South Carolina Department of Health and Human Services
Medical Care Advisory Committee
Item for Committee Advisement

PREPARED BY: Kara Lewis

PRESENTED BY: Sam Waldrep

DATE: 5/19/09

SUBJECT: Renewal of Mental Retardation/Related Disabilities (MR/RD) Waiver

OBJECTIVE: To submit to the Centers for Medicare and Medicaid Services (CMS) a 5-year renewal of the Medicaid home and community-based waiver serving individuals with mental retardation and related disabilities.

BACKGROUND: The Department of Health and Human Services (DHHS) and the Department of Disabilities and Special Needs (DDSN) formed a partnership in 1991 to develop community-based services through the MR/RD waiver. This waiver is designed to prevent or delay institutionalization for waiver clients. DHHS provides administrative oversight for the waiver while DDSN is responsible for day-to-day operations. Currently the MR/RD waiver serves approximately 5,700 individuals with a waiting list of 1,400. The waiver is due to expire on September 30, 2009, and DHHS must submit this renewal application in June 2009, to allow for the CMS mandatory 90 day review period.

Due to the state's budget situation, DDSN opted to make several changes to the waiver program. DHHS and DDSN have worked together for many months to consider possible changes administratively allowed within federal regulations. To obtain public input, DDSN conducted a survey of waiver participants, parents and other interested stakeholders, seeking recommendations for changes to the MR/RD waiver. This information guided DDSN toward making necessary budgetary adjustments and includes the following: 1) continuation of core services without changes; 2) placing limits on services; 3) elimination of low utilization services; and 4) as a minor technical change, the state is separating the coverage of Personal Emergency Response Systems (PERS) from Specialized Medical Equipment, Supplies and Assistive Technology and therefore adding PERS as a separate service in this waiver. The proposed changes are listed below.

<u>Core services to continue unchanged</u>:

Adult Day Health Care
Adult Day Health Care- Transportation
Psychological Services
Day Activity
Community Services
Support Center Services
Behavior Support Services
Adult Day Health Care-Nursing
Residential Habilitation
Private Vehicle Modifications
Career Preparation
Employment Services
Adult Dental Services
Prescribed Drugs

Services for which limitations will be necessary:

- *Environmental Modifications*: lower the lifetime cap from $7,500 to $5,000;
- *Specialized Medical Equipment, Supplies and Assistive Technology*:
  a) lower the monthly limits of diapers, wipes and underpads from up to 3 cases per month to 2 cases per month for each product;
  b) lower the monthly limit of liquid nutrition (for those without a feeding tube) from up to 3 cases per month to 2 cases per month;
  c) lower the limit and cost per wheel chair to $8,000 total and allow only 1 chair every 5 years (previously not specified in waiver);
- *Nursing*: limit services up to 56 hours per week for LPN and 42 hours per week for RN (previously not specified in waiver);
- *In-home Respite*: limit service up to 32 hours per month (previously not specified in waiver). (No change with ICF/MR respite);
- *Personal Care II*: limit service up to 28 hours per week (previously not specified in waiver).

Services to be removed:

Physical Therapy
Occupational Therapy
Speech Language pathology
Day Habilitation (replaced w/Day Activity)
Supported Employment (replaced w/Employment Services)
Prevocational Habilitation (replaced w/Career Preparation)
Audiology
Adult Vision
Adult Companion
Adult Attendant Care
Personal Care I

Service to be added:

Personal Emergency Response System (PERS)

BUDGETARY IMPACT: DDSN is responsible for the state match portion of operating expenditures. For SFY 07-08, waiver expenditures totaled approximately $242 million.

EXPECTED OUTCOMES: The waiver renewal will allow DDSN to continue serving the client population in a cost-effective manner.

EXTERNAL GROUPS AFFECTED: MR/RD waiver individuals will continue to receive home and community-based long-term care services. Medicaid enrolled/contracted providers will continue to receive reimbursement for waiver services provided in accordance with policy.

RECOMMENDATION: Submit the MR/RD waiver to CMS for a 5-year renewal period.

EFFECTIVE DATE: October 1, 2009