DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Waldrep	1-23-12

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER: 10-282	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR cc: Mr. Keck, Dep'd, CMS file Cleared 2/21/12, letter attached	[X] Prepare reply for appropriate signature DATE DUE 1-30-12
	[ ] FOIA DATE DUE _____
	[ ] 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.			

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Center for Medicaid and CHIP Services
Disabled and Elderly Health Programs Group (DEHPG)

DEC 22 2011

RECEIVED
JAN 23 2012
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Mr. Anthony Keck
Director
South Carolina Department of Health and Human Services
1801 Main Street
Columbia, SC 29205

Dear Mr. Keck:

In response to the December 13, 2011 request from the State of South Carolina, the Centers for Medicare & Medicaid Services (CMS) is granting a temporary 90 day extension of South Carolina's Home and Community-Based Services (HCBS) Waiver program for medically complex children, which is currently scheduled to expire on December 31, 2011. The extension allows the "Medically Complex Children Waiver," CMS control number SC.0675.00, to continue operating from January 1, 2012 through March 30, 2012 at cost and utilization levels approved for the fifth year of the waiver program, with Federal financial participation.

CMS is granting this temporary extension in order to provide additional time for State officials to work with CMS staff to resolve issues that have arisen during the waiver renewal review process, including clarification on the provision of incontinence supplies. We look forward to receiving your responses by February 1, 2012 to the formal Request for Additional Information issued by CMS on December 14, 2011.

Thank you for your ongoing work with CMS staff during the process of revising and clarifying the waiver renewal application. If you need any assistance, feel free to contact Connie Martin in the CMS Atlanta Regional Office at (404) 562-7412 or Marge Sciulli in my office at (410) 786-0691.

Sincerely,

Barbara Coulter Edwards

Barbara Coulter Edwards
Director, Disabled and Elderly Health Programs Group

cc: Marge Sciulli, CMS CO
Melissa Harris, CMS CO
Connie Martin, CMS Atlanta RO

DEPARTMENT OF HEALTH & HUMAN SERVICES
Center for Medicare & Medicaid Services
7500 SECURITY BOULEVARD
BALTIMORE MD 21244-1850

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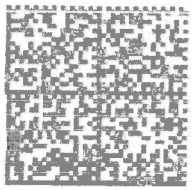

Mr. Anthony Keck, Director
South Carolina Department of Health and Human Services
1801 Main Street
Columbia, SC 29205

29201#2409 C003

Brenda James - Log 282

From: Teeshla Curtis
To: Brenda James
Date: 03/01/2012 10:31 AM
Subject: Log 282
CC: George Maky; Margie Hickerson
Attachments: Ref Log 000282 Response.PDF

Brenda,

Attached is the response for Log 282. This response was sent via email.

Thanks,
Teeshla

South Carolina Department of Health & Human Services

Anthony E. Keck, Director
Nikki R. Haley, Governor

February 21, 2012

Ms. Barbara Coulter Edwards
Director, Disabled and Elderly Health Programs Group
Department of Health & Human Services
Center for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850

RE: Informal Request for Information – Medically Complex Children's Waiver (MCC)
SC#0675.00

Dear Ms. Coulter Edwards:

The State of South Carolina is pleased to provide the enclosed response regarding the informal request for additional information related to the state's application to renew the community-based waiver program for medically complex children (MCC) (SC#0675.00). For each section below, the Center for Medicare & Medicaid Services (CMS) questions and/or comments are followed by the state response in bold, italic format.

Brief Waiver Description (p. 3)

1. Incontinence Supplies are covered under the Medicaid state plan as a mandatory benefit, as medical supplies and equipment. The state must remove the service from the array of home and community-based services (HCBS).

   The State Response: ***The state will remove the incontinence supplies service from the waiver and offer the service to participants through the state plan.***

Additional Requirements – I – Public Input (p. 6)

2. Was there any significant public input that impacted development of the renewal?

   The State Response: ***The state received public input concerning the addition of the non-skilled respite service to serve children without skilled needs. In response, the state will include a two-level respite service in the revised renewal request. Please see the attached summary of the public meeting.***

Office of Long Term Care and Behavioral Health
P.O. Box 8206 • Columbia, South Carolina 29202-8206
(803) 898-2502 • Fax (803) 898-8235

Appendix A: Waiver Administration and Operation (p. 11)

3. Please add a brief description of the Phoenix Case Management system, as this is the first reference under Responsibility for Assessment of Performance of Contracted and/or Local/Regional Non-State Entities.

The State Response: ***The state will add the following brief description of the Phoenix Case Management system.***

The Phoenix Case Management System is an automated electronic system to assist case managers in their work. This system performs a number of critical functions, including all intake, assessment, and care planning activities. The Phoenix System also manages provider lists, quality indicators, and edits to ensure compliance with federal regulations and state policies.

APPENDIX A, 6. Assessment Methods and Frequency (p. 11)

4. When the QIO conducts a "representative sample review" of ICF/MR level of care determinations completed by DDSN to verify they were performed in accordance with waiver requirements, what constitutes a "representative sample"? Is it a statistically valid sample?

The State Response: ***The State uses the same criteria and instrument for all ICF/MR level of care determinations. Related to this the representative sample review conducted by the QIO is statistically derived from all ICF/MR level of care determinations performed each month (i.e. institution, TEFRA, adverse determinations and five HCBS waiver programs) to ensure the level of care criteria is uniformly applied. This results in representative sample review with a confidence level of 95%.***

APPENDIX A. QI, Administrative authority of the Single State Medicaid Agency, Performance Measure 1 (p. 12)

5. SCDHHS/CSO Administrative Contract - sampling is 100%, what rationale was used to determine frequency of data collection/generation would only be every two years or more often, if needed? What circumstance determines "more often, if needed"?

The State Response: ***The state has developed and implemented a two-year administrative contract for the provision of Pre-Admission Screening function. This contract will be up for renewal within two years or sooner if the terms and conditions need to be changed to ensure the requirements are met for situations such as verified non-compliance issues related to the service provider, participant complaints, or budget discrepancies.***

Performance Measure 2, Proportion of special focus reviews, utilization reviews, and/or fraud investigations (p. 13)

6. Proportion of special focus reviews, utilization reviews, and/or fraud investigations – the state determined, "Sampling is determined by evidence warranting a special review and/or investigation." Would this sampling method always result in a statistically valid random sample?

   The State Response: ***The special focus/utilization reviews and possible fraud investigations would be performed by the Division of Medicaid Program Integrity following their protocol which utilizes statistically valid sampling methodologies to verify if billable services to Medicaid were appropriate.***

7. How does the state propose to measure the intended reports?

   The State Response: ***The state will modify the data source to reflect the tracking of report results of Program Integrity reviews or investigations.***

Performance Measure 3, Policies and procedures are amended accordingly based on staff and provider recommendations, as appropriate (p.14)

8. The state may wish to restate the PM so that it is measurable.

   The State Response: ***The state will modify the PM as follows to clarify a measureable time element:***

   Policies and procedures will be reviewed annually or more often based on staff and provider recommendations, as appropriate.

Performance Measure 4, Meetings are held with providers to discuss specific waiver issues (p. 15)

9. How does the State propose to measure the intended reports?

   The State Response: ***The state will modify the PM as follows to clarify a measurable time element:***

   Quarterly meetings will be held with providers to discuss specific waiver operational issues.

Appendix B-1, Target Groups, Additional Criteria (p. 17).

10. Please insert a reference or summary of the state-defined medical criteria. Regarding the transition procedures in (c), have there been any issues in the past to indicate the process has not worked smoothly?

    The State Response: ***Related to "Additional Criteria", the state will insert a summary of the state-defined medical criteria for clarification.***

    Related to "Transition of Individuals affected by maximum age limitation", the state has not experienced any issues related to the transition planning of children aging out of the waiver program.

Appendix B-3 Number of Individuals Served, (c) Allocation of Waiver Capacity (p. 21)

11. Does the state have a need to reserve capacity for its Money Follows the Person Demonstration?

    The State Response: ***The state does not have a need to reserve capacity for this children's waiver related to the Money Follows the Person Demonstration.***

Appendix B-6-(d) Evaluation/Reevaluation-Level of Care (p. 21)

12. The state's website seems to indicate it is moving towards more current language. Does it wish to use the terms Intellectually Disabled and Developmentally Disabled in the HCBS waiver?

    The State Response: ***The state will use the term Intellectually Disabled and Developmentally Disabled in the HCBS waiver.***

Appendix C-1/C-3 Services - Incontinence Supplies (pages 39, 42)

13. The state needs to remove the Incontinence Supplies. Please note that supplies can only be limited based on medical necessity and utilization review.

    The State Response: ***The state will remove the incontinence supplies service from the waiver and offer the service to participants through the state plan.***

Appendix C-1/C-3 – Pediatric Medical Day Care (p.43)

14. The state cannot limit a service within a waiver that serves individuals 0-18 to only individuals 0-6. Please remove the age cap. The state may wish to use needs-based criteria to assist it in limiting the service.

The State Response: The state will remove the age cap.

APPENDIX C-2, General Service Specifications (p. 45)

15. Are providers undergoing criminal history and/or background checks allowed to perform services before the results of the investigation is back? Are these investigations reoccurring at intervals of employment?

The State Response: Providers are required to undergo criminal history and background checks prior to becoming an enrolled Medicaid provider. Once in enrolled, the state does not require providers to periodically conduct employee abuse registry screenings.

16. Are providers undergoing abuse registry screenings allowed to perform services before the results of the investigation is back? Are these investigations reoccurring at intervals of employment?

The State Response: Providers are required to undergo abuse registry screenings prior to becoming an enrolled Medicaid provider. Once in enrolled, the state does not require providers to periodically conduct employee abuse registry screenings.

Appendix D-1, Service Plan Development Process (p. 56).

17. The state may wish to reconsider the use of the word 'problem' in association with beneficiaries. Perhaps the word 'needs' would be more appropriate.

The State Response: The state will revise the Service Plan Development Process and use the word 'needs'.

APPENDIX F, Opportunity to Request a Fair Hearing (p. 74)

18. Does the Adverse Notification form contain a toll-free number for the participant to use to seek assistance in filing an appeal?

The State Response: The state does not offer a toll-free number, but provides a written notice with instructions on how to file an appeal and adverse action.

APPENDIX G-1 (e), Response to Critical Events or Incidents, (p. 77)

19. The Care Services Organization will submit reports in Phoenix to the state when a critical event occurs requiring medical intervention and/or results in hospitalization, or abuse/neglect. How are less critical events monitored?

    The State Response: The less critical events are documented through the narrative section of the Phoenix system.

20. Also, in the currently approved application, the state was working on "a system of receiving and investigating reports of alleged abuse, neglect, and exploitation occurrences regarding pediatric waiver participants." What is the status of that system?

    The State Response: The state will continue to work with its sister agency in the development of an information sharing process.

Appendix I-2, Rate Determination Methods (p.95)

21. Please delete references to Incontinence Supplies.

    The State Response: The state will remove the incontinence supplies service from the waiver and offer the service to participants through the state plan.

APPENDIX I-3, Rates, Billing and Claims (p. 96)

22. The state reports, "Almost all claims for waiver services are submitted to MMIS through South Carolina's Care Call system." Please add how the state monitors claims not submitted through the Care Call system.

    The State Response: The state now processes all Medically Complex Children's Waiver services through the Care Call system.

Appendix J, Cost Neutrality Demonstration (p. 104)

23. Please adjust the calculations in Appendix J to reflect changes regarding Incontinence Supplies and Pediatric Medical Day Care.

    The State Response: The state will revise Appendix J to reflect changes regarding Incontinence Supplies and Pediatric Medical Day Care.

Appendix J-2, b, Average Length of Stay (p. 105)

24. Does the state know why the ALOS is only 295 days/10 months?

The State Response: ***The state projected the ALOS based on prior year information. Due to the complex medical condition of the children served in the waiver, ALOS varies as these children experience improved health and they no longer meet the criteria (i.e., graduated), reach 18 years of age and age out of the program, voluntarily disenroll, involuntarily terminate, or health declines and they expire. The state will re-evaluate the 5-year projection prior to resubmitting.***

Appendix J, Derivation of Estimates, (p. 106)

25. It appears all the rates have been cut since the last approval: Care Coordination was $135, now $117; Pediatric Medical Day Care was $22, now $19; Respite was $35, now $31. Have the rate cuts been implemented? If yes, has there been an impact on the health and safety of beneficiaries, and provider participation? If the rates have not been cut, what impact does the state anticipate the rate cuts (13 percent, 14 percent, and 11 percent, respectively) will have on beneficiaries? The provider community?

The State Response: ***The state has not received any complaints from participants related to the reduction in service rates. Related to provider participation, the state has not seen an affect to providers of Pediatric Medical Day Care, Care Coordination, or Respite services.***

We believe the clarification provided herein appropriately addresses CMS concerns. Please contact Jocelin Dawson, at (803) 898-2644, should you have any questions.

Sincerely,

Sam Waldrep
Deputy Director

SW/wmh

Public Meeting on Renewal of the Medicaid Home and Community Based Waiver for Medically Complex Children Summary

Date: September 27, 2011
Time: 3:00-4:30pm
Location: Family Connections, 2712 Middleburg Drive, Columbia, SC

Subject: Renewal of Medicaid Home and Community Based Waiver for Medically Complex Children

Objective: To provide the public information about the State's intent to request a 5-year renewal of the Medically Complex Children's (MCC) home and community-based waiver program, and the opportunity to provide comments.

Information provided at meeting:

- Current waiver status

  1. The MCC waiver was developed to provide a system of care to medically complex children statewide.
  2. Waiver enrollment: approximately 200 children, which includes approximately 35 foster care children.
  3. Waiver waiting list: approximately 100 children: The waiting list policy is based on a first come-first served basis, with the following 3 target groups given priority for waiver enrollment: children being discharged from the hospital, children in foster care, and children who require skilled nursing services.

- Eligibility criteria

  The following are the primary criteria that must be met to enter the waiver program:

  1. Be Medicaid eligible and under 18 years of age;
  2. Meet Nursing Facility (NF) or Intermediate Care Facility for the Mentally Retarded (ICF/MR) criteria;
  3. Meet Medical Eligibility Criteria that indicates the child has:

     a) A serious illness or condition that is expected to last longer than 12 months, and which generally makes the child dependent upon comprehensive medical, nursing, health supervision or intervention; and
     b) Significant medication, hospitalization, therapy, nursing care, and specialist needs.

- Waiver services

    1. Care Coordination by a Registered Nurse
    2. Limited Incontinence Supplies (diapers/briefs, wipes, and underpads)
    3. Pediatric Medical Day Care
    4. In-home Respite provided by a licensed nurse

- Intake and referral process

    Anyone can initiate a referral for the waiver program by mail, fax, e-mail, or telephone to:

    SC Department of Health and Human Services
    Attn: MCC Waiver, J909
    P.O. Box 8206
    Columbia, SC 29202-8206
    hickersm@scdhhs.gov
    803-898-2577 (tel)
    803-255-8204 (fax)

- Pre-Admission Screening and Children's Private Duty Nursing Service

    The Department of Health and Human Services (DHHS) has implemented a pre-admission screening to expedite the processing of referrals and for coordinating the waiver program with the Medicaid State Plan Children's Private Duty Nursing service.

- Waiver Renewal/Outcomes

    1. DHHS intends to renew the MCC waiver for a new 5-year period without making any substantive changes to the current waiver program (with projections to annually increase enrollment over the 5-year period).
    2. In conjunction with the State's hospitals, DHHS plans to reduce the extent of children's hospital stays through more appropriate discharges from the NICU/PICU by facilitating care in the community through the coordination of the Children's Private Duty Nursing service and waiver care coordination monitoring.
    3. Through monthly care coordination monitoring and facilitation of regular physician visits, DHHS plans to continue preventing unnecessary emergency room visits and hospital stays.

Comments received at meeting:

- Provide more communication with the referring physician and other referral sources to update them on the status of their patient/applicant in the waiver referral process.

- Evaluate and improve the Referral/Intake process to determine and implement a more efficient process for all parties involved.

- Consider revising the Medical Eligibility Criteria scoring process to add a difficulty of care designation for foster care children.

- Related to the current In-home Respite Care service:

    1. Consider adding a non-skilled respite service to serve children without skilled needs.
    2. Consider increasing the service limit up to 48 hours per month to reduce caregiver breakdown.
    3. Consider allowing families to bank authorized, but unused time.
    4. Consider the use of rural hospitals to provide an institutional respite care service.
    5. Consider a cooperative volunteer type arrangement that utilizes the skilled and trained foster parents to provide respite care by individuals.

- Consider how to increase the availability of Pediatric Medical Day Care service providers across the state.

- Consider increasing the service limits for incontinence supplies.

- Post the Medical Eligibility Criteria and Assessment on the DHHS website.

- Collect waiver data and information related to:

    1. Length of stay for waiver enrollment and on the waiting list;
    2. Level of Care;
    3. Hospital, emergency room, and physician sick visits;
    4. Medicaid eligibility, and Medical Eligibility Criteria; and
    5. Cost information for the waiver participants, post-waiver participants, and related comparison groups.