DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Singleton/Patterson	10/9/13

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000137	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR _____	[X] Prepare reply for appropriate signature DATE DUE 10/24/13
Cleared 11/5/13, letter attached	[ ] 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.			

MHPSC Medicaid Health Plans of South Carolina
Lea B. Kerrison, Esq. - Executive Director

845 Lowcountry Boulevard, Suite J
Mount Pleasant, South Carolina 29464
Phone: (843) 606-2242
Fax: (843) 606-2787
Email: lea@kerrisonlaw.com

October 8, 2013

Via Email Only
Anthony E. Keck
Director, South Carolina Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202

RE: Regional Networks and Network Adequacy Considerations

Dear Tony,

Representatives of the existing managed care organizations, along with Molina and Advicare, discussed suggestions related to the structure and adequacy considerations of the Department's proposed regional network concept. As you requested, we present the suggestions set forth below.

The suggestions emphasize flexibility in network design and adequacy without sacrificing care. As you have noted, artificial political boundaries can be impediments to achieving the Department's goals of increasing access to high value networks and responsibly managing costs. Establishing and maintaining strategic flexibility can be handled in a streamlined manner by the Department's use of established standards and by employing a waiver system for special circumstances. The suggestions are as follows:

1. Given the availability of provider services and past experiences of Medicaid MCOs in the State, we suggest the county validation template be utilized as a regional validation template, with the following attestation and grouping changes:
    a. Change the status of the following services from "required" to "attestation": (1) Endocrinology and Metab, and (2) Rheumatology.
    b. Group the following providers into one behavioral health service category, retaining "required" status: (1) Licensed Independent Social Worker, (2) Licensed Professional Counselor, and (3) Licensed Marriage and Family Therapist.
    c. Group the following providers into one behavioral health service category, retaining "required" status: (1) Psychiatry, and (2) Psychologist.

d. Change Department policy to remove differing age requirements respecting therapy. Such change would make it possible to remove the distinction between Private and Hospital Based (1) Physical Therapy, (2) Speech Therapy and, and (3) Occupational Therapy.

2. Adopt the CMS standard of time and distance as the Department's standard for determining access.

3. Implement use of GeoAccess software to utilize maximum service area footprints for willing providers.

4. For proximity guidelines, designate separate travel time and mileage requirements for rural and urban areas, as such areas, travel times and mileage are designated by CMS. Given the number of plans likely to apply for participation in the SC DuE, extensive mirroring of CMS network adequacy considerations will assist unity of expectations and reduce administrative burden inherent to maintaining separate adequacy requirements.

5. For network adequacy consideration, authorize inclusion of any provider within the appropriate travel time and mileage, regardless of the provider's location within a particular county or designated region. Regional lines should not be utilized to limit a provider's allowable service area or the ability of a plan to contract with such provider. Regional lines may be used to create robust incentives for Medicaid managed care organizations operating in hot spots and regions with significant disparities. This will support the development of high value networks and begin to mitigate the dominating negotiation power of certain large essential providers.

6. Utilize a waiver process similar to Medicare for special circumstances. For instance, when all providers of a particular specialty in a geographic region refuse to contract with a Medicaid managed care organization, authorize the plan to attest to the non-availability of such providers for the specialty in that geographic area. The Department could verify such attestation of non-availability through review of the other plans' networks. Waiver approval should be flexible to consider and approve well documented specialty shortfalls in particular areas.

7. Allow for consideration of a provider agreement to be utilized for more than one area based on the multiple office locations of the provider practice and the hours of operation the provider practice maintains in the multiple office locations. In addition, revert to the

prior practice of obtaining office hours by practice rather than individual physicians, which are subject to constant change based on need.

We look forward to the development of the above suggestions through the CCIG and other avenues with the Department. In order to meet your designated timelines, we request that you schedule a meeting with the plans within the next two weeks to formally work on these issues. .

Very truly yours,

Lea B. Kerrison

LBK

cc: Deirdra T. Singleton (Via Email only)
Evan M. Gessner (Via Email only)

Response attached 11/5/13

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

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Very truly yours,

Lea B. Kerrison

LBK

cc: Deirdra T. Singleton (Via Email only)
Evan M. Gessner (Via Email only)

South Carolina Department of Health & Human Services

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

November 5, 2013

Lea B. Kerrison
Executive Director
845 Lowcountry Boulevard, Suite J
Mount Pleasant, South Carolina 29464

Re: Regional Networks and Network Adequacy Considerations

Dear Mr. Kerrison,

This letter serves as a response to the letter you submitted to the South Carolina Department of Health and Human Services (SCDHHS) on October 8, 2013.

We acknowledge receipt of the seven suggestions related to the structure and adequacy considerations for the Department's development of a regional network. These suggestions included assorted details about the following components:

1. Use of a regional validation template as opposed to a county validation template for services and providers through a combination of changes in the attestation and required groupings;
2. Use the CMS time and distance measures for determining access;
3. Use GeoAccess® software for internal SCDHHS staff operations;
4. Use separate travel time(s) and mileage requirements for rural and urban geographies;
5. Authorize any provider(s) within time and distance requirements;
6. Use waivers for special circumstances (e.g., attestations for no available provider within geographic area(s));
7. Allow flexibility for the use of the same provider agreement(s) in multiple geographic sites with operating hours designed to be influenced by need;

The Department also acknowledges your request to formally address these issues through existing stakeholder engagement workgroups and public-private collaborative activities—the Medicaid Coordinated Care Improvement Group (CCIG). The issues raised in your letter will be part of an ongoing discussion which will be addressed during the Department's CCIG meetings as well as during scheduled meetings with the Managed Care Plans (Plans). We look forward to publishing a report of the most recent CCIG meeting which was held on October 10, 2013. We are scheduling a meeting with the Plans to further discuss the issues raised in your letter.

For questions regarding CCIG and all other Medicaid Managed Care policies, please contact me by phone at (803) 898-2018 or by email at pattnat@scdhhs.gov.

Sincerely,

Nathaniel J. Patterson
Program Director, Health Services

cc: Deirdra T. Singleton, Deputy Director
Evan Gessner, Assistant General Counsel

Cynthia Gore

From: Cynthia Gore
Sent: Tuesday, November 05, 2013 2:56 PM
To: Brenda James
Cc: Deirdra Singleton; Nathaniel Patterson
Subject: FW: SCDHHS Reponse Letter to Lea Kerrison, November 5, 2013
Attachments: Lea Kerrison_SCDHHS Response Letter_November 5 2013.pdf; 000137 SCDHHS Log-Letter .pdf

Brenda,
Please be advised that log letter 137 has been responded to. Please see attached.

Thanks,

Cynthia Gore

SOUTH CAROLINA Healthy Connections MEDICAID

Cynthia.Gore@scdhhs.gov
803.898.3202
1801 Main Street, 11th Floor
Columbia, South Carolina - 29201
www.scdhhs.gov

From: Nathaniel Patterson
Sent: Tuesday, November 05, 2013 12:39 PM
To: Lea Kerrison (lea@kerrisonlaw.com)
Cc: Deirdra Singleton; Evan Gessner; Cynthia Gore
Subject: SCDHHS Reponse Letter to Lea Kerrison, November 5, 2013

Good afternoon Mr. Kerrison,

Please find the response letter attached.

Sincerely,

Nathaniel Patterson
Program Director
PATTNAT@scdhhs.gov

SOUTH CAROLINA Healthy Connections MEDICAID