

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Bosling</i>	<i>6-20-07</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  000788	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>Cleaved 7/9/07, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>6-29-07</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.			
2.			
3.			
4.			

# SCAHP

June 11, 2007



Beverly G. Hamilton, MHSA  
Division Director for Care Management  
South Carolina Department of Health & Human Services  
1801 Main Street, 7<sup>th</sup> Floor  
Columbia, SC 29202

Dear Ms. Hamilton:

A handwritten signature in dark ink, appearing to read "Beverly G. Hamilton", written over the typed name.

RE: Maximus Implementation Update Meetings/MCO Medicaid Issues

The South Carolina Alliance of Health Plans (SCAHP) remains steadfast in its support of the South Carolina Department of Health and Human Services' (SCDHHS) implementation of a statewide auto-assignment Medicaid managed care program. As the August 1 Midlands Region roll-out nears, SCAHP member Medicaid health plans are eager to work with SCDHHS to ensure a successful implementation. To accomplish this, SCAHP Medicaid health plans are requesting the establishment of a weekly thirty (30) minute implementation update meeting with SCDHHS and Maximus project managers until go-live and for a period of time thereafter to:

- Establish a routine forum where health plan information technology staff can receive immediate feedback from Maximus, SCDHHS and Clemson technical personnel on issues that may impact completion or file testing/exchanges;
- Create an opportunity for common dialogue where health plans are apprised simultaneously of the project implementation status and any potential project barriers;

There also remains a need for clarification on issues germane to all health plans, beyond the technical scope of the Maximus implementation. In addition to weekly update meetings, SCAHP Medicaid health plans are also seeking clarification on the following issues surrounding statewide auto-assignment::

- *FFS/MCO Assignment Methodology.* There has been some discussion on the enrollment algorithm to be employed by Maximus for beneficiary assignment to managed care organizations and medical home networks. However, further clarification is required from SCDHHS regarding beneficiary assignment protocols for fee for service.

South Carolina Alliance of Health Plans

- *State Communication Plan.* SCAHP members were informed during an April 19<sup>th</sup> Maximus kick-off meeting with your staff that an internal communication plan for state employees was being developed to communicate the regional rollouts and impact. Health plans at the time were encouraged to provide input to the communication plan. SCAHP health plans are interested in reviewing the communication plan for input. We would also like to know the proposed timing for release of this communication plan.
- *Enrollee Communications.* It was indicated during the April 19<sup>th</sup> Maximus kick-off meeting that enrollee choose now communications under development and projected to be available for health plan review in May. Health plans were given an opportunity to review the original choose now selection letter utilized by SCDHHS, as well as the health plan comparison guide which the health plans were allowed to modify. The health plans have not received the agreed upon information for the review to take place. Upon receipt, we will provide a quick turnaround to ensure that SCDHHS meets its implementation deadline. Also, we would like clarification on how new approved plans will be incorporated into the comparison chart.

The expansion of the number of Medicaid MCOs in the marketplace calls for the initiation of routine meetings between the Agency and SCAHP members to foster greater collaboration and interchange on the MCO contract, impending regulatory/policy amendments, rate setting and other relevant Medicaid issues. We recommend establishing monthly update meetings between the health plans and SCDHHS (and related vendors). SCAHP members have raised concerns about the following contract/policy issues:

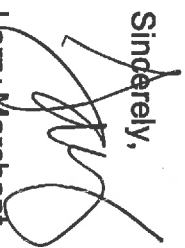
- *Monthly Encounter Submission.* SCAHP Medicaid plans are seeking confirmation as to the timeline SCDHHS will employ to establish monthly encounter data submission. The quarterly submission currently in place has been discussed in past forums for transition to a monthly submission, however it remains unclear as to the actual target implementation date. This significantly impacts health plan rate setting and is critical to ensure the most accurate utilization data is available to the state in developing comprehensive MCO reimbursement.
- *July 2007 Rates.* SCAHP is unclear as to the timing in which SCDHHS will communicate new MCO rates to health plans, scheduled to take effect July 1, 2007. Health plans are looking to receive information in a timely fashion that will allow them to pose questions to the your agency prior to the effective date of all reimbursement changes. SCDHHS has been extremely responsive in establishing calls with the health plans regarding hospital reimbursement. We are soliciting you for a similar forum to discuss the rate changes.

- *Hospital Rates.* It is our understanding that the State has proposed reimbursement changes to remedy negative Upper Payment Level impacts of increased managed care enrollment and other hospital reimbursement concerns. We look to SCDHHS to provide regular feedback on the impact of the changes on the rollout and MCO rate setting.

Ideally, we are looking to utilize the proposed Maximus implementation update meetings as the springboard for initiating the continued monthly meetings.

Please feel free to contact me if you have any questions regarding SCAHP's request on behalf of our member health plans. I can be reached at (803) 771-9855 at your convenience. We hope to assist in making the implementation process as smooth as possible. We appreciate your attention in this matter and look forward to continuing our side by side work with SCDHHS on this worthy endeavor.

Sincerely,



Larry Marchant  
Executive Director

Cc: Susan Bowling, Acting Director SCDHHS  
SCAHP Medicaid Subcommittee



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

Mark Sanford  
Governor

Susan B. Bowling  
Acting Director

July 9, 2007

Mr. Larry Marchant  
Executive Director  
South Carolina Alliance of Health Plans  
3020 Devine Street, Suite A  
Columbia, South Carolina 29205

RE: Maximus Implementation Update Meetings/MCO Medicaid Issues

Dear Mr. Marchant:

Thank you for bringing to my attention the issues of concern by the Alliance members. As we discussed when meeting on June 20, 2007, we at the Department of Health and Human Services (DHHS) have worked with representatives from Maximus to establish the basic operational procedures that will enable them to assist all Medicaid managed care plans operating in the state and ultimately the Medicaid members. Most of this work has centered upon information technology specifications. We actively included the currently enrolled plans from the very first meeting and have expanded to include the prospective plans in conference calls on a weekly basis. This interactive process allows the information technology staff to discuss file formats, data testing requirements, and any other concerns related to reporting, transfer of information, and overall systems designs. We welcome your participation in these calls if you feel this will assist you in your support of the plans. The calls are currently scheduled for Wednesday mornings from 10:00am-12:00pm. The first hour is devoted to Maximus interacting with the prospective plans and the second hour is devoted to interaction with all plans. This seemed to be the prudent way to handle the calls since much information is being repeated for new plans as they come onto the scene.

A call will also be held on Monday, July 9, 2007 at 1:00pm so that representatives from each of the plans can review materials/letters that will be initiated by Maximus enrollment counselors in their interactions with members. You are certainly welcomed to participate. The call-in number for the meeting is 1-877-224-3008; pin 797916. You can download the materials from the following web address:  
<http://www.users.qwest.net/~fordgraphics/sc4plans/>

I think we resolved many of the issues included in your letter while meeting, but will attempt to clarify further:

# 788  
✓

- FFS/MCO Assignment Methodology – We are committed to offering beneficiaries options on how and where they receive their care, but will encourage enrollment into a managed care plan – either with a managed care organization or a medical homes network. If a member does not make an active choice, they will be assigned on a rotating basis to one of the managed care plans that is available in the county of their residence. Auto assignment will not be performed in counties with less than two viable options.
- State Communications Plan/Enrollee Communications – When we met back in April, I did commit to keeping the plans informed as best I could of both the internal and external communications plan associated with the Enrollment Counselor implementation. The development of these communications materials has taken a lot of time and effort. In addition, the agency engaged a separate communications and marketing company to hold focus groups with Medicaid beneficiaries to test for readability and understanding. Layout and content adjustments have been made so that the materials are now ready for plan review and input. Again, SCAHP staff is welcomed to attend, also.

I welcome the opportunity to attend the SCAHP meetings, beginning with the meeting on July 9<sup>th</sup>. Hopefully, this will reduce anxiety and increase collaboration among all involved. As noted in your letter, we are aware of the importance of monthly encounter data submission, and are working to update our system so that we can accept this much needed data. Additionally, work is underway to update the rates retroactive to July 1<sup>st</sup>. The agency has received the required information from Deloitte and has submitted this to CMS for approval. We anticipate approval from CMS in the very near future. The agency is also working expeditiously to address the hospital rates/Upper Payment Level as we know this is utmost importance to all involved. The actuaries are updating the hospital reimbursement rates with the expectation that they will be "made whole" so that there is increased willingness to support the Medicaid managed care initiative.

We can further discuss these and any other issues when we meet on Tuesday, July 10, 2007. Thank you again for the support you give to the agency and the Medicaid managed care initiative.

Sincerely,

  
Beverly G. Hamilton  
Division Director

BGH/gmm

cc: Susan Bowling, Acting Director  
M. Melanie "BZ" Giese  
Mark E. McKenna