

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33



**Fiscal Year 2018-19
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2018-19, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2018-19, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input checked="" type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS (FORM D)	For FY 2018-19, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input checked="" type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Kathy Bass	898-2827	Bass@scdhhs.gov
SECONDARY CONTACT:	Erin Boyce	898-1574	erin.boyce@scdhhs.gov

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<i>Agency Director</i>	<i>Board or Commission Chair</i>
TYPE/PRINT NAME:	Deirdra T. Singleton	

This form must be signed by the agency head – not a delegate.

Fiscal Year 2018-19 Budget Request Executive Summary

Agency Code: J020
 Agency Name: Department of Health and Human Services
 Section:

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Maintenance of Effort Annualization	26,416,551	(7,227,007)	(29,942,473)	17,926,409	7,173,480	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	CHIP Funding	52,000,000	(52,000,000)	0	0	0	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Maintain Access to Autism Spectrum Disorder Services	3,848,880	9,423,120	0	0	13,272,000	0.00	0.00	0.00	0.00	0.00
4	B2 - Non-Recurring	Medicaid Management Information System	7,741,075	72,413,152	0	0	80,154,227	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	BabyNet Appropriation Transfer from DDSN	11,402,071	0	0	0	11,402,071	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	DDSN First Slots Appropriation Transfer	(1,368,235)	0	0	0	(1,368,235)	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	Opioids/Methadone clinics	4,350,000	10,650,000	0	0	15,000,000	0.00	0.00	0.00	0.00	0.00
8							0	0.00	0.00	0.00	0.00	0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			104,390,342	33,259,265	(29,942,473)	17,926,409	125,633,543	0.00	0.00	0.00	0.00	0.00

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1 – Form #13283 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Maintenance of Effort Annualization <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$26,416,551 Federal: (\$7,227,007) Other: (\$12,016,064) Total: \$7,173,480 <i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:
	<input type="checkbox"/> Education, Training, and Human Development
	<input checked="" type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input type="checkbox"/> Government and Citizens	

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

ACCOUNTABILITY OF FUNDS	<p>These annualizations are scattered throughout the agency’s budget and touch upon each of the 12 defined objectives.</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>This package is designed to continue providing current services to beneficiaries eligible for Medicaid under existing criteria and the funds from this decision package would go to Medicaid providers.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The following items were taken into consideration when developing our annualization request:</p> <ol style="list-style-type: none"> 1. Pharmacy inflation 2. Increased utilization of high cost pharmaceuticals 3. Change in managed care capitation rates 4. Federally mandated rate adjustments 5. Increase in Medicare premiums 6. Increased utilization of existing services 7. Enrollment <p>This would keep the Department’s reserves at or above the 3% target during FY 2018-19 and is anticipated to position the Department to remain above that threshold in FY 2019-20 as well.</p> <p>If this decision package is not funded, the agency will make necessary adjustments to rates and services in order to fund the recurring expenditures associated with our maintenance of effort.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2 – Form #13284 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	CHIP funding <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$52,000,000 Federal: (\$52,000,000) Other: Total: \$0 <i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	N/A <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input checked="" type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:
	<input type="checkbox"/> Education, Training, and Human Development
	<input checked="" type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input type="checkbox"/> Government and Citizens	

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

ACCOUNTABILITY OF FUNDS	<p>Expenditures for CHIP beneficiaries are scattered throughout the agency’s budget and touch upon each of the 12 defined objectives.</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>This package is designed to support current services for the CHIP population and the funds from this decision package would go to Medicaid providers.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>CHIP is currently 100% federal match. Historically, it has been at 80% federal match. Authorization for CHIP funding ends September 30, 2017 and while it appears it will be extended, it may be at a federal match rate lower than 100%. The \$52M assumes the federal match drops from 100% to our typical 70%. If match rate drops to 80%, the state would need \$35M.</p> <p>If CHIP is not reauthorized at the current 100% federal match rate and this decision package is not funded at the amount necessary to cover the general fund gap, the agency will make necessary adjustments to rates and services in order to fund the recurring expenditures associated with CHIP beneficiaries through federal fiscal year 2019. The agency will maintain the CHIP program as required through SFY 2019 but will make necessary recommendations for SFY 2020 based on relevant Congressional action.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3 – Form #13285 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Maintain Access to Autism Spectrum Disorder Services <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$3,848,880 Federal: \$9,423,120 Other: \$0 Total: \$13,272,000 <i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input checked="" type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

ACCOUNTABILITY OF FUNDS	<p>This action would support Goal 1 (Provide better health outcomes for Medicaid beneficiaries) by expanding the provider network.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>This package is designed to continue providing ABA therapy to beneficiaries and to assist in expanding provider capacity to serve those beneficiaries.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The autism decision package proposes bundling of ABA therapy codes and eliminating the RBT II therapy level to be in line with BACB guidelines as well as the CPT code manual. This decision package also includes an increase in the reimbursement for ABA therapy.</p> <p>The cost of this decision package factors in an increase in utilization of services based on higher rates expanding the provider network.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5 – Form #13287 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	BabyNet Appropriation Transfer from DDSN <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$11,402,071 Federal: \$0 Other: \$0 Total: \$11,402,071 Note: This is a net increase to the South Carolina Department of Health and Human Services, but as an intragovernmental transfer, will be expenditure neutral to the FY 2018-19 General Appropriations Act. <i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
<input type="checkbox"/> Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input checked="" type="checkbox"/> Government and Citizens	

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

ACCOUNTABILITY OF FUNDS	<p>This action would support Goal 1 (Provide better health outcomes for Medicaid beneficiaries).</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The primary recipient of funds would be private providers that offer children and families Early Intervention (EI), family training, and service coordination for those participating in the BabyNet program, South Carolina’s Individuals with Disabilities Education Act (IDEA), Part C program.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>This request is to transfer General Funds in an amount equal to the estimated FY 2017-18 expenditures made by the South Carolina Department of Disabilities and Special Needs (DDSN) on service coordination for BabyNet children and families to the South Carolina Department of Health and Human Services (SCDHHS).</p> <p>Pursuant to proviso 117.135, the Executive Budget Office asked BabyNet agencies for their actual and anticipated expenditures. DDSN responded with (General Funds):</p> <table border="0"> <tr> <td>FY 2015-16</td> <td>\$ 8,955,673</td> </tr> <tr> <td>FY 2017-18</td> <td>\$10,886,996</td> </tr> <tr> <td>FY 2018-19</td> <td>\$11,402,071</td> </tr> </table> <p>The number of BabyNet participants is at its highest level ever following the transfer of the program to SCDHHS, over 5,000 children for the first time in the program’s history. The trend of service coordination expenditures will likely increase over time. SCDHHS is requesting a permanent funds transfer at current spending levels, and will assume responsibility for requesting funds on the program’s behalf in future years.</p> <p>The purpose of this transfer is to meet fiscal authority requirements and recommendations including those contained in 34 CFR 303, recommendations 1 and 2 of the August 2011 LAC Audit of the program, financial coordination requirements originally placed on SCDHEC by §44-7-2250 of the SC Code of Laws, and others by consolidating these appropriations under a single cabinet agency accountable to the Governor.</p>	FY 2015-16	\$ 8,955,673	FY 2017-18	\$10,886,996	FY 2018-19	\$11,402,071
FY 2015-16	\$ 8,955,673						
FY 2017-18	\$10,886,996						
FY 2018-19	\$11,402,071						

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6 – Form #13288
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	DDSN First Slots Appropriation Transfer
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Provide a brief, descriptive title for this request.

AMOUNT	General: (\$1,368,235) Federal: Other: Total: (\$1,368,235)
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

ACCOUNTABILITY OF FUNDS	<p>This action would support Goal 1 (Provide better health outcomes for Medicaid beneficiaries).</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The funds from this decision package would go to Department of Disabilities and Special Needs for individuals enrolled in the CS and ID/RD waiver who were eligible for Medicaid prior to enrollment in the waiver.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>In accordance with the terms of our Memorandum of Agreement concerning the provision of state matching funds for the Community Support Waiver and Home and Community Based Waiver services, we are requesting permanent state appropriation transfer to the Department of Disabilities and Special Needs. This transfer represents an estimated state match portion of regular Medicaid state plan services that will be provided to individuals enrolled in the CS and ID/RD waivers who were eligible for Medicaid prior to enrollment in the waiver.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	7 – Form #13289 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Opioids/Methadone clinics <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$4,350,000 Federal: \$10,650,000 Other: \$0 Total: \$15,000,000 <i>What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.</i>
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NEW POSITIONS	0 <i>Please provide the total number of new positions needed for this request.</i>
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FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input checked="" type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input type="checkbox"/>	Government and Citizens

AGENCY NAME:	Department of Health and Human Services		
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ACCOUNTABILITY OF FUNDS	<p>This action would support Goal 1 (Provide better health outcomes for Medicaid beneficiaries).</p>
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What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>The funding would go to providers serving Medicaid beneficiaries that qualify for opioid treatments.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>SCDHHS is undertaking a series of efforts to address the opioid crisis. They include:</p> <ul style="list-style-type: none"> • Expanding access to substance use disorder (SUD) treatments <ul style="list-style-type: none"> ○ Broadening coverage for the medications and counseling that have proven effective for SUD ○ Adding services provided by Outpatient Treatment Programs (OTPs) (e.g. “Methadone clinics”) as a Medicaid covered benefit ○ Making covered services available through telemedicine ○ Requiring that Medicaid managed care plans provide expanded coverage of medication assisted therapy (MAT) ○ Expanding Medicaid reimbursement for SBIRT screening beyond obstetricians • Provider education and training <ul style="list-style-type: none"> ○ Using the mandatory Drug Utilization Review function, focus on opioid overprescribing in educational efforts to targeted providers ○ Working with thought leaders across the state, adopt standard guidelines for opioid and MAT prescribing to ensure best practice adoption • Covered benefit changes <ul style="list-style-type: none"> ○ Establish more robust and consistent limits on opioid dosage and day supply ○ Expand coverage for non-opioid pain treatment options
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	Department of Health and Human Services		
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	4 – Form #13286
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Medicaid Management Information System
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Provide a brief, descriptive title for this request.

AMOUNT	State: \$7,741,075 Federal: \$72,413,152 Total: \$80,154,227
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Change in cost of providing current services to existing program audience
	<input type="checkbox"/> Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/> Non-mandated program change in service levels or areas
	<input type="checkbox"/> Proposed establishment of a new program or initiative
	<input type="checkbox"/> Loss of federal or other external financial support for existing program
	<input type="checkbox"/> Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/> IT Technology/Security related
	<input checked="" type="checkbox"/> Consulted DTO during development
<input checked="" type="checkbox"/> Request for Non-Recurring Appropriations	
<input type="checkbox"/> Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/> Related to a Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:
	<input type="checkbox"/> Education, Training, and Human Development
	<input type="checkbox"/> Healthy and Safe Families
	<input checked="" type="checkbox"/> Maintaining Safety, Integrity, and Security
	<input type="checkbox"/> Public Infrastructure and Economic Development
<input type="checkbox"/> Government and Citizens	

ACCOUNTABILITY OF FUNDS	2.1 Use new technologies to improve the member service experience.
	2.1.1 Increase the number of online applications by 10%
	2.2 Improve processing time and resolution rates for applications and reviews
	2.2.2 Increase the rates of single-touch case resolutions for applications and reviews by 10%
	4.1 Ensure timely handling of provider relations
4.1.1 Process 99% of provider applications within 30 days	
4.1.2 Process 99% of electronic claims submissions within 14 days	

What specific agency objective, as outlined in the agency’s accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

RECIPIENTS OF FUNDS	<p>The MMIS replacement project is operating under a Centers for Medicare and Medicaid Services (CMS) approved Advance Planning Document. Those procurements already issued have been approved by CMS and SFAA and have also gone through a public comment stage. The remaining procurements will go through the same process.</p> <p>Different components of this project are eligible for various match rates: 90/10, 75/25, and 50/50. The majority of this request would be funded 90% Federal/10% State, with a federal share of \$72,413,152.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria

JUSTIFICATION OF REQUEST	<p>The Department operates using a Medicaid Management Information System (MMIS) that is decades old and not capable of meeting the program’s ongoing needs. MMIS and its component systems are critical to a number of key operational functions such as enrolling providers, managing and reporting on expenditures, and processing claims.</p> <p>The federal government, through CMS, has directed the Department to develop a plan for the replacement of this system. After a radical overhaul of this plan in 2015 and a thorough vetting by Gartner, CMS approved the Department’s new MMIS strategy in 2016.</p> <p>The MMIS project is a multi-year effort, with plans and individual procurements subjected to multiple rounds of state and federal review and approval. The overall objectives of the MMIS project are:</p> <ol style="list-style-type: none"> 1. To maintain reliability in claims payment throughout the transition to the new system, 2. To replace a number of contracts that are currently operating on an emergency and/or sole source basis with competitively bid replacements, 3. To improve the MMIS system’s capabilities and reduce the risk of a systems failure, and 4. To transition to the CMS-required modular approach that allows South Carolina to make the most of available technologies, while setting a baseline that will make future MMIS replacements incremental and lower risk. <p>Under the approved MMIS plan, the Department anticipates multiple MMIS components will be in the “Design, Development, and Implementation” stage during FY 2018 and will run through FY 2020.</p> <p>Business Intelligence Services, Pharmacy Benefit Management and Third-Party Liability have been awarded and implementation will begin this fiscal year.</p>
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

LONG-TERM PLANNING AND SUSTAINABILITY

The MMIS replacement project is a multi-year project expected to run through FY 2020. The non-recurring request is to help support the transition and implementation costs. The costs of operating the existing MMIS system are already being supported in the agency's budget without an incremental request. This "legacy" system would be decommissioned shortly after the launch of the replacement system, making the legacy system's budget available to fund the operations of the new system.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FORM D – PROVISO REVISION REQUEST

NUMBER	33.20
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

TITLE	DHHS: Medicaid Accountability and Quality Improvement
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	Various
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>Although this proviso directs a variety of expenditures, it does not provide or specifically identify a source of funding for this work. The Executive Budget Office requested agencies to provide a cost savings and General Fund reduction contingency plan. The proposed revisions to this proviso would contribute a portion of the required savings.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FISCAL IMPACT	<p>Previously, programs authorized by this proviso were responsible for roughly \$50 million of the gap between the Department’s recurring revenues and expenditures. It is not sustainable for the providers and entities that receive allocations through this proviso to become reliant on 100% state-funded allocations at that level. For FY 2018-19, the Department is proposing a \$1.2 million reduction that would be designed to continue the funding step down but minimize the impact on the providers who have the most constrained access to other revenue sources (free clinics and 301s).</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	<p>33.20. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:</p> <p>(A) Healthy Outcomes Initiative - The Department of Health and Human Services may tie Disproportionate Share Hospital (DSH) payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.</p> <p>(B) To improve community health, the department may explore various health outreach, education, patient wellness and incentive programs. The department may pilot health interventions targeting diabetes, smoking cessation, weight management, heart disease, and other health conditions. These programs may be expanded as their potential to improve health and lower costs are identified by the department.</p> <p>(C) Rural Hospital DSH Payment - Medicaid-designated rural hospitals in South Carolina may be eligible to receive up to one hundred percent of costs associated with uncompensated care as part of the DSH program. Funds shall be allocated from the existing DSH program. To be eligible, rural hospitals must participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative. In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.</p> <p>(D) Primary Care Safety Net - The department shall implement a methodology to reimburse safety net providers participating in a hospital Healthy Outcomes Initiative program to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs and other entities receiving funding under Section 330 of the Public Health Services Act), Rural Health Clinics (RHCs), local alcohol and drug abuse authorities established by Act 301 of 1973, Free Clinics, other clinics serving the uninsured, and Welvista. The department shall formulate a methodology and allocate \$3,600,000 \$3,200,000 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate \$5,000,000</p>
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

~~\$4,400,000~~ of funding to FQHCs, at least ~~\$1,500,000~~ **\$1,400,000** of funding for Free Clinics, and ~~\$1,500,000~~ **\$1,400,000** of funding for local alcohol and drug abuse authorities created under Act 301 of 1973. The department may continue to develop and implement a process for obtaining encounter-level data that may be used to assess the cost and impact of services provided through this proviso. Any newly established Community Health Center/FQHC shall receive an amount equivalent to the average disbursement made to all centers/FQHCs.

(E) The department shall allocate funds to be used for obesity education for patients, reimbursement payments for providers, and continuing education for all providers through partnerships with the Department.

(F) To be eligible for funds in this proviso, providers must provide the department with patient, service and financial data to assist in the operation and ongoing evaluation of both the initiatives resulting from this proviso, and other price, quality, transparency and DSH accountability efforts currently underway or initiated by the department. The Revenue and Fiscal Affairs Office shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

(G) The department may pilot a behavioral health intervention program for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state. The pilot program must provide reports detailing progress on the target population and health outcomes achieved. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(H) The department shall provide funding not to exceed \$1,500,000 to establish a pilot program to expand medication-assisted treatment (MAT) services for prescription opioid dependency and addiction, including such medical and behavioral health services necessary to support MAT interventions. The department shall consider evidence-based interventions, recommendations made in the December 2014 State Plan to Prevent and Treat Prescription Drug Abuse, and scalability in the design of the pilot program. In consultation with the Department of Alcohol and Drug Abuse Services and the MUSC Hospital Authority, the department may contract with such providers that are necessary to ensure impact in a geographical area of critical need.

(I) The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.

Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

NUMBER	33.23
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

TITLE	DHHS: BabyNet Compliance
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	II.A.7 – BabyNet
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	The requested change is a technical amendment to update the reporting date.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FISCAL IMPACT	<p>No fiscal impact as a result of this technical change.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISIO TEXT	<p>33.24. (DHHS: BabyNet Compliance) With the funds available to the department, the Department of Health and Human Services shall report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee no later than December 31, 2017 <u>8</u> on the status of the department's efforts to bring the BabyNet program into compliance with federal requirements. This report must specifically address areas in which the BabyNet program has received low performance scores and include any relevant correspondence from the U.S. Department of Education. The report must explain the department's plan for bringing BabyNet into compliance, including specific steps and the associated timeline.</p>
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

NUMBER	33.24
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

TITLE	DHHS: Personal Emergency Response System
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	II.A.3 – CLTC-Community Long Term Care
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

REQUESTED ACTION	Delete
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>This proviso was vetoed by the Governor. In the event this veto is overridden by the General Assembly, the agency requests that the proviso be deleted.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FISCAL IMPACT	<p>DHHS estimates the cost associated with this proviso to be approximately \$10 million annually. This cost would be for providers to hire Registered Nurses to meet the requirements of the proviso. The cost for RNs will be their salary (\$30/hr.) plus 30% fringe. We also assume the providers will add a 10% profit margin to the cost of hiring the RNs. Based on our current population using PERs which is roughly 5,700 people, we estimate 114 RNs will need to be hired. The cost calculation is as follows (114 RNs x \$30 per hr x 40hrs. x 52) for a cost of \$7,113,600 plus \$2,134,080 in fringes for total salary cost of \$9,247,680 plus an additional profit margin charge of \$924,768.</p> <p>Passage of this proviso may limit participant choices of providers by limiting the current providers' ability to do business if they do not have the nurse triage capability. DHHS has reviewed approximately 22 states with similar waivers and found none that that currently include nurse triage as part of the Personal Emergency Response Service.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	<p>33.25. — (DHHS: Personal Emergency Response System) With funds appropriated and authorized to the Department of Health and Human Services for Fiscal Year 2017-18, the department shall develop one or more Requests for Proposals, to provide for Personal Emergency Response Systems (PERS) to be issued to Medicaid recipients pursuant to the department's Medicaid Home and Community based waiver. The PERS devices must include in addition to emergency response services, unlimited twenty four hour, seven-day a week live phone contact with experienced registered nurses for triage services. A PERS nurse triage call center must be accredited and must be separate from the PERS emergency response call center. The PERS device must have a wireless radio transmitter and a console that is cellular and does not require a traditional land line. A PERS device that includes nurse triage services also must comply with the requirements of Federal Communications Commission rules, 47 C.F.R. Part 68; and be approved by the Underwriters Laboratory or Equipment Testing Laboratories as a health care signaling product. The Department of Health and Human Services shall apply for any waiver necessary under the department's Medicaid Home and Community based waiver to implement these provisions.</p>
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

NUMBER **117.97**
Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

TITLE **GP: BabyNet Quarterly Reports**
Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM **II.A.7 - BabyNet**
Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST **N/A**
Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

REQUESTED ACTION **Amend**
Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED **First Steps to School Readiness**
Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION
 The requested amendment deletes First Steps to School Readiness as a reporting entity since BabyNet is now within DHHS and deletes reference to the reporting template being "developed by agencies" since the template format is already in place.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FISCAL IMPACT	<p>No fiscal impact as a result of the requested amendment.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	<p>117.98. (GP: BabyNet Quarterly Reports) First Steps to School Readiness, the School for the Deaf and Blind, the Department of Disabilities and Special Needs, the Department of Health and Human Services, the Department of Mental Health and the Department of Social Services shall each provide on a common template developed by the agencies, a quarterly report to the Chairman of the House Ways and Means Committee and the Chairman of Senate Finance outlining all programs provided by them for BabyNet; all federal funds received and expended on BabyNet and all state funds expended on BabyNet. Each entity and agency shall report on its share of the state's ongoing maintenance of effort as defined by the US Department of Education under IDEA Part C.</p>
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

NUMBER	117.129
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Cite the proviso according to the renumbered list for FY 2018-19 (or mark "NEW").

TITLE	GP: BabyNet
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Provide the title from the FY 2017-18 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	II.A.7 - BabyNet
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	N/A
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Is this request associated with a budget request you have submitted for FY 2018-19? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	The requested change is a technical amendment to update the reporting date.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FISCAL IMPACT	<p>No fiscal impact as a result of this technical change.</p>
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Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT	<p>117.133. (GP: BabyNet) From funds available in the current fiscal year for budgetary analysis and oversight, the Executive Budget Office shall conduct an inventory of all BabyNet-related spending, which shall be submitted to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee no later than July 15, 20178. All affected agencies shall support the Executive Budget Office in this effort by providing information upon request, so that the first recommendation of the Legislative Audit Council's 2011 report on BabyNet may be implemented.</p>
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Paste FY 2017-18 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	<p>\$39,522,440</p> <p><i>What is the General Fund 3% reduction amount (minimum based on the FY 2017-18 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i></p>
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ASSOCIATED FTE REDUCTIONS	<p>None – cuts would be made to provider rates and coverage.</p> <p><i>How many FTEs would be reduced in association with this General Fund reduction?</i></p>
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PROGRAM/ACTIVITY IMPACT	<p>For modeling purposes, the Department has identified six components of an overall package that could reduce General Fund expenditures by 3%:</p> <ul style="list-style-type: none"> • Make reductions to payments allocated through the Medicaid Accountability and Quality Improvement Initiative proviso, beyond those described in Form D (\$7,000,000). • Make reductions to payments allocated through the Rural Health Initiative proviso 33.23 (\$2,500,000). • Cut allocations for the core of the South Carolina Telemedicine Network by 33% made through section (B) of Proviso 117.135 (\$3,000,000). • Reduce enhanced payments for primary care physicians by 50% (\$7,000,000). • Further normalize hospital specific per discharge rates and hospital specific outpatient hospital multipliers to 55th percentile (\$3,000,000). • Impose provider rate cuts in an amount equivalent to a 1.2% across-the-board cut (\$17,022,440). <p><i>What programs or activities are supported by the General Funds identified?</i></p>
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

SUMMARY

Cuts described in the first bullet would reduce funding for providers such as free clinics, FQHCs, and the 301 centers. Payments made through this proviso are not connected to individual beneficiaries or discrete services.

Cuts described in the second bullet would reduce funding for medically underserved communities throughout the state. Payments made through this proviso are not connected to individual beneficiaries or discrete services.

The telemedicine reductions would reduce the amount of funding available to fund grants and/or infrastructure development associated with the promotion of telehealth services.

South Carolina was one of relatively few states to largely continue making enhanced payments to primary care physicians after federal support for this ended in 2014. Reducing these payments would be consistent with actions taken by many other states, but would also have an adverse impact on network adequacy.

The agency imposed two rounds of rate normalization for hospitals in FY15 and FY16 in an effort to discontinue the payment of inefficiencies incurred by certain hospitals. The further normalization of hospital specific per discharge rates and hospital specific outpatient hospital multipliers would continue that effort.

It is neither practical nor desirable to impose across-the-board cuts on all classes of Medicaid providers, since the current rates for those various classes translate into different percentages of external benchmarks, such as the Medicare fee schedule. Some providers can absorb a higher percentage reduction than others. There are also operational questions to consider, since significant rate changes require amendments to the State Plan for Medical Assistance; these amendments must receive federal approval. In the event that a 3% reduction is required, the final decisions about how to apply them would be made at that point and would factor in the considerations above, along with the proposed effective date. The 1.2% figure is provided to give a sense of what the cuts would need to approximate on a system-wide basis, understanding that the Department would propose not to cut some providers at all and others by 3-4% in order to hit the overall target.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

AGENCY COST SAVINGS PLANS

The following savings initiatives have been implemented or are in the process of being implemented by the agency along with their respective general funds savings:

1. Reduce 100% state-funded payments that are not associated with specific beneficiaries or services and are made through the Medicaid Accountability and Quality Improvement Initiative (MAQII) proviso: \$2,000,000
2. Eliminate Patient Centered Medical Home (PCMH) subsidies for practices that are still working on applications or which have failed to reach Level 3: \$530,000
3. Require all providers to accept electronic funds transfer (EFT), eliminating the option for live checks: \$150,000
4. Recoupment of capitated payments made after an individual's date of death: \$360,000
5. Recoupment of a portion of capitated payments made for retroactive Medicare enrollment of beneficiaries: \$780,000
6. Carve-out Hep C drugs from the managed care benefit package in order to maximize rebate revenue to the agency: 22.5% of Hep C spend which was increased revenue of about \$8.5M based on FY17 expenditures with expectations of continual growth

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden to Businesses and Citizens
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	\$150,000 plus time savings for citizens
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:
	<input type="checkbox"/> Repeal or revision of regulations.
	<input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input checked="" type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input checked="" type="checkbox"/> Other

METHOD OF CALCULATION	<p>The EFT calculation was based upon the current vendor’s charges and directly associated staff time.</p> <p>The other initiatives have associated time savings for businesses or citizens.</p>
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>The following savings initiatives have been implemented or are in the process of being implemented by the agency along with their respective general funds savings:</p> <ol style="list-style-type: none"> 1. Require all providers to accept electronic funds transfer (EFT), eliminating the option for live checks: \$150,000 2. Legacy Accounting System Replacement Assessment & Implementation (LASRAI) will utilize state SAP (or SCEIS) to manage all SCDHHS financial functions related to Medicaid expenditures and recoveries. 3. Multiple efforts have been made at eligibility offices to increase customer service by reducing wait times and making all offices ADA accessible. 4. The agency has implemented a call center staffed to answer 80% of calls within 60 seconds and opened a processing center to reduce application processing time.
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?