

South Carolina Spending Plan for Implementation of American Rescue Plan Act of 2021, Section 9817

July 2021



SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

Healthy Connections

MEDICAID



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July 12, 2021

Anne Marie Costello
Acting Deputy Administrator and Director
Center for Medicaid and CHIP Services (CMCS)
7500 Security Blvd.
Baltimore, MD 21244

Dear Acting Deputy Administrator and Director Costello,

The South Carolina Department of Health and Human Services (SCDHHS) respectfully submits South Carolina's initial spending plan and narrative in response to the Centers for Medicare and Medicaid Services (CMS) Medicaid Director Letter dated May 13, 2021, in alignment with Section 9817 of the American Rescue Plan Act (ARPA). This plan outlines key spending priorities that will enhance and strengthen home and community based services (HCBS) and support state COVID-19-related HCBS needs. SCDHHS will submit quarterly spending plans and narratives by the deadlines outlined in the May 13, 2021, letter and provides the following assurances:

- The state is using the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021.
- The state is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021.
- The state is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, that were in effect as of April 1, 2021.
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

The designated SCDHHS contact for future communications and questions is listed below:

Margaret Alewine, Director of Community Options, Office of Health Programs: Margaret.Alewine@scdhhs.gov

Please also copy the following SCDHHS staff:

Eunice Medina, Chief of Staff: Eunice.Medina@scdhhs.gov

Janelle Smith, Deputy Director, Office of Health Programs: Janelle.Smith@scdhhs.gov

Sincerely,



Robert M. Kerr
Director

Executive Summary

South Carolina currently provides Medicaid HCBS through eight waiver programs authorized under section 1915(c) of the Social Security Act. The proposed spending plan outlines an investment framework to enhance, strengthen and improve HCBS through targeted activities in three primary focus areas. Focus areas include:

- **Activities to support recruitment and retention of a robust provider network**
- **Enhancements to HCBS services and improved access to waiver services**
- **Quality and infrastructure improvements**

The spending plan implements an investment framework designed to support COVID-19-related HCBS needs and activities designed to make sustainable improvements that will enhance and strengthen the state’s Medicaid HCBS. These activities augment ongoing HCBS initiatives through a balanced approach of one-time and time-limited funding.

From July to December 2021, SCDHHS will continue to work in coordination with partner agencies and stakeholders to implement the activities according to a projected implementation timeline. Future quarterly spending plans will update the implementation schedule and slate of activities with additional information on impact and outcomes.

South Carolina’s current HCBS waiver programs include:

Waiver	Population Served	Level of Care
Community Choices	Elderly and individuals with physical disabilities.	Nursing Facility
HIV/AIDS	6 years and older with a diagnosis of AIDS or HIV positive and episodes of specific related conditions	Hospital
Mechanical Ventilator Dependent	Serves individuals who require mechanical ventilation	Nursing Facility
Medically Complex Children	Children up to age 18 with chronic physical/health condition that is expected to last at least twelve months	Hospital
Head and Spinal Cord Injury	Individuals up to age 65 that meet diagnostic criteria (traumatic brain injury, spinal cord injury, or similar disability)	Nursing Facility or ICF-IID
Intellectual Disability/Related Disabilities (ID/RD)	Individuals with ID/RD	ICF-IID
Community Supports	Individuals with ID/RD	ICF-IID
Palmetto Coordinated System of Care	Youth with significant behavioral health challenges	Hospital

ICF-IID = Intermediate care facility for individuals with intellectual disability

SCDHHS also provides transition coordination through Home Again, the state’s Money Follows the Person demonstration program. Additional programs that are available through South Carolina’s Healthy Connections Medicaid program include the Program of All-Inclusive Care for the Elderly (PACE), home health services, and rehabilitative behavioral health services.

Spending Plan Projection

Through the ARPA, the state will receive an additional 10% in federal match for HCBS services from April 1, 2021, through March 31, 2022. The additional match will result in a projected \$80 million that must be invested back into HCBS through March 2024.

Spending Plan Narrative

The identified activities are designed to enhance ongoing HCBS initiatives through an investment framework that maximizes the increased federal funding while ensuring a sustainable financial investment beyond the limited funding period. Assessment of the activities that support SCDHHS' three primary focus areas includes calculation of the non-federal funding share and sustainability requirements necessary to maintain the level of services for ongoing enhancements.

Activities to Support Recruitment and Retention of a Robust Provider Network

Projected State Allocation Through March 2024: \$35 million

The agency's ongoing evaluation of HCBS demonstrates that additional support is necessary to maintain an adequate provider network. SCDHHS has also identified opportunities to address COVID-19-related concerns during the current public health emergency. These opportunities to provide support for providers and their workforce are outlined below.

Workforce Support & Training

Based on the results of analysis performed by the agency, the state will consider additional ways of supporting the HCBS provider workforce through one or more of the following:

- Signing bonuses and retention payments for direct service professionals and nursing staff;
- Retainer payments for providers;
- Training and certifications; and,
- Strengthening assessments and person-centered training

Specialized Payments

SCDHHS is considering ways to incorporate a method(s) to provide hazard pay and shift differential pay for direct support professionals and home care workers. The agency will work with providers to develop an appropriate payment method that ensures the additional funds are passed down to the HCBS workforce. The state will also add funding for providers to make physical, operational, or other changes to safely deliver services during the public health emergency.

Enhancements to HCBS and Improved Access to Waiver Services

Projected State Allocation Through March 2024: \$35 million

To increase access to care for South Carolinians in need, the state will dedicate additional funding to increase the number of slots available through its HCBS programs based on current needs and capacity. Increasing the number of funded waiver slots will reduce current waiting lists for ID/RD, HASCI and Community Supports waivers and reduce the potential for future waiting lists in community long-term care waivers. Additionally, SCDHHS will provide funding for time-limited supplies and equipment to

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SCDHHS

enhance access to services and protect the health and well-being of home care workers and direct support professionals.

To enhance the services provided to Healthy Connections Medicaid members who are enrolled in an HCBS program, the state will also invest in enhancing the services available to waiver participants. This will include providing new services through the state's HCBS waiver programs and enhancing existing services. The state's proposed spending plan includes:

- Increasing the allowable amount of waiver case management services provided through the ID/RD, Community Supports and HASCI waivers. Increasing this limit will address COVID-19-related concerns and support quality improvement through an increased focus on the health and welfare of participants.
- Increasing the rate for home accessibility adaptations to help offset the increase in material costs and increasing lifetime service limits for environmental modifications provided through the ID/RD waiver.
- Adding environmental modification services to the Medically Complex Children waiver.
- Adding independent living skills training as a service for the ID/RD, Community Supports and HASCI waivers. The state intends for these services to be delivered individually for participants who prefer to receive skills training outside of day activity facilities.
- Extending the use of supportive technology for at-home participants, including through the upcoming renewal of the ID/RD waiver.
- Adding in-home supports services to the ID/RD waiver through its upcoming renewal. This service was added on a temporary basis during the COVID-19 public health emergency through SCDHHS' Appendix K amendment to provide an additional self-directed service option.
- Supporting family caregivers by temporarily providing supplies such as personal protective equipment that are not typically covered under the Medicaid program.
- Additional support through community transition services to facilitate individuals transitioning from institutional or other provider-operated congregate living arrangements to community-based living arrangements.
- Increasing the state's provider capacity by using time-limited funding to provide funding for providers and their workforce to pursue additional education and certification opportunities. This effort would largely mirror the model S has used to incentivize certification for other provider types.
- Supporting innovation and use of technology to improve access to care by allocating time-limited funding to cover providers' and beneficiaries' telehealth startup costs.

Quality and Infrastructure Improvements

Projected State Allocation through March 2024: \$10 million

To enhance access and quality of care, SCDHHS will invest in needed infrastructure improvements and sustainable quality initiatives. Through its proposed spending plan, SCDHHS will dedicate additional funding to enhance the implementation of its quality improvement strategy. The agency will also invest in program infrastructure needs including upgrading the state's HCBS incident management system(s) and evaluating the need for updates to its case management system(s). This will allow the state to build capacity for cross-system data integration to detect unreported incidents of abuse, neglect and exploitation. The state will also further enhance its provider training support through pursuing an electronic training platform for HCBS providers that will increase access to provider training resources.

Stakeholder Input

SCDHHS engaged a variety of stakeholders for input during the initial planning phase while developing its spending plan. Given the condensed timeframe for completion of an initial spending plan, SCDHHS intends to continue engagement as quarterly updates to the initial spending plan are prepared and strategies are deployed.

Input from provider associations, individual providers, families, partner agencies and councils, advisory committees and participants helped to inform this initial spending plan. A summary of the feedback received from these partner meetings, listening sessions and written comments is provided below.

Summary of Stakeholder Feedback

- Difficulty hiring and retaining staff, particularly direct support professionals and nursing staff
- Impact of COVID-19 on delivery of services, providers, participants and family caregivers
- Evaluate specialized payments to address impact
- Evaluation of service rates
- Exploring use of technology, telehealth and non-traditional approaches to services
- Transitioning individuals into community settings
- Waiting list reduction
- Provider training and supports
- Caregiver supports and training
- Enhancing services such as environmental modifications
- Investing in quality improvement activities, such as updating systems for incident management and reporting, and enhancing monitoring activities
- Balancing funding among day, residential and home care services
- Actively expand the direct care workforce and increase provider capacity
- Incentive payments and retention bonuses
- Building partnerships with housing authorities to support community transitions
- Review of policies and temporary flexibilities put into place during the public health emergency to consider continuation

Sustainability of Enhanced HCBS Initiatives

SCDHHS has designed this initial spending plan to balance time-limited and one-time funding as well as longer term activities already in planning stages to enhance and strengthen the state's HCBS programs. Using this balanced approach to develop the state's HCBS spending plan has allowed SCDHHS to identify initiatives that are sustainable and support the agency's overall HCBS strategy.