

PUBLIC NOTICE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The South Carolina Department of Health and Human Services (SCDHHS), pursuant to the requirement of 42 CFR 447.205, gives notice of the following actions regarding Medicaid Targeted Case Management. These changes will be effective for service dates on or after January 1, 2013.

Targeted Case Management: Medicaid Targeted Case Management (MTCM) services include activities which assist eligible Medicaid beneficiaries in approved target populations in gaining access to needed medical, social, educational, and other services. The four components of MTCM are:

- ▶ Assessment
- ▶ Care Planning
- ▶ Referral and Linkage; and
- ▶ Monitoring and Follow-up.

South Carolina Medicaid submitted nine State Plan Amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS) in April 2012. These nine SPAs provide state-wide coverage for Medicaid eligible beneficiaries in the following target populations:

- ▶ Individuals with Intellectual Disabilities and Related Disabilities
- ▶ At Risk Children
- ▶ Adults with Serious and Persistent Mental Illness
- ▶ At Risk Pregnant Women and Infants
- ▶ Individuals with Psychoactive Substance Disorder
- ▶ Individuals at Risk for Genetic Disorders
- ▶ Individuals with Head and Spinal Cord Injuries and Similar Disabilities
- ▶ Individuals with Sensory Impairments; and
- ▶ Adults with Functional Impairments.

South Carolina is also proposing changes to provider qualifications. Entities or agencies with Medicaid demonstrated experience working with the target group, with the accounting, technological, and administrative capacity to document, track and meet SCDHHS and Provider Enrollment requirements may enroll with South Carolina Medicaid to become a provider of MTCM.

The MTCM market based rates were developed based on an analysis of annual compensation and fringe, supervision, travel, training, supplies and

indirect cost of contracting state agencies and SCDHHS proposed productivity factors.

The benefits of a market based rate include a uniform, consistent, and equitable approach to reimbursing for services. Market rates also remove the need for annual cost reports at a later date if state matching funds are transferred to the Medicaid agency.

The proposed rates will be \$15.00 and \$20.00 per 15 minute MTCM unit and will be applicable to all MTCM providers. A face to face MTCM encounter involving travel to the recipient's home/setting will be reimbursed at the \$20.00 rate. All other MTCM encounters will be reimbursed at the \$15.00 rate.

It is anticipated that state agencies currently providing MTCM services will be allowed a transition period of 30 months to fully implement the change from a cost based rate to a market based rate. During this time, state agency specific cost based rates will be recognized as a component of the rate. Beginning January 1, 2013, the proposed effective date, the cost based component will comprise 75% of the MTCM rate while the market based rate will make up 25%. On July 1, 2013, this blend of rates will shift to a 50/50 ratio. On July 1, 2014, this blend of rates will shift to a 25/75 ratio. Effective July 1, 2015, state agencies will receive 100% of the market based rate. The SCDHHS projects that based upon the implementation of the January 1, 2013 rate setting methodology, annual aggregate expenditures are projected to decrease by approximately \$5.3 million total dollars.

In addition to the above changes, South Carolina Medicaid will phase in mandatory prior authorization of these services.

Copies of this notice are available at each County Department of Health and Human Services Office for public review. Additional information concerning these actions is available upon request at the address cited below.

Any written comments submitted may be reviewed by the public at the Department of Health and Human Services, Long Term Care and Behavioral Health Services, 1801 Main Street, Room J-1119, Columbia, South Carolina, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M.

Anthony Keck, Director
Department of Health and Human Services