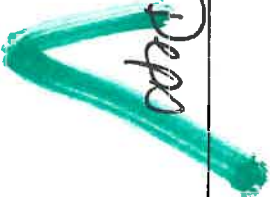


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>L Myers</i>	DATE <i>9-3-08</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>000133</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>Cc. Ms. Forlener, Depo</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" 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.			
2.			
3.			
4.			



South Carolina
Department of
Mental Health

2414 Bull Street/P.O. Box 485
Columbia, S.C. 29202
Information: (803) 898-8581

John H. Magill
State Director of Mental Health

MISSION STATEMENT

To support the recovery of people with mental illnesses.



August 28, 2008

SEP 03 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Emma Forkner
SCDHHS
1801 Main Street
Columbia, SC 29201

Dear Ms. Forkner:

To date, SCDMH has successfully engaged a wide range of service delivery options in community mental health centers and other community-based settings to improve access to care and outcomes for adults and children with serious mental illness and emotional disturbance. Our efforts are in alignment with other state and national level recovery based approaches to treatment in least restrictive settings.

The proposed Medicaid Rehabilitative State Plan Amendment (SPA) and draft Medicaid Clinic Option Overview (dated August 11, 2008) was reviewed by the SCDMH Medicaid Workgroup and the Community Mental Health Centers Directors. In addition, a subgroup that is responsible for implementation of the SPA Transition Plan continues to identify critical decision points which may impact our ability to accomplish our mission as the state mental health authority. Presently, the major areas of concern are: 1) fiscal impact of pending clinic and rehabilitative service rates; 2) array of clinic vs. rehabilitative service options; 3) place of service delivery restrictions for clinic-based services and, 4) impact of clinic-based policy on school based programs.

As a result of the internal stakeholders' analysis, enclosed are the transition plan and impact statements that require further discussion and negotiation with SCDHHS. The impact statements are contingent upon if the pending Medicaid Rehabilitative SPA and Medicaid Clinic Option Overview policy changes can be more definitively addressed through our Medicaid contract.

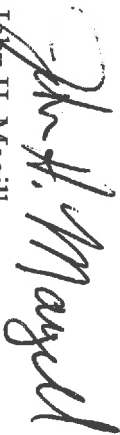
MENTAL HEALTH COMMISSION:

Allison Y. Evans, PsyD, Chair, *Hartsville*
Joan Moore, Vice Chair, *Goose Creek*

Jane B. Jones, *Easley*
Harold E. Cheatham, Ph.D., *Clemson*

J. Buxton Terry, *Columbia*
H. Lloyd Howard, *Landrum*

I appreciate your ongoing commitment to engaging stakeholders in this process. Our collaborative efforts will maximize our ability to ensure a service delivery system that meets both federal requirements and the needs of individuals/families served. If you have any questions, please feel free to contact me.

A handwritten signature in dark ink, appearing to read "John H. Magill". The signature is fluid and cursive, with the first name "John" and last name "Magill" clearly distinguishable.

John H. Magill
State Director

Enclosures:

- Enclosure #1 – SPA Transition Plan Timeline Document
- Enclosure #2 – Impact Statement Document below

Medicaid Rehabilitative State Plan and Clinic Option Impact Statements

- The fiscal and operational impact to the Community Mental Health Centers is unknown pending finalization of the Medicaid Clinic and Rehabilitation option rates. In recognition that rehabilitation services are expensive to deliver even without the physician direction requirement because of the intensity of client needs, rates for services under the Rehabilitation Option will need to be comparable to services under the Clinic Option. Can severity of illness factor be considered in rate methodology? Will cost settlement still be an option?
- Clinic option refers to “organized clinic/outpatient program.” Need to confirm if this will be interpreted by DHHS to be limited to formally recognized CMHC/satellite CMHC sites only. What is the Medicaid interpretation of “outpatient program”? If the discrete service provided is included under the DHHS defined clinic option array (i.e. individual therapy) and the physician direction requirement is met, can the clinic option be met for freestanding facilities utilized by CMHCs? The federal definition of onsite at the clinic vs. non-clinic site (rehabilitation), potentially poses significant barriers to access to care and fiscal viability based on the historical transition to community settings while maintaining a level of physician direction (i.e. authorization of treatment plans, periodic reviews, etc) in provision of community based services. If the final Medicaid policy limits the clinic option to formally recognized CMHC/satellite CMHC sites only (assuming physician direction requirement is met), we will need to assess each CMHC service area for fiscal and operational impact on non-clinic based facilities.
- Consideration requested for both a Clinic and a Rehabilitation Medicaid payment option for services rendered onsite at a school facility (which meets the established medical necessity criteria for the intent of the service). This distinction is contingent upon DHHS recognizing the school based facility as an outpatient program under the clinic option. For example, the discrete service rendered in a school facility (i.e. individual therapy) would be deemed as rehab if the physician direction requirement is not met. The discrete service (i.e. individual therapy) would be deemed as clinic if the physician direction requirement is met. This distinction would acknowledge the diverse models currently employed by CMHCs in their contractual relationships with school districts. If the school facility cannot be approved as a satellite CMHC or outpatient program (as referred to in the Medicaid Clinic Option Overview), then all current school based services would be interpreted to fall under the Rehabilitation option only due to location of services regardless of current level of physician direction/involvement(i.e. weekly treatment meetings, PMAs, crisis response, etc).
- Need to verify that the current DHHS approved credentialing process of non-licensed master’s level mental health professionals in our mental health centers to provide rehabilitative services with general supervision is in compliance with the pending rehab SPA.

Department of Mental Health SC State Plan Amendment Transition Plan

The majority of the activities related to the implementation of the SPA are pending DHHS release of rates, content of services under both the Rehabilitation Options and delineation of DMH credentialing. Contingent upon this information being established, complete, and readily available by the end of October 2008, the following plan will ensue.

Area: Data System

Activities	Person(s) Responsible	Estimated Duration	Estimated Due Date
1. Continue Roll-out of Electronic Medical Record (Competing Resource)	Brenda Hart - DMH Information Technology Staff	Ongoing activity	Ongoing activity
2. Update the Client Information System to include: Credentialing data Ensure Credentialing Data rolls over to other third party payors requirements Add data on supervision (signatures, timelines, etc.) Establish categories of services Clinic and Rehabilitation and include all the specific services under each one. Add new billing codes		9 months	August 2009
3. Update the Scheduling System			
4. Update Outpatient Billing System			
5. Update the Electronic Medical Record to reflect these changes including review of current forms for documentation of services.			
6. Update each clinical staff member's credentials on Data Base to ensure proper billing	Center Directors - Intake/Medical Records/ QA Staff	1 month	September 2009 (Pending completion of automated system by IT)

Area: Stakeholders

Activities	Person(s) Responsible	Estimated Duration	Estimated Due Date
1. Engage stakeholders/ advocates in discussions about the impact of service changes on care and on the delivery system.	*Center Directors DMH leadership, National Assoc. for Mental Illness, Mental Health America, Federation of Families, etc	Immediately and for the next 12 months	August 2009
2. Review contracts to find out about notification requirements	Center Directors	1 month	October 2008
3. Meet with DHHS and private/public providers to finalize details toward implementation of the SPA (SPA Transition Workgroup).	SC DHHS staff, Public and Private Providers	4 months	February 2009
4. Modify contracts for existing subcontractors in reference to scope of services/fees	Center Directors Brenda Hart - DMH Contract Staff	7 months	May 2009
5. Prepare written notification to clients on changes in service delivery and new fees	Brenda Hart - Central Office Finance Ligia Latiff-Bolet - QM Staff	1 month	February 2009
6. Notify clients of changes in fees, services and programs	Center Directors	3 months	July 2009

Area: Credentialing and Privileging

Activities	Person(s) Responsible	Estimated Duration	Estimated Due Date
1. Prepare protocol to indicate how staff will be credentialed and privileged.	Ligia Latiff-Bolet – DMH Credentialing Committee	1 month	November 2008
2. Review privileging forms to include requirements for supervision and new services.	Ligia Latiff-Bolet - Central Credentialing Committee	1 month	March 2009
3. Re-Privilege staff (approximately 2,500 clinicians)	Center Directors	4 months	July 2009
4. 40 Hrs Training for Non-Clinical Staff Requiring (6 mos from hiring date and ongoing)	Sandy Hire ETR/QM	6 months	Ongoing

Area: Staff Training

Activities	Person(s) Responsible	Estimated Duration	Estimated Due Date
1. Prepare training for CMHC Clinical Staff on new services, their codes, billing, documentation and how to determine whether a service is Rehabilitative or a Clinic service	Ligia Latiff-Bolet Central Office QM	2 months	March 2009
2. Train 17 CMHC clinical staff on the new services, their codes, billing, documentation and how to determine the option in which the service is to be delivered – Clinic, Rehabilitative, Habilitative.	Ligia Latiff-Bolet - DMH QM Center Directors – CMHCs QA Coordinators	4 months	August 2009

Area: Operations

Activities	Person(s) Responsible	Estimated Duration	Estimated Due Date
1. Prepare and submit 1915 (i) Application - Competing Resource	Ligia Latiff-Bolet Sheila Mills	At least 6 months	May 2009
2. Prepare for changes related to Single Case Manager (TCM Services) – Competing Resource	Ligia Latiff-Bolet Sheila Mills	10 months	July 2009
3. Develop and implement a plan to reassign staff to the different services and levels of supervision.	Center Directors	3 months	May 2009
4. Review and restructure service delivery to incorporate changes in rehabilitative/clinic services.	Center Directors	3 months	March 2009
5. Update all Plans of Care not subject to renewal to reflect the new services as appropriate for proper billing (CMHCs serve approximately 55,000 clients a year)	Center Directors - Clinical Staff at the CMHCs	3 months	July 2009
6. Review and develop new Plans of Care as the existing plans expire (Reviews will begin on April 2009 until March 2010)	Center Directors - Clinical Staff at the CMHCs	12 months	April 2010

***Community Mental Health Center (CMHC) Directors –**

Center	Director
Aiken-Barnwell	Rick Acton (Acting)
Anderson-Oconee-Pickens	Kevin Hoyle
Beckman	Melanie Gambrell
Berkeley	Debbie Calcote
Catawba	Paul Cornely
Charleston-Dorchester	Deborah Blalock
Coastal Empire	Ramon Norris
Columbia	Robert Bank
Greenville	Al Edward
Lexington	Rick Acton
Orangeburg	Bessie Abraham
Pee Dee	Phil Bowman
Piedmont	Joe James
Santee-Wateree	Richard Guess
Spartanburg	William Powell
Tri-County	Janice Rozier
Waccamaw	Murry Chesson