

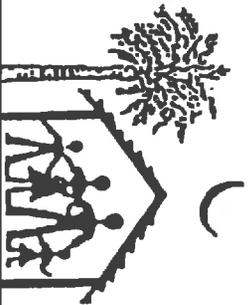
**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR**

**ACTION REFERRAL**

TO <i>Myers/Waldrop</i>	DATE <i>12-17-08</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <b>J00320</b>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Extend until 1/19/09, see attached e-mail.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-31-08</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1. <i>Cleaned up 2/23/09, letter attached.</i>			
2.			
3.			
4.			



# South Carolina Association of Children's Homes and Family Services

December 12, 2008

Felicity-Costin Myers, Ph.D., Deputy Director  
SC Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

**RECEIVED**

DEC 17 2008

**RECEIVED**

DEC 15 2008

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

**MEDICAL SERVICES**

**DHHS**

Re: Planning for Therapeutic Foster Care

Dear Dr. Costin-Myers: *Felicity*

Thank you for taking the time to meet with me today to discuss therapeutic foster care and related issues affecting the members of the Association. As promised, I am forwarding to your attention the items that we believe need closure in order to move forward with preserving this portion of the service delivery system. These issues are in no priority order, and the list may not be all-inclusive. Of course, we touched on many of these issues today as we discussed future directions.

I appreciate and acknowledge that you are awaiting word from the Centers for Medicare and Medicaid Services on many issues, and that South Carolina's economy has precipitated budget cuts. I know this is a very difficult time. Providers are fearful that they may not be able to sustain their agencies in South Carolina without some clarity on the role of Medicaid reimbursement and requirements. While many of these issues have surfaced over time, some continue to be debated and confusion still exists about your position.

## Funding

- What assumptions is HHS operating under relative to financing?
- Given the state match needed, has HHS internally considered keeping FFP in the rate past July 1, 2009? What are the consequences and have you completed a risk assessment?
- What contingency planning is HHS conducting?

## Service Authorization

- What would the new "252 form" look like? How long will it be effective, assuming there have been no real changes in status of the beneficiary?
- Need clarification on how HHS interprets "individualized" as long as the services address the items in the treatment plan. If HHS monitors a chart, for example, what would your staff be looking for?

## Billable Services

- What would the average hourly billing need to look like in order to continue rates at current levels? What has HHS concluded about billing units and frequency?

- Foster Parent billing and the required documentation has been an ongoing issue. Has HHS ruled in – or ruled out – foster parent billing? Will a weekly checklist be acceptable with a narrative? Will a paraprofessional log be generated as well as a professional one? Will start and end times have to be provided? Will the professional staff need to sign off on the document? If HHS ruled in Foster Parent billing to capture some part of the rate, has HHS decided which services they may bill for? I acknowledge rates are pending the actuary's recommendation.
- If HHS has ruled out foster parent billing, what services would the TFC agency bill for that would hold the current rate harmless?
- Under what scenarios would you envision payment for services to children that are not Medicaid reimbursable under the proposed SPA?
- In terms of billing and treatment, has HHS factored in that some children are going to be higher needs kids?
- What has HHS decided about bed holds or absences from the program?

#### **Credentialing for Staff and Foster Parents**

- Regarding the issue of staff credentialing and services delivered by the staff, the only two services that have been discussed at the Service Authorization Committee meetings have been crisis stabilization and family training. However, bachelor level staff are not listed as a potential service provider for crisis stabilization. What is HHS's reasoning and justification since crisis stabilization is a key component of in-home services and other states have bachelor's level individuals providing the service using Medicaid as a funding source. Oversight of crisis stabilization is generally provided by Master's level staff to the bachelor level staff, but it is provided by individuals at a Bachelors level.
- If Master level staff are going to be providing the services then the workforce pool is extremely limited in SC. Providers will be recruiting from this very small pool. Will HHS allow a time period to permit bachelor level employees to finish their Master's degree if they are in the process of getting it and may they be a service provider?
- Has HHS decided that an LMSW is a qualified LPHA?
- Foster Parent credentials are an issue. During the meeting on November 5 2008, providers relayed to HHS staff the importance of foster parent retention. Providers need some consideration that foster parents are at different levels of experience and expertise. Foster parents are difficult to recruit. Can current families who do not meet credentials set out by HHS be given a waiver? Otherwise, South Carolina will lose valuable foster families. HHS requested information from providers on the breakdown of effected TFC families. Is HHS going to use this information to develop a solution to this issue?

#### **Documentation**

In the meeting on September 19, 2008, HHS committed to working on the standards surrounding the documentation given the discomfort of providers to conduct a pilot study because there were no standards. Has HHS developed standards as you agreed to do? What progress has been made to date?

#### **Accreditation**

Will private providers need to be accredited? If so, will providers be given time to make that transition? Accreditation is very expensive and plans must be made to acquire and allocate those resources.

## **Timeline for Completion of Decisions by DHHS**

A framework was asked to be provided to the agencies by HHS at the November 5<sup>th</sup> meeting. Where is HHS on creating the agency infrastructure to finalize the decision points? The implementation issues involved in restructuring this service in South Carolina are huge and a time table must be set out immediately.

- Providers need to be making decisions regarding their business plans, and this issue has been openly discussed in several meetings. Foster Parents and staff need to be trained. Some staff will lose their jobs depending on the credentialing requirements. What is your timeline for resolving these issues?
- Will you need to seek approval by the MCAC for the TFC rates? If so, what is your timetable?
- According to DSS, the new RFP needs to be over at MMO by early January, in order to be effective July 1. Can you meet this timetable?

## **Timeline for Actuarial Recommendations**

We have completed three pilot studies/survey's for HHS. When do you expect the actuaries to make decisions regarding the rates for services?

## **Status of Draft SPA**

What is the status of the SPA? What has CMS asked HHS to do and how is HHS responding?

## **Medically Fragile Children**

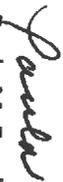
What changes in funding a service delivery are you contemplating for medically fragile children? What decisions have been made?

## **Agenda/Topics for Meeting on January 7<sup>th</sup>**

You suggested that we meet monthly to continue a practice of open dialogue and transparency. Will there be substantive decisions made by the January 7 meeting?

As you know, we have been attempting to define a program and sustain it even though it may not necessarily be defined as a service under the Medicaid reimbursement protocols. This has been a difficult journey and I know you appreciate that providers need clarity and guidance so that they can continue to serve the children entrusted to their care.

Kindest Personal Regards,

  
Paula M. Fendley, M. Ed., LMSW  
Chief Executive Officer

CC: Samuel T. Waldrep, M. S

**From:** Felicity Myers  
**To:** Brenda James  
**Date:** 1/5/2009 1:06 pm  
**Subject:** Extension on log 320

Please give 2 week extension on this log

1/19/09



Log # 320



**From:** Richard Klunder  
**To:** Brenda James; Margarete Keller  
**Date:** 12/19/2008 12:22 pm  
**Subject:** Log#320

**CC:** Gabriele Jefferson; Jean Fowler; Jeanne Carlit...  
Please extend the due date of the above log from 12/31 to 01/05-05.

Thanks

Richard

✓



*State of South Carolina*  
*Department of Health and Human Services*

*Log # 320*

Mark Sanford  
Governor

Emma Forkner  
Director

February 23, 2009

Ms. Paula Fendley, Chief Executive Officer  
South Carolina Association of Children's Homes  
and Family Services  
133 Powell Drive  
Lexington, South Carolina 29072

Dear Ms. Fendley:

We are in receipt of your correspondence dated December 12, 2008. I apologize the delay in getting these responses to you. The Department of Health and Human Services (DHHS) greatly appreciates the input from your organization, and we will certainly do our best to respond to the issues set forth in your letter. Our responses below are formatted to follow the order of the questions submitted in your correspondence.

**Funding**

As you are aware, in September 2008, DHHS allocated and transferred the second \$13,000,000 to child-placing state agencies in accordance with the transition plan for residential group homes. DHHS has requested that the third \$13,000,000 be appropriated for years 2009-2010. While this remains a high priority for our agency, given the status of the current budget circumstances, there is no way to know the final outcome at this point in time.

DHHS has given consideration to keeping Federal Financial Participation for Therapeutic Foster Care (TFC) programs in place past July 1, 2009; however, based on the guidance from The Centers for Medicare and Medicaid Services (CMS), DHHS has determined that it is in South Carolina's best interest to discontinue reimbursement for bundled services as soon as feasible and based on implementation of the Behavioral Health (BH) State Plan Amendment (SPA).

The state referring agencies are certainly aware of the financial issues at stake and must work together to develop a contingency plan. DHHS will work diligently along with other state agencies toward a resolution but please be reminded that the Department of Social Services (DSS) is the lead agency regarding this initiative. CMS has pointed out that they believe the state's Foster Care payment is very low and needs adjusting. They are concerned that Medicaid could possibly be used to substitute for a state responsibility. As the economic outlook improves, consideration should be given to increasing these payments.

Ms. Paula Fendley, Chief Executive Officer

February 23, 2009

Page 2

#### **Service Authorization**

DHHS is presently working on revisions to the current Prior Authorization Form 254. The form will contain discreet services and procedure codes that will need to be authorized by the agencies. Assuming there have been no changes in the status of beneficiary, the service authorization time frame will remain the same. However, DHHS is proposing changes to the treatment planning process. All documentation including the Medical Necessity (MN) for the services must be individualized to the client for whom services are authorized. The assumption is made that the Licensed Professional of the Healing Arts (LPHA) recommending the services is familiar with the client's treatment needs. Therefore, the MN and/or Individual Plan of Care (IPOC) must justify the need for the specific rehabilitative service that is authorized for the client. If DHHS were to review a chart, for example, we would review to ensure that the MN and/or IPOC and the discreet treatment service authorized tied back to the needs and problems of the client. Further, we would review the plan of care to ensure that goals on the treatment plan area reasonable and based on the individual's condition and standards of practice. If one client's IPOC looked the same as others in the program, it would most likely be flagged for further review. The IPOC must be based on a comprehensive assessment; be developed by a qualified provider; specify individual's rehabilitation goals; indicate frequency, amount and duration of services; and specify a timeline for re-evaluation of the plan.

#### **Billable Services**

At this time, DHHS is unable to speculate about how the billing for TFC would need to look like due to the uncertainty of the state budget and the fact that DHHS has not yet received the final recommendations regarding the new BH SPA rates from the actuary. DHHS is anticipating that the private provider agencies will be claiming reimbursement for Medicaid services provided by foster parents who meet credentials under the SPA. A co-signature by professional staff will not be required, however; professional staff will be required to document supervision. Documentation may be in the form of a log but this has not yet been finalized. Because service authorization and treatment planning is individualized, it is expected that some children will have a higher frequency of services rendered than others. Once we shift to a fee for service delivery system, providers may only claim reimbursement for face-to-face services rendered. Medicaid does not reimburse for no shows or absences from a treatment session.

#### **Credentialing**

Crisis Stabilization is considered to be a highly clinical service rendered by Master's level professionals. There will be no provision that allows a time period to permit bachelor level employees to finish their Master's degree. A Licensed Master's of Social Work (MSW) does meet the credentials of a LPHA. All provider staff rendering BH services must meet the level of education, degree and/or experience as specified in the BH SPA. Based on the information submitted by the TFC workgroup, only a very small percentage of foster parents would not meet the educational level as a Para Professional/Mental Health Specialist. The credentialing requirements in the SPA are comparable to current staff qualification and requirements

Ms. Paula Fendley, Chief Executive Officer  
February 23, 2009  
Page 3

#### **Documentation**

DHHS has made progress on drafting the service standards. It was helpful to have the discussion with the TFC provider group last week about several of the issues (assessment, prior authorization, medical necessity, care planning, etc.) that will be included in the standards. For the TFC group, we agree that the best way for the providers to have input is to consolidate comments and send them to us once the draft is released. DHHS hopes to incorporate input from a small group of clinical professionals and the state agencies that purchase the services before finalizing the standards that will apply to all Medicaid providers of SPA services.

#### **Accreditation**

DHHS will not require private providers to be accredited.

#### **Timeline for Completion of Decisions**

DHHS has consistently provided information to the providers regarding anticipated time frames for completion of the SPA. Recommendations from the actuarial are expected in late February 2009. All BH SPA rate information will be presented to the Medical Care Advisory Committee (MCAC) as soon as possible upon receipt. We understand the agencies have been working on revisions to the existing Request for Proposal (RFP) for Community-Based Wraparound Services. DHHS will continue to provide updates and feedback to the state agencies on revisions to the RFP as needed to meet procurement time-lines.

#### **Timeline for Actuarial Recommendations**

DHHS is hoping to have the final recommendations from the actuarial within the month of March 2009. When we received the draft recommendations the last week in January, we identified additional data that were needed. The collection of this additional information has extended our time frames.

#### **Medically Fragile Children**

DHHS has received approval from CMS to operate a 1915a/c Home and Community-Based Waiver for Medically Fragile Children (MFC). DHHS plans to begin transitioning the children in the MFC program into the waiver as of the first of March 2009. Following this transition of children from the three MFCP sites and then incorporating children from several other Medicaid services, DHHS will begin assessment of children with medically complex conditions in Medical Therapeutic Foster Care (MTFC) to see if they meet level of care for the waiver. DHHS continues to work collaboratively with DSS to ensure services are available for this special population.

We understand that the providers need clarity and guidance as they transition to a new service delivery system. DHHS is committed to providing periodic updates and recommendations on the proposed rates as well as more detailed information on service standards with the committee as soon as they become available. We realize that providers are anxious about the

Ms. Paula Fendley, Chief Executive Officer  
February 23, 2009  
Page 4

transition. We appreciate your tolerance and understanding of the magnitude and complexity of this effort as we work through this process.

Should you have any questions, please contact me at 898-2803. Thank you for your continued willingness to provide quality services to the children of South Carolina.

Sincerely,



Felicity C. Myers, Ph.D.  
Deputy Director

FCM/wfj