SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

Senate Finance Committee / HHS Subcommittee FY 2018-19 Budget Request

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FY 2016-17 Year-End
&
FY 2017-18 Year-to-Date

FY 2016-17 Year-End

	FY 2017 State General/Other Funds	FY 2017 Total Funds Incl. Federal
Medicaid Assistance	$ 1,759,264,674	$ 5,944,812,700
State Agencies	$ 228,576,085	$ 795,980,706
Personnel & Benefits	$ 25,454,910	$ 67,581,130
Medical Contracts & Operating	$ 131,028,228	$ 295,556,559
Total Expenditures	$ 2,144,323,897	$ 7,103,931,095
Revenues Received	$ 2,197,054,991	$ 7,161,996,492
Percent Expended	98%	99%

- Department ended FY 2017 close to target, cash surplus was 2% of state funds, 0.8% of total appropriation
- Much of the gap is associated with one-time events
  - Moratorium on the health insurer tax (HIT) for SFY 2017
  - RMMIS schedule re-baselined

FY 2017-18 1st Quarter

	FY 2018 Realigned Appropriation	FY 2018 Actuals (thru 9.30.17)	%
Medicaid Assistance	$ 6,298,747,696	$ 1,504,463,128	23.9%
State Agencies & Other Entities	$ 876,754,728	$ 170,002,747	19.4%
Personnel & Benefits	$ 80,320,930	$ 21,831,179	27.2%
Medical Contracts & Operating	$ 367,311,413	$ 52,955,258	14.4%
Total	$ 7,623,134,767	$ 1,749,252,312	22.9%

- Department spent 23% of its annual budget during the first three months of the fiscal year
  - "Medical Contracts & Operating" is typically under budget until late in the year
  - Large annual events such as supplemental teaching physician payments and HIT submissions will occur later in the fiscal year
- On track for a break-even year

FY 2018-19 Budget Request

FY 2018-19 Budget Request

Guiding principles for the request:

- Preserves the same general principles as last year
  - Keep reserves above 3% through the planning horizon
  - Fund annualizations
- Updates financial baselines to reflect agency experience
  - $23 million increase to other funds revenues
  - Lower targets for net managed care rate adjustments
- Limited proposals for targeted rate and program changes

FY 2018-19 Budget Request

	General Fund	All Funds
Recurring Requests		
Total Annualization/MOE	$ 26,416,551	$ 7,173,480
CHIP funding if program not re-authorized	$ 52,000,000	$ -
Autism Rate Increase	$ 3,848,880	$ 13,272,000
BabyNet Appropriation Transfer from DDSN	$ 11,402,071	$ 11,402,071
DDSN First Slots Appopriation Transfer	$ (1,368,235)	$ (1,368,235)
Opioids	$ 4,350,000	$ 15,000,000
FY 2018-19 Recurring Changes	***$ 96,649,267***	***$ 45,479,316***
Non-Recurring Request		
Non-Recurring: MMIS	$ 7,741,075	$ 80,154,227

FY 2018-19 Budget Request

Most funding is for annualizations, but these would be new items:

- CHIP funding ($52M general funds)
  - Authorization for ongoing CHIP funding ended September 30, 2017
  - Historically, CHIP match is 80% federal, but has been 100% since FFY 2016
  - $52M assumes federal match drops from 100% to state's average 70%
  - Reauthorization seems likely, but congressional action will dictate final request
- Appropriation transfers
  - First slots to South Carolina Department of Disabilities and Special Needs (SCDDSN) and BabyNet from SCDDSN - Net neutral to the state
  - SCDDSN provided transfer amount in response to proviso 117.133
- Autism rate increase ($3.8M general funds)
  - Assumed utilization increase along with a change to rate structure
- Opioid dependence interventions ($4.3M general funds)

Autism

- New state plan Autism Spectrum Disorder (ASD) services took effect July 1, 2017
  - Services included in the managed care benefit for MCO enrollees
  - Incremental rate increase for lead and line therapy
  - Registered Behavior Technician (RBT) certification required for line therapists
- Pervasive Developmental Disorder (PDD) waiver to sunset by December 31, 2017
- As of September 30, there are 126 autism providers within 20 provider groups enrolled in SC Medicaid
  - 61 individual providers indicated on their enrollment application that they were accepting new Medicaid beneficiaries
- FY 2018-19 request includes blended rate and increase for line therapy

Opioid Dependence

- Evidence-based interventions to prevent, identify, and treat
  - Limiting payment for extended or inappropriate prescriptions
  - Increased access to medication assisted treatment (MAT) in community settings
- Reexamining existing interventions for effectiveness
  - Screening, Brief Intervention and Referral to Treatment (SBIRT) utilization among existing providers; expansion to new groups
  - Telemedicine in rural or underserved communities
- Awaiting results of legislative study efforts and executive guidance
  - Some interest in increased inpatient interventions
  - Common policies among payers creates one set of rules for providers

FY 2018-19 Proviso Changes

- **Amend four provisos:**

  - 117.98 – GP: BabyNet Quarterly Reports – Amend

    The requested amendment deletes First Steps to School Readiness as a reporting entity since BabyNet is now within SCDHHS and deletes reference to the reporting template being "developed by agencies" since the template format is already in place.

  - 117.133 – GP: BabyNet – Amend

    The requested change is a technical amendment to update the reporting date.

  - 33.20 – Medicaid Accountability and Quality Improvement Initiative – Amend

    Although this proviso directs a variety of expenditures, it does not provide or specifically identify a source of funding for this work. The proposed revisions to this proviso would reduce expenditures by approximately $1.1 million (100% state funds) compared to FY 2017-18 levels.

  - 33.24 – SCDHHS: BabyNet Compliance – Amend

    The requested change is a technical amendment to update the reporting date.

FY 2018-19 Proviso Changes

- **Delete:**

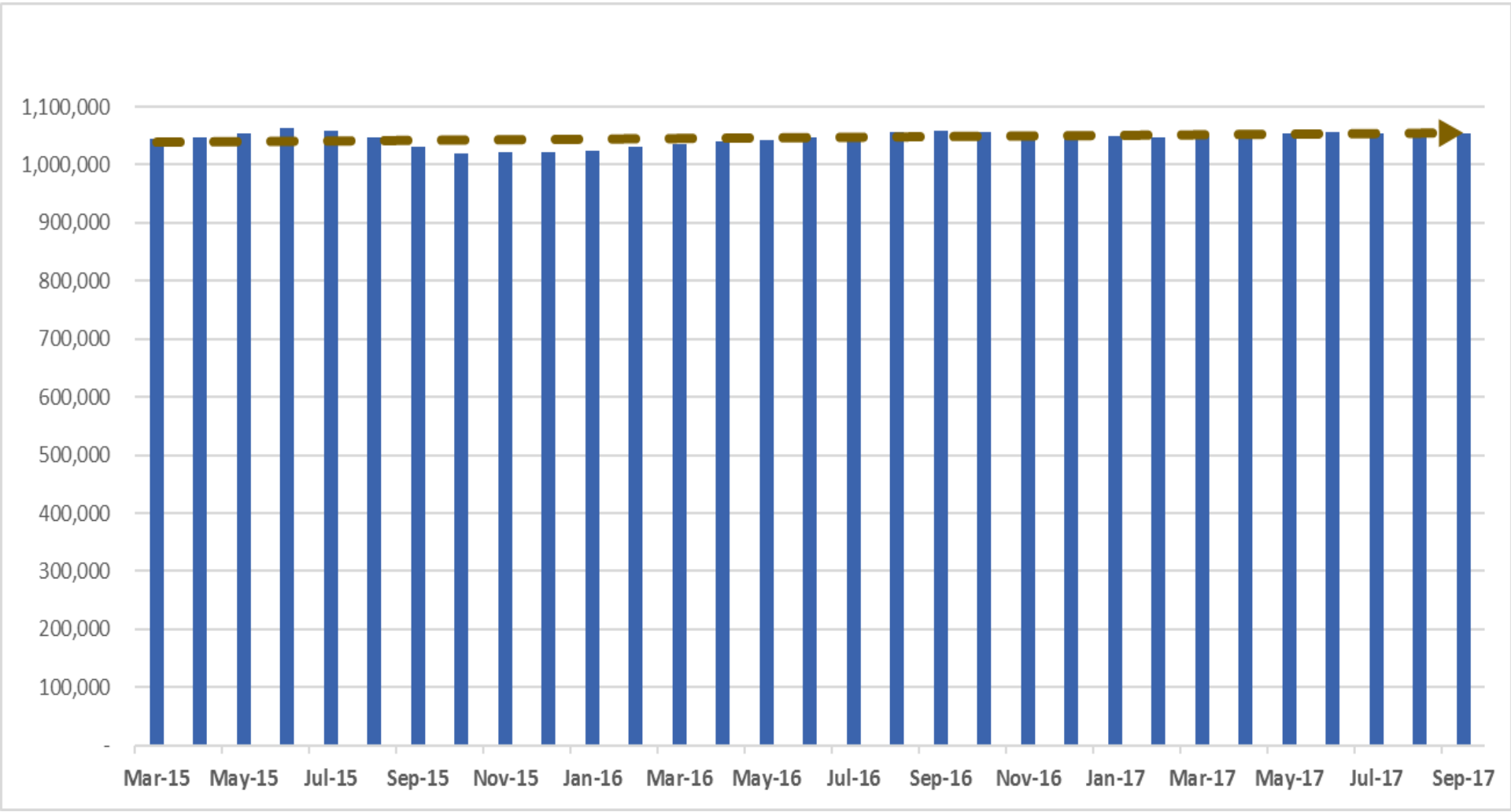
  - 33.25 – SCDHHS: Personal Emergency Response System – Delete

    This proviso was vetoed by the Governor in FY 2018. In the event this veto is overridden by the General Assembly, the agency requests that the proviso be deleted. Passage of this proviso may limit participant choices of providers by limiting the current providers' ability to do business if they do not have the nurse triage capability.

    SCDHHS has reviewed approximately 22 states with similar waivers and found none that currently include nurse triage as part of the personal emergency response system.

Eligibility and Enrollment Update

Full-Benefit Enrollment



Eligibility and Enrollment – Continuing Efforts

- Systems
  - Inserted additional data sources to worker queues to avoid unworked applications
  - Reprioritized work in queues to clear oldest and highest priority work
  - Implemented a new systems integrator to finalize MAGI eligibility system replacement
- Process and staffing
  - Statewide processing centers for income-based and long-term care applications
  - Long-term care application assistance contract awarded
  - Exception and escalation for high-need/high-risk applications
- Member contact center
  - Since August 1, performance improvement has been significant
    - Maximum wait times dropped from >4 hours to 30 minutes
    - Abandoned calls have dropped from >50% to <10%
    - Customer satisfaction results of 87-98%
  - Interactive voice response (IVR) system improves call routing and resolution

Program Updates

BabyNet Transition

- BabyNet transition was effective July 1, 2017
- Payment systems are in transition
  - Systems development is underway to migrate from BRIDGES to MMIS
  - Payment delays are resolved; service payment is current as of November 16, 2017
- Hiring of a new Part-C state coordinator is underway
- Proviso 33.24 report is due December 31, 2017
- SC Selected for “intensive” technical assistance by US Department of Education
  - Deficiencies are known and longstanding – data lags 1 to 2 years
  - Timeliness of service, timeliness of determination, and financial controls

Psychiatric Residential Treatment Facilities (PRTFs)

- Beginning July 1, 2017, PRTF services included as part of managed care benefit
  - All PRTFs are contracting with or entering into single case agreements with the MCOs with a few exceptions
- Department continuing to work with PRTFs as a whole and address any issues
- FY 2017 average length of stay was 155 days
  - Of the 1,150 unique individuals receiving PRTF services in FY 2017, 136 individuals had been in a PRTF program for 365 days or longer
  - The max cumulative number of days an individual spent in a PRTF was 1,461

Rehabilitative Behavioral Health Services (RBHS)

- In July 2014, the Department eliminated prior authorizations for RBHS and assumed responsibility for supplying state match in most cases
- On July 1, 2016, the Department carved RBHS services into the managed care service array
  - The moratorium on enrolling new providers is still in place pending analysis of post carve-in utilization data
- Actions against RBHS practices are continuing
  - 27 group providers terminated or excluded
  - 36 individuals referred to Attorney General
  - 3 convictions, 3 under indictment
  - Over $14M identified recoupments to date

Healthy Outcome Plans (HOP)

- HOPs receive revenue, pursuant to legislative proviso, from several streams. These include payment for each enrollee being actively managed with a current plan of care, hospital rate increase and FQHCs
- In a pre/post analysis conducted by the University of South Carolina Institute for Families in Society (IFS), comparing a 12 month "pre-HOP" period to participants with 19-24 months of enrollment:
  - 65% reduction in emergency department (ED) cost, representing an average reduction of $1,373 per participant driven by a 67% decrease in the number of ED visits
  - 62% reduction in mean inpatient hospital cost, representing an average reduction of $2,956 per participant driven by a 67% decrease in the number of inpatient hospital stays.
- Enrollment update, as of October 31, 2017
  - 14,453 HOP participants against an FY 2017-18 goal of 14,591
  - 95% of enrollees have a developed care plan

Home & Community Based Services (HCBS)

- CMS established new standards for waiver services and settings in a 2014 “final rule” – compliance is required by March 2019
- Statewide transition plan received approval in November 2016 – South Carolina was one of the first states to receive approval
- Final approval should occur after completion of site visits
  - 1,421 in total; review is 83% complete
  - Only two facilities have been deemed unable to meet compliance

Replacement MMIS and MMRP

MMRP: Member Management Replacement Project

MES: Medicaid Enterprise System

RMMIS: Replacement Medicaid Management Information System

Project	Module	Status (Completion)
MMRP	Cúram HCR	In Development (Jul 2018)
	Cúram CGIS	Kicked-off (Sep 2019)
MES	NoSQL	In development (Jan 2018)
	ePortal	Operational (Sep 2017)
	MESI	RFP due Dec 2017
RMMIS	PBA	Operational (Nov 2017)
	BIS	Kicked-off (Nov 2018)
	TPL	In development (April 2018)
	Dental	In Procurement (Start Q1 2018)
	ASO	In Procurement (Start Q2 2018)
	Care Call	RFP Release Q2 CY 2018
	MVI	In Procurement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