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MEMORANDUM

TO: Consumers, Families, and Advocates
FROM: Beverly A. H. Buscemi, Ph.D.
State Director
RE: Update on Targeted Case Management
DATE: March 13, 2013

A handwritten signature in cursive script that reads "Beverly A. H. Buscemi" followed by a stylized initial "PMB".

I am pleased to report there has been significant progress made on Targeted Case Management in the last two weeks. Last week staff from DDSN and DHHS met along with four DSN Board Executive Directors to discuss Medicaid Targeted Case Management (MTCM). A summary of this meeting is attached in a joint letter to Representatives Brian White and Murrell Smith per their request. Please take a moment to review this letter. It details recent efforts to address DDSN's concerns for MTCM services. As outlined, DDSN and DHHS will work together towards amending all four waivers we operate to add a new service called Support Coordination that goes beyond MTCM to include functions necessary for persons enrolled in a waiver.

DDSN and DHHS have some important details to work out for the new Support Coordination waiver service. In February DDSN gave DHHS a completed draft of language and specifics to be included in the new waiver service. DHHS is reviewing this now. DDSN is also working with DHHS on the development of an additional waiver service that may replace some of the direct services that Service Coordinators/Early Interventionists were previously performing, and can no longer provide.

DDSN and DHHS will also be working to develop an Administrative Contract specific to Service Coordination/Case Management that will have a broader array of services than the current definition of MTCM. However, these services would be covered at the lower administrative rate of 50/50 than the service delivery rate of 70/30. This Administrative Contract would apply to individuals not enrolled in a waiver who receive MTCM including children in Early Intervention services.

Last Friday DDSN sent a list of services to be considered in the Administrative Contract to DHHS. These services must be in direct support of the administration of the Medicaid program. This list was developed from conversations and meetings with families and advocates, information gleaned from our Stakeholder Sessions held last year, and input from DDSN's provider network.

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What is especially important to note is that DHHS has agreed to delay the next phase of implementation for MTCM currently scheduled for July 1, 2013 in order for CMS to approve all four proposed waiver amendments. A target date of January 1, 2014 has been agreed upon. This postponement will allow the two agencies to work together to develop, receive CMS approval, and implement a new Support Coordination waiver service, a direct service waiver service, and enter into an Administrative Contract. CMS must approve this delay in implementation as well as Waiver Amendments and an Administrative Contract.

DDSN and DHHS must also develop rates for the waiver Support Coordination and direct waiver service and a budgeted amount for the Administrative Contract. DDSN cannot complete financial projections for our service delivery system until the details of what services are covered and what the rate or budgeted amount associated with the service is determined. So while this is encouraging progress, we cannot determine the impact to our service delivery system at this time.

I am cautiously optimistic regarding these recent agreements between DDSN and DHHS. We will continue to work with DHHS on finalizing these important details. There is still a good deal of work to be done and our time frame is still tight. However, it does look promising that many of the services our families rely upon can be preserved and maintained. This will still mean significant change and adjustment for the DDSN system, families and providers, but I am hopeful we can come to a manageable solution by working together with DHHS.

Cc: SC DDSN Commission



March 11, 2013

The Honorable Brian White and Honorable Murrell Smith
South Carolina House of Representatives
Columbia, South Carolina 29201

Dear Chairman White and Chairman Smith,

We are writing this letter to summarize our conversations with our staff and several DSN Directors as a follow up to our meeting with you. As we discussed in our meeting last week, we do not want concerns related to the impacts of TCM changes to disrupt South Carolina's overarching goal of creating efficiencies, driving out unnecessary Medicaid costs and improving the outcomes and lives of beneficiaries. In our follow-up discussion, we emphasized our commitment to moving forward in a way that kept the needs of our beneficiaries and their providers in clear view; and, it is our intention to minimize, to the extent we can, any issues that might create barriers to services being delivered or received.

In response to concerns raised in our follow-up meeting, we agreed to the following strategies:

- SCDHHS and SCDDSN will work together to amend the four DDSN-related waivers to add a new support coordination service. If this cannot be completed, approved by CMS, and implemented by July 1, 2013, SCDHHS will request a postponement of the phase-in of its next planned step of implementing a 50/50 blended rate from July 1st to January 1, 2014. This will also push back the entire timeframe and steps 3 (25/75 blended rate) and 4 (final market-based rate) back 6 months. This will require CMS approval.
- We will pursue an administrative contract for non-waiver individuals to cover agreed-upon non-MTCM services. This will also require CMS approval.
- If by July 1 the Centers for Medicaid & Medicare Services (CMS) do not approve the DHHS request for a delay in the continuation of the MTCM rate phase in, the two agencies will enter into an administrative contract for individuals in the four DDSN waiver programs for non-MTCM services as a temporary measure.
- DDSN will continue its efforts to improve billable service productivity among its providers of service coordination and early intervention.
- Our respective staffs will look into strategies for utilizing and billing for existing State Medicaid Plan services such as "Family Support Services" and/or adding a new service to the waivers for the direct care component.

- SCDHHS and SCDDSN will negotiate new waiver service rates and administrative contract budget.

We both agree that we all approached the meeting in the spirit of collaboration, and with a desire to ensure that the citizens served by SCDDSN's statewide system of providers receive outstanding services.

If we can answer any other questions related to this effort, as always, do not hesitate to call on us.

Sincerely,



Anthony E. Keck
Director, SCDHHS



Beverly A.H. Buscemi
State Director, SCDDSN