 52% compared to prior fiscal year.
Transportation Services	93,817,099	66,549,311	27,267,788	71%	
Medical Professional Services	27,515,628	25,932,247	1,583,381	94%	Utilization up by 7% compared to prior fiscal year.
Durable Medical Equipment	33,611,651	32,120,353	1,491,298	96%	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	9,455,814	2,959,698	76%	
Hospice	15,813,290	13,387,924	2,425,366	85%	Recipients exceeding budget by 16.3% average FYTD; expenses are over by 12% average through same period, Children ALOS near double of adults
Program of All-Inclusive Care (PACE)	16,211,851	12,488,775	3,723,076	77%	
EPSDT	3,976,527	1,913,320	2,063,207	48%	Utilization down by 37% compared to prior fiscal year.
Home Health Services	13,042,685	10,945,404	2,097,281	84%	
OSCAP	8,300,611	4,321,697	3,978,914	52%	Utilization down by 11.7% and expense per recipient approximately $20 less than prior fiscal year.
Optional State Supplement (OSS)	20,633,161	13,148,285	7,484,876	64%	Utilization down by 3.9% and expense per recipient approximately $30 less than prior fiscal year.
Premiums Matched	257,979,091	202,513,413	55,465,678	78%	
MMA Phased Down Contributions	114,156,884	61,027,244	53,129,640	53%	Part D rate reduced due to FFCRA. Credit received in July for Prior QTRs
Premiums 100% State	22,605,412	17,833,288	4,772,124	79%	
Children's Community Care	20,510,164	16,497,290	4,012,874	80%	
Behavioral Health	75,212,140	31,759,531	43,452,609	42%	Budget alignment between Coordinated Care and FFS
BabyNet (Medicaid Eligible Claims Only)	14,404,419	$26,358,484	(11,954,065)	183%	Continuing Resolution does not capture 2021 re-baselining
COVID 19 testing - Limited Benefit	-	861,534	(861,534)	0%	Continuing Resolution does not include appropriations for COVID testing
Total SCDHHS Medicaid Assistance	**$ 6,394,208,180**	**$ 5,001,214,719**	**$ 1,392,993,461**	**78%**	
Disabilities & Special Needs (DDSN)	702,448,900	519,721,953	182,726,947	74%	
Education (DOE)	46,091,978	13,889,695	32,202,283	30%	Spend weighted towards end of year
Health & Environmental Control (DHEC)	1,739,760	991,065	748,695	57%	Units of service down by 37% compared to prior fiscal year, Patient count down by 54% compared to prior fiscal year.
Medical University of SC (MUSC)	17,935,870	22,086,200	(4,150,330)	123%	Continuing Resolution does not capture 2021 re-baselining
Mental Health (DMH)	54,937,749	29,939,956	24,997,793	54%	Enrollment down 2.3% overall with largest service area (Care Facilities) at 10% less recipients and 13.6% lower expenses than prior fiscal year
University of South Carolina (USC)	510,321	6,957	503,364	1%	Timing of Supplemental Teaching Payments
Other Entities Funding	12,249,758	139,790	12,109,968	1%	Timing of Supplemental Teaching Payments
State Agencies & Other Entities	**$ 835,914,336**	**$ 586,775,616**	**$ 249,138,720**	**70%**	
SCDHHS Operating Expenditures					
Personnel & Benefits	86,409,229	59,025,607	27,383,622	68%	
Medical Contracts	370,125,911	196,245,596	173,880,315	53%	Contracts issued annually; spend weighted towards end of year
Other Operating Costs	58,392,632	26,094,842	32,297,790	45%	Spend weighted towards end of year
Total SCDHHS Operating Expenditures	**$ 514,927,772**	**$ 281,366,045**	**$ 233,561,727**	**55%**	
Total Budget - Annual Budget Appropriation	$ 7,745,050,288	$ 5,869,356,380	$ 1,875,693,908	75.8%	