

**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: November 13, 2015

SUBJECT: Long term care psychiatric hospital rate update effective December 1, 2015 for two of the South Carolina Department of Mental Health's (SCDMH) hospitals.

OBJECTIVE: To update the Medicaid per diem reimbursement rate for Bryan Psychiatric Hospital due to the relocation of the William S Hall beds to the Bryan Psychiatric Hospital campus.

BACKGROUND: Under the current Centers for Medicare and Medicaid Services (CMS) approved South Carolina Medicaid state plan, William S. Hall and Bryan Psychiatric Hospital receive individual Medicaid prospective per diem rates based upon hospital fiscal year 2012 base year cost report data. It is anticipated in November 2015 that SCDMH will relocate the William S Hall beds from the current location to the Bryan Psychiatric Hospital campus and thus be operated under one license. Because of the relocation of the William S Hall beds and resulting renovation costs incurred by SCDMH, the South Carolina Department of Health and Human Services (SCDHHS) will update its current CMS approved state plan to allow the SCDMH to file a budgeted cost report to set the interim payment rate for Bryan Psychiatric Hospital. The SCDHHS will also provide for retrospective cost settlement for Bryan Psychiatric Hospital through September 30, 2017 and then go back to a prospective payment rate effective October 1, 2017.

BUDGETARY IMPACT: Annual aggregate Medicaid expenditures are expected to decrease by approximately \$5 million (total dollars). No state match savings will be incurred by SCDHHS since SCDMH receives the state matching funds for these hospitals via the annual state budget appropriation process.

EXPECTED OUTCOMES: Medicaid recipient access to long term care psychiatric hospitals is expected to be maintained.

EXTERNAL GROUPS AFFECTED: Bryan Psychiatric Hospital and Medicaid recipients.

RECOMMENDATION: Move to amend the current state plan to allow for the change from a prospective to a retrospective payment system for Bryan Psychiatric Hospital through September 30, 2017 due to the relocation of the William S Hall beds to the Bryan campus.

EFFECTIVE DATE: For services provided on and after December 1, 2015

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

PREPARED BY: Vanessa Busbee

PRESENTED BY: Roy Smith

DATE: September 28, 2015

SUBJECT: Five-year waiver renewals for the Community Long Term Care (CLTC) HIV/AIDS SC.0186 and Community Choices SC.00405 home and community-based waiver programs and amendment of the Mechanical Ventilator Dependent Waiver SC.40181.

OBJECTIVE: Submit waiver renewals for the Community Choices and HIV/AIDS home and community-based waiver programs, amending the Mechanical Ventilator Dependent waiver and receive CMS approval to continue operating the waivers. In renewing the waiver we are seeking to make changes to strengthen the waiver programs.

For both waivers:

- Address the CMS Final Rule requirements;
- Incorporate CMS's required Quality Improvement Project
- Modify the Case Management service to reimburse a monthly fixed rate rather than in 15 minute increments; adjusting the enrollment process that will allow for agency only providers while retaining the current Independent Case Managers (amend the Mechanical Ventilator Dependent Waiver to include this modified service)

For the Community Choices waiver:

- Remove non-utilized Adult Care Home service;
 - No providers and no real demand for the service
- Remove ADHC Transportation service;
 - The broker system is being amended in the latest RFP to include all transportation to adult day care centers;
 - This will be done as an amendment if the change is not in place at the time of the waiver renewal
- Remove Nursing Home Transition service;
 - The Home Again program provides the same and additional services, making this service redundant;

BACKGROUND: CLTC directly operates three home and community-based waivers whose goal is to provide an alternative to more costly institutional placement. This is done through the provision of a variety of services, with case managers working with participants and families to create an

individualized service package. The Community Choices waiver provides services for persons with physical disabilities and frail elderly and has been in statewide operation since 1983. The HIV/AIDS waiver has been in place since 1988 and provides services to persons diagnosed with HIV and who are at risk for hospitalization. CMS requires renewals every five years and the current waivers expire June 30, 2016. This renewal allows the waivers to continue and amends some services and operational policies to enhance the waiver programs. Amending the Mechanical Ventilator Dependent waiver will continue to keep case management consistently operated against all waiver programs.

BUDGETARY IMPACT: The census for the HIV/AIDS waiver is fairly stable and no major changes are being requested in the services provided. If rate increases occur over the five year period of the renewal, then expenditures would increase. The Community Choices waiver continues to grow. There are currently almost 15,000 waiver participants with over 4,300 additional applications. The waiver is projected to have a net increase of 3%-4% each year, so the expenditures will grow by that amount, in addition to any future rate increases. However, the waiver serves as an alternative to nursing facility placement. Nursing facility care is considerably more expensive, so to the extent that increasing waiver participation decreases nursing facility placements, the net effect is a reduction of overall costs. There is no budgetary impact for the Mechanical Ventilator Dependent waiver for the change in case management.

EXPECTED OUTCOMES:

- Increased quality improvement measures
- Improved case management services

EXTERNAL GROUPS AFFECTED:

- Waiver participants and their families
- Waiver service providers

RECOMMENDATION: Proceed with submitting waiver renewals and waiver amendment to CMS no later than March 31, 2016.

EFFECTIVE DATE: On or about July 1, 2016 or upon CMS approval.

Information Management

Jim Coursey

Chief Information Officer, Medical Care Advisory Committee

November 17, 2015



Policy & System

ICD-10 Status

- The ICD-10 Project successfully implemented as scheduled on October 1, 2015
- ICD-10 Status
 - No major issues to report at this time
 - Claims Processing
 - ICD-10 related claims transactions is within the agency's average processing parameters
 - Ongoing daily claims edit analysis is conducted by agency ICD-10 project team members to identify any processing issues
 - Provider Service Center (PSC)
 - The PSC team provides daily call center reports to the ICD-10 project team for impact analysis
 - Call volumes have not increased
 - The ICD-10 project team monitors any assigned ICD-10 Issue Code events daily
 - ICD-10 Issue Code events are provider training versus system related issues
- For additional questions, please email icd10contacts@scdhhs.gov

Hospital Readmission Strategy

Bryan Amick

Pharmacy Director, Medical Care Advisory Committee

November 17, 2015



Goal

- To reduce preventable hospital readmissions by clearly defining their causes and using these findings to update Medicaid reimbursement policies.

Current System

- Defines readmission period as 30 days.
- Depends on retrospective review and recoupment.
- Only a fraction of the potentially inappropriate readmissions are reviewed.

New System

- Leverage the Discharge Status Code (DSC) as one parameter to define readmissions.
 - January 1 change to hospital policy to use DSCs 81-95 when appropriate.
- Shift the current retrospective review process to a prospective evaluation of readmissions.
- Use the data collected through the new system to work with health systems to address the root cause of readmissions.



Questions?