

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Ries</i>	DATE <i>11/13/06</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000354</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>12/18/06</i>
2. DATE SIGNED BY DIRECTOR <i>* Please note CMS dead - line of 12/31/06.</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1. <i>* Cleared 12/20/06, see attached e-mail response</i>			
2.			
3.			
4.			

From: Gary Ries
To: donna.schmidt@cms.hhs.gov
Date: 12/20/2006 1:04:07 PM
Subject: Ms. Schmidt

Log 354
✓
to close

Ms. Schmidt

Attached is South Carolina's Section 1115 Katrina Demonstration final report as requested in the November 3, 2006 letter. Should you have any questions regarding the report, please contact me.

Gary Ries

CC: Renard L. (CMS/SC) Murray

CMS GUIDANCE FOR STATE FINAL REPORTS ON KATRINA MEDICAID DEMONSTRATIONS

CMS requests that States provide the following information in their final reports on the Katrina Demonstration. This information is very important to determining the effectiveness of the Katrina Relief efforts as well as helping to inform future disaster relief efforts. The report does not have to be extremely lengthy as long as it is informative. Please use this as an opportunity to provide input into future policy direction.

Report from the State of South Carolina

BACKGROUND INFORMATION ABOUT THE KATRINA DEMONSTRATION

- **Name / title of the Katrina Demonstration**
South Carolina Hurricane Katrina Relief Program
- **Start and end dates**
August 24, 2005, through June 30, 2006
- **Specific purposes, aims, objectives, and goals of the demonstration**
 - **What was the demonstration designed to achieve?**
To provide temporary South Carolina Medicaid benefits to residents of Emergency Areas within states impacted by Hurricane Katrina
 - **What were the original expectations for the demonstration?**
Provide an orderly application and timely approval process for Hurricane Katrina evacuees from the federally designated areas.
 - **Who was to be served by the demonstration?**
Hurricane Katrina evacuees from the federally designated areas were served by the demonstration.
 - **What benefits were to be provided by the demonstration?**
All benefits available to permanent South Carolina residents meeting Medicaid eligibility requirements.
- **Who administered the demonstration? How was the demonstration administered?**
 - **Public / government agencies**
 - **Assistance from private organizations**

-Nonprofit

-Commercial contractors

Applications were accepted in all county office locations where Medicaid applications are normally accepted. Temporary locations in shelters were also staffed with Medicaid caseworkers to accept applications in one-stop benefit service centers. Other local and state assistance agencies as well as private organizations were present at the locations, but did not take Medicaid applications.

DATA

- Data on specific measures
 - Total number of member months utilized for Katrina evacuees 5,042
 - Total expenditures per member month \$236.61 (Total expense divided by member months)
 - Who received benefits under the demonstration (this is not a count of eligibility but receipt of benefits through information obtained from claims data, etc.)?
 - 1,138 Katrina eligibles received services
 - Size and distribution by home state of groups included in the demonstration
 - Alabama 13
 - Louisiana 1530
 - Mississippi 328
 - Unknown 26 (CMS did not have guidance when these applicants were made eligible)
 - Summary of what was paid for with demonstration funds
 - Medically necessary, South Carolina Medicaid covered services

Medical Assistance Payments	Total Computable
Inpatient Hospital - Reg. Payments	\$417,417
Physicians' Services	\$203,093
Outpatient Hospital Services	\$ 68,257
Prescribed Drugs	\$211,208
Dental Services	\$ 75,239
Other Practitioners	\$ 21,053
Clinic Services	\$ 60,109
Laboratory/Radiological	\$ 31,073
Home Health Services	\$ 4,919
Sterilizations	\$ 348
EPSDT Screening	\$ 6,976
Rural Health	\$ 6,051
Medicare - Part B	\$ 17,614
Home and Community	\$ 1,085
All-Inclusive Care Elderly	\$ 9,216
Targeted Case Management	\$ 4,617
Federally-Qualified Health Center	\$ 29,149
Other Care Services	\$ 25,552
Total	\$1,192,976

- o Other available data that may have been collected by the State for the Katrina demonstration

DISCUSSION – Please provide a brief discussion of the following areas.

- To what degrees did the state achieve its purposes, aims, objectives, and goals for the Katrina Demonstration?
The State successfully obtained Medicaid applications, granted temporary periods of eligibility and reimbursed providers for needed medical care.
- What were the impacts of the demonstration on, and the outcomes of the demonstration for, various stakeholders, such as enrollees, providers, state programs, etc.?
Enrollees – applications for assistance were processed quickly in an effort to provide medical services to evacuees with a minimum of administrative burden. Minimal data was collected and minimum proofs were required to become eligible for the 5 month program. After that period, normal applications and proofs were required to remain eligible for South Carolina benefits.

Providers – Risk was minimized for the medical community by providing timely eligibility determination and normal South Carolina benefits in an extremely short timeframe. Since the information was collected in the State's normal Medicaid system, claims were submitted as normal and paid in the traditional manner.

State Programs – The programs experienced limited financial risk since CMS assured FFP for medical expenses. The largest risk was the need to set up the application infrastructure in the evacuee centers and the unknown size of the evacuee population that would ultimately present in South Carolina. The Medicaid program frequently overstuffed shelters and evacuee centers. Normal Medicaid applications and reviews were impacted by the additional workload.

- To what extent were the healthcare needs of evacuees met by the demonstration and to what extent were the healthcare needs of evacuees left unmet despite the demonstration?
Evacuees received the same healthcare that South Carolina residents receive when eligible for Medicaid. To the extent that the home state may have more generous benefits, the healthcare need may have gone unmet until (and if) they returned home.
- What successes and positive outcomes were achieved under the demonstration and the reason for success?
Due to its recent investment in electronic training and documentation tools, the State was quickly able to respond to emerging/modified federal guidance to incorporate them into forms design, document changing eligibility criteria and effectively communicate the policies statewide.
- What were the impacts of the demonstration on, and the outcomes of the demonstration for various stakeholders such as the host states, providers,

state programs, etc.?

Expenses for South Carolina were higher than they would have been without the waiver, see “Data” above.

- **What, if any, changes were made or occurred during the course of the implementation of the demonstration and what were the reasons for these changes?**

Initially, the State offered one month coverage to any evacuee from any of the impacted states; this was changed to 5 months to comply with subsequent CMS guidance. Additionally, eligibility was ultimately limited to certain counties within the impacted home states. In both instances, changes were made as CMS modified its decisions.

- **What opportunities for future improvement and what lessons were learned in the demonstration?**

CMS needs to take more decisive action during times of emergency and determine how to wrap administrative process consistent with that action at a later time. In the early stages of the crisis, CMS instructed states to make sure applicants from the impacted states obtained eligibility first and that they would figure out the financing later. Ultimately, CMS issued guidelines that included checking specific counties and parishes and limiting assistance to five months. These were new requirements issued after the bulk of our applications were processed.

Fortunately, South Carolina’s financial impact was minimal since the number of evacuees was small and we initially chose a one month eligibility period.

- **What factors contributed to not meeting original expectation?**
The Project met expectations.

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<i>*Please not CMS dead-line of 12/31/06.</i>			

APPROVALS (only when prepared for director's signature)	APPROVE
1.	<i>[Signature]</i> <i>(11/20)</i>

2.	<i>[Signature]</i>
3.	<i>Rhonda is working on Data* part for you - gwl. jmr</i>
4.	

ck w/ L
closed w/ gwl 12/20

(11/16 - Copy to Rhonda)



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

Centers for Medicaid and State Operations

NOV - 3 2006

RECEIVED

NOV 09 2006

Robert M. Kerr, Director
Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear State Medicaid Director:

RESPONSE REQUESTED NO LATER THAN 12/31/2006

Thank you for your recent participation in the Section 1115 Hurricane Katrina Demonstration program. Your participation assured that Hurricane Katrina evacuees from the Gulf region were able to receive Medicaid health services uninterrupted and your providers were able to receive Medicaid payment for those services. These demonstrations serve as model programs to assure continued Medicaid services in the time of a National emergency.

The terms and conditions of your demonstration require that you submit a final report to the Centers for Medicare and Medicaid Services (CMS) no later than December 31, 2006 describing the impact of your program, including but not limited to, the impact on evacuees and the impact of this program on your State. Additionally, the terms and conditions require that CMS provide you with guidance on the submission of the final report.

The final reports are important in evaluating the effectiveness of the Katrina Relief efforts and in helping to further inform future disaster relief efforts.

Enclosed for your use is a Final Report Guidance package. Send your final report to Donna Schmidt at the address below. Ms. Schmidt is available to answer any questions concerning the final report and can be reached at 410-786-5532.

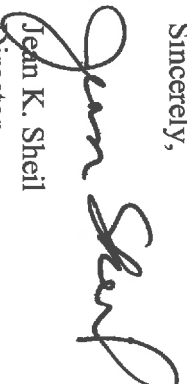
Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, Maryland 21244-1850
E-mail: donna.schmidt@cms.hhs.gov

Communications should also be sent simultaneously to:

Mr. Renard Murray, Associate Regional Administrator
Division of Medicaid & Children's Health
Atlanta Federal Center, 4th Fl.
61 Forsyth St., SW, Suite 4T20
Atlanta, GA 30303-8909
Email: renard.murray@cms.hhs.gov

Thank you again for your efforts in providing health care coverage to our most vulnerable populations.

Sincerely,



Jean K. Sheil
Director

Family and Children's Health Programs

Enclosure

cc:

CMS Regional Administrators

CMS Associate Regional Administrators
for Medicaid and State Operations

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SUMMARY OF BACKGROUND INFORMATION ABOUT THE KATRINA DEMONSTRATION

- Name / title
- Start and end dates
- Specific purposes, aims, objectives, and goals of the demonstration
 - What was the demonstration designed to achieve?
 - What were the original expectations for the demonstration?
 - Who was to be served by the demonstration?
 - What benefits were to be provided by the demonstration?
- Who administered the demonstration? How was the demonstration administered?
 - Public / government agencies
 - Private organizations
 - Nonprofit
 - Grantees
 - Contractors
 - Commercial contractors
- History of the demonstration
 - What changes were made or occurred during the course of the implementation of the demonstration?
 - What were the reasons that these changes occurred or were made?
- Data on specific measures
 - Total number of member months utilized for Katrina evacuees
 - Total expenditures per member month
 - Who received benefits under the demonstration (in terms of data, not eligibility)?
 - Size and distribution by home state of groups included in the demonstration
 - What was paid for with demonstration funds (in terms of data, not benefit coverage)?
 - Other available data

DATA

DISCUSSION – Please provide a brief discussion of the following areas.

- ✓ • To what degrees did the state achieve its purposes, aims, objectives, and goals for the Katrina Demonstration?
- What were the impacts of the demonstration on, and the outcomes of the demonstration for, various stakeholders, such as enrollees, providers, state programs, etc.?
- ✓ • To what extent were the healthcare needs of target populations met by the demonstration and to what extent were the healthcare needs of target populations left unmet despite the demonstration?
- ✓ • What successes and positive outcomes were achieved under the demonstration and the reason for success?
- ✓ • What opportunities for future improvement and what lessons were learned in the demonstration? What factors contributed to not meeting original expectation?
This question is of particular importance when considering future responses to disasters.

CMS GUIDANCE FOR STATE FINAL REPORTS ON KATRINA MEDICAID DEMONSTRATIONS

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