

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Giese</i>	DATE  11-7-11
--------------------	---------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  100195	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  cc: Mr. Felt Cleared 11/22/11, letter attached.	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE 11-17-11  <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.			
2.			
3.			
4.			



SC Alliance of Health Plans

James H. Ritchie, Jr.  
Executive Director

864.527.5952  
[www.scalliance.com](http://www.scalliance.com)

**RECEIVED**

November 1, 2011

NOV 07 2011

**RECEIVED**  
Dept. of Health  
& Human Services

Melanie Giese

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

NOV 04 2011

Deputy Director, Medicaid  
South Carolina Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

Medical and  
Managed Care Services

Re: Ongoing projects between MCOs and SCDHHS

Dear Tony and B.Z.:

As you know, there are a number of Department-initiated reform projects currently underway involving MCOs and even more are slated to go on-line later this year. In order to keep all of the plans and our respective expectations on track, the Alliance has put together a DHHS "Project Tracker" which is based largely on the template the Department utilizes for the reporting and tracking of MCO projects. I am enclosing our current chart for your review. I ask that you review it and let me know if you have any suggestions or additions or if you find any deficits on the deliverables from members of the Alliance.

I will be writing to you and providing an updated tracker for your files regularly. It is my hope that this system will enable both of us to make sure the members of the Alliance are following through with the matters that they need to do and that the Department is also addressing its responsibilities timely and consistently.

In addition, we are monitoring the progress of your cost savings initiatives with the provider community and are specifically focused on the savings realized as compared to your projected budget savings for this fiscal year (SFY 2011-2012). We believe that these provider-driven savings are essential to achieving your goals and to avoid having the MCOs shoulder a disproportionate share of the cost reduction burden. The following are the initiatives that we understand you are undertaking and the status of the same:

- a. Birth Outcomes Initiative ("BOI"). We understand that the BOI working group has been working diligently with participating hospitals to reduce the number of pre-term, elective C-Section deliveries. We applaud this effort and we share your optimism that, if fully implemented, it will be a significant savings to the Department. Please identify the percentage of hospitals that have adopted this protocol, the date of its adoption, the matrix by which you are measuring the savings, and the year to date savings realized by the BOI initiative.

b. Pediatric Asthma Performance Improvement Project. Based on the information shared at the most recent meeting on this issue, I understand the Department has set a goal of reducing pediatric asthma in-patient admissions by twenty percent (20%) statewide. In addition, it looks like the Agency is going to evaluate the respective MCO's plans experiences and not an agency plan. My meeting notes indicate that the current timeline calls for a study to begin on December 1, 2011 and run for 12 months. At that time, the Department will review the findings and determine next steps. Thus, it appears that it is unlikely that the Asthma Initiative is intended to provide meaningful savings this year.

c. SBIRT. Based on recent developments, it appears that this project will go online in November and will have a full rollout over the next several months. We applaud your multi-agency coordinated approach to this project. If it is successful, it could be a model for other projects in the future. However, we are concerned about its operational costs to the MCOs and the net true savings to be achieved. Please let me know how you are measuring the savings to the Agency and the Medicaid system and the actual amount of savings achieved in this matter. The Alliance members will be tracking their costs to administer this program. We will provide you regular updates on their results to help evaluate the project.

We look forward to continuing our strong working relationship with the Department and are hopeful that this project tracking system will enable us to work together more efficiently and effectively.

With warmest regards,

  
James H. Ritchie, Jr.

JHR/jr/lc

Enclosure

cc: Dan Gallagher, UnitedHealthcare  
Scott Graves, BlueChoice Health Plan

**RECEIVED**  
Dept. of Health  
& Human Services

NOV 04 2011

Medical and  
Managed Care Services

## DHHS SCAHP PROJECT TRACKING

Key: Overall Status

<b>Project Description</b>	Managed Care Matters
<b>Team</b>	
<b>Date</b>	10/28/2011

<b>Green</b>	<b>On Track</b>
<b>Yellow</b>	<b>Caution Needs Attention</b>
<b>Red</b>	<b>Off Track, Need Immediate Attention</b>
<b>Complete</b>	<b>Completed</b>

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Sect	#	Project	Target End Date	Revised Date	Status	Resp Party	Comments
A		Project Description					Included in Tracker Sent to DHHS
	1	MCO v. MHN Cost Analysis Update	12/01/11 (Thu)			DHHS	New report in development (not yet published).
	2	Community Health Solutions Overpayment Recovery	01/20/12 (Fri)			DHHS	Collection of \$10.5 million overpayment to the Florida company
	3	Boilerplate Contracts	11/10/11 (Thu)			DHHS	
	4	Interpretation of Ownership in Disclosures/ new process	12/01/11 (Thu)			DHHS	
	5	County closure instructions	12/31/11 (Sat)			DHHS	Development of uniform standards
	6	Plan Report Cards				DHHS, MCOs	Annual report cards required pursuant to Proviso 21.33 (DHHS: Medicaid Cost and Quality Effectiveness) of the FY 2011-2012 Appropriations Act
	7	Screening, Brief Intervention, and Referral to Treatment (SBIRT)				DHHS, MHNs, MCOs	
	8	Prior Notice of Rate, Rule, Code, Etc. Changes				DHHS	Ex: 50-10 file transfers, ICD10 Implementation, etc.
	9	Birth Outcomes Initiative				DHHS, SCHA	Cost savings initiative aimed at reducing the number of elective C-sections prior to 39 weeks
	10	Pediatric Asthma Quality Improvement Initiative				DHHS, MCOs,	DHHS goal of reducing in-patient admissions for children with a primary diagnosis of asthma by 20% statewide
	11	Network Adequacy Reporting/ Approval Process	04/01/12 (Sun)				Process improvement idea (see more under deliverables).
	12	Behavioral Health (Implementation of Managed Care)	04/01/12 (Sun)			DHHS, DMH, MCOs	During 10/7 SBIRT meeting, DHHS staff indicated that BH would switch over effective 4/1/12
	13	Maternity Enrollment Referrals					
	14	Improvement of Review/ Approval of Required Forms					

Letter Naming Convention: 1st Character = Section; 2nd Character = P (Provider) or M (Member); Remaining Characters = Type of letter

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Sect	#	Project	Target End Date	Revised Date	Status	Resp Party	Comments
<b>B</b>		<b>SCAHP Deliverables</b>					
	1	MCO v. MHN Cost Analysis Update	12/01/11 (Thu)				Should include impact of hospital cost settlement on MHNs and FFS.
	2	Community Health Solutions Overpayment Recovery	01/20/12 (Fri)				
	3	Boilerplate Contracts	11/10/11 (Thu)				Adopt electronic model for contract updates; adopt Evergreen process for contract renewals; and communicate this to the plans ASAP
	4	Interpretation of Ownership in Disclosures/ new PI process	12/01/11 (Thu)				Clarify interpretation and enforcement of regulation consistent with federal law
	5	County closure instructions	12/31/11 (Sat)				
	6	Plan Report Cards	07/31/11 (Sun)				Work with MCOs on preface language; deliver scores prior to meetings in order to make meetings more productive
	7	SBIRT					

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	8	Prior Notice of Rate, Rule, Code, Etc. Changes	11/14/11 (Mon)				SCAHP, on behalf of its members, is requesting that DHHS implement a procedure of providing 60 days' prior notice to allow for implementation of any changes.
	9	Birth Outcomes Initiative					Develop, implement, and make public the matrix for measuring cost savings; regularly publish the savings realized
	10	Pediatric Asthma Quality Improvement Initiative					Work with MCOs on implementation of initiative; identify the projected cost savings; develop the process for tracking effectiveness in reducing admissions and the net savings realized (after accounting for implementation costs)
	11	Network Adequacy Reporting/ Approval Process					Review current process and SCAHP proposal.
	12	Behavioral Health (Implementation of Managed Care)	12/31/11 (Sat)				Identify the agency/ entity responsible for ownership and management
	13	Maternity Enrollment Referrals					
	14	Improvement of Review/ Approval of Required Forms					Develop written, standardized procedures for interpretations and requirements of MCOs
C		SCAHP Priorities					

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	7	SBIRT					MCOs need to track costs of implementation
	8	Prior Notice of Rate, Rule, Code, Etc. Changes	11/14/11 (Mon)				
	9	Birth Outcomes Initiative					MCOs are reviewing their 17P process and back transfers; will develop recommendations to address these issues
	10	Pediatric Asthma Quality Improvement Initiative	12/01/12 (Sat)				MCOs have submitted proposals and are working toward implementation.
	11	Network Adequacy Reporting/ Approval Process	04/01/12 (Sun)				MCOs suggest that DHHS utilize GeoAccess reports as they would be a much more efficient way to determine network adequacy.
	12	Behavioral Health (Implementation of Managed Care)	04/01/12 (Sun)				Ensure that MCOs have adequate time for implementation
	13	Maternity Enrollment Referrals					
	14	Improvement of Review/ Approval of Required Forms					Support current DHHS effort and development of Agency Rule Book/ standardization of interpretations and requirements (e.g., requiring color DHHS logo if company prints their letter in color on mailouts)

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**SCAHP**  
SC Alliance of Health Plans

P.O. Box 72  
Greenville, SC 29602

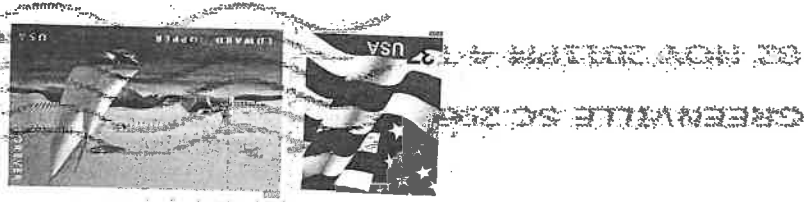
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Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Melanie Giese  
Deputy Director, Medicaid  
South Carolina Department of Health and  
Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

29202+8206







James H. Ritchie, Jr.  
Executive Director

864.527.5952  
[www.scalliance.com](http://www.scalliance.com)

November 1, 2011

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NOV 04 2011

The Honorable Anthony E. Keck  
Director  
South Carolina Department of Health and Human Services  
Post Office Box 8206  
Columbia, South Carolina 29202-8206

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

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With warmest regards,



James H. Ritchie, Jr.

JHRjr/lle

Enclosure

cc: Dan Gallagher, UnitedHealthcare  
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Log # 195

November 22, 2011

Mr. James H. Ritchie, Jr., Executive Director  
SC Alliance of Health Plans  
Post Office Box 72  
Greenville, South Carolina 29602

Dear Mr. Ritchie:

Thank you for your letter regarding the Alliance "Project Tracker" to monitor projects currently underway at South Carolina Department of Health and Human Services (SCDHHS).


You may not be aware that SCDHHS has its own in-house "Project Tracker" that we have been utilizing for the past several years in monitoring the deliverables of the health plans and SCDHHS. We have found it very useful in preparations for our monthly meetings with the health plans as well as for our staying on track for projects like SBIRT.

We will continue to work with multiple stakeholders on Medicaid payment reform and other initiatives that can make South Carolina a model for reshaping health care delivery systems. We also have a responsibility to operate as efficiently and effectively as possible with the resources we have which includes our project tracker as a tool for success. SCDHHS is securely on our way to accomplishing our overarching goal: to purchase the most health for the least amount of money.

We will continue to monitor our cost savings initiatives as a part of our reporting to the legislature. As we have stated previously, it is not SCDHHS's intention that, "the MCOS shoulder a disproportionate share of the cost reduction burden," but to hold them accountable for delivering the services they have in their contacts and to produce better outcomes at less cost.

We too, look forward to our continued working relationship.

Sincerely,

  
Melanie "Bz" Giese, RN  
Deputy Director

M/G/cbm

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

**ACTION REFERRAL**

TO	DATE
<i>Giese / Campbell</i>	<i>11-7-11</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>001195</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Teek</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>11-17-11</i>
	<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>gdb 11/11/11</i> <i>gfe 11/16/11</i>		
2.	<i>BS Green</i> <i>11/22 OK</i>	<i>11/17</i>	
3.			
4.			