

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33



**Fiscal Year FY 2021-2022  
Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS</b> <i>(FORM B1)</i>	For FY 2021-2022, 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.

<b>NON-RECURRING REQUESTS</b> <i>(FORM B2)</i>	For FY 2021-2022, 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.

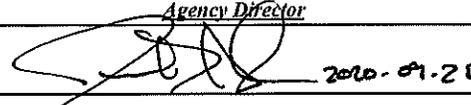
<b>CAPITAL REQUESTS</b> <i>(FORM C)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS</b> <i>(FORM D)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input 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.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Quincy Swygert	(803) 462-4070	Jacob.Swygert@scdhhs.gov
<b>SECONDARY CONTACT:</b>	Clark Phillip	(803) 898-1017	Thomas.Phillip@scdhhs.gov

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b> <b>TYPE/PRINT NAME:</b>	<i>Agency Director</i>	<i>Board or Commission Chair</i>
	 2020-01-25 Joshua D. Baker	

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

Agency Name:	Department Of Health & Human Services
Agency Code:	J020
Section:	33

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	94,239,009	137,355,153	44,625,910	1,811,994	278,032,066	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Community Long Term Care (CLTC) Census Growth	22,672,755	53,872,338	0	0	76,545,093	0.00	0.00	0.00	0.00	0.00
3	B2 - Non-Recurring	Medicaid Management Information System (MMIS)	16,678,434	100,369,802	0	0	117,048,236	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Disproportionate Share Hospital (DSH) Allotment Increase	8,831,395	19,968,274	0	0	28,799,669	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Initiatives	36,973,963	85,411,049	-349,759	0	122,035,253	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	State-funded Contracts for Non-covered Populations	35,800,000	0	-34,800,000	0	1,000,000	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	South Carolina Department of Disabilities and Special Needs (SC DDSN) Appropriation Transfer	-1,808,437	0	0	0	-1,808,437	0.00	0.00	0.00	0.00	0.00
TOTALS			213,387,119	396,976,616	9,476,151	1,811,994	621,651,880	0.00	0.00	0.00	0.00	0.00

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Maintenance of Effort Annualization</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$94,239,009</b> <b>Federal: \$137,355,153</b> <b>Other: \$46,437,904</b> <b>Total: \$278,032,066</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 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 #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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

<b>ACCOUNTABILITY OF FUNDS</b>	<p>These annualizations are distributed throughout the agency's budget and touch upon each of the five defined goals and their respective objectives.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>This package is designed to continue providing current services to beneficiaries eligible for Medicaid under existing criteria. Funds from this decision package would be used to reimburse Medicaid providers for rendered services.</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?*

Annually, the South Carolina Department of Health and Human Services (SCDHHS) reviews population growth and realignment, provider billing behavior, provider rates, and federal regulations and financial participation. Trends among these primary cost drivers comprise the majority of the Department’s annual request for maintenance of effort annualization. For FY 2021-22, the Department is in the position of asking for two years of annualization given that Act 135 of 2020 level-funded the Department based upon the FY 2019-20 General Appropriation Act.

Throughout the response to the coronavirus disease 2019 (COVID-19) pandemic and the related downturn in state revenue, the Department has maintained the position that a combination of enhanced federal participation in calendar year 2020 and the Department’s ability to maintain access to its reserves means that it does not need to take action to reduce rates or services. These actions may be necessary in future years if either the annualizations are not funded over time, which would accelerate the depletion of agency reserves, or if economic conditions result in additional general fund cuts or higher-than-anticipated program enrollment. The Department has projected several years of annualization requests and anticipated reserve depletion and will deliberately request slightly less funding than is required in order to create a glide path to an appropriate reserve balance and balanced budget over a three- to five-year window.

Accordingly, the Department calculated a general fund maintenance of effort annualization for FY 2021 and FY 2022 of \$137,598,316, and is requesting \$94,239,009, thereby anticipating reserve spending of \$24,184,141 and implementation of a departmental savings initiative of \$19,175,167.

The General Fund annualization request of \$94,239,009 is comprised of:

- \$7,850,026: Net increases in Medicare premiums and participation, offset by a savings initiative;
- \$60,660,639: Managed care utilization and enrollment trend;
- \$14,144,903: Increases in fee-for-service hospital utilization and billing; and,
- \$11,583,440: Increases in utilization and annualization of non-institutional benefits.

The Department will implement a savings initiative in FY 2022 as part of its ongoing efforts to coordinate care and health service coverage for beneficiaries dually eligible for Medicare and Medicaid. Historically, South Carolina has participated in several Medicare savings and buy-in programs to assist low-income senior citizens who are eligible for Medicare, or dually eligible for Medicare and Medicaid, in securing access to care in a manner that is cost effective for both the state and beneficiary. Based upon published Medicaid premiums and Departmental estimates of program participation, Medicare premiums paid only with state dollars have grown from \$4.2 million (General Funds) in FY 2001-02 to \$18.1 million (General Funds) in FY 2011-12 and to \$33 million (General Funds) in FY 2021-22. The Department has analyzed this growth pattern, the populations served, and the gap between the cost of premium payments and actual cost of care, and has determined that some Medicare savings programs may no longer be cost effective and may not necessarily provide better access to care.

Throughout FY 2021 and FY 2022, the Department is engaging in the analysis, systems changes, beneficiary outreach, and policy changes necessary to reevaluate and reform these Medicare-Medicaid savings programs. The core principle driving this reform effort is that each group of beneficiaries receiving comprehensive health coverage will retain access to comprehensive coverage, regardless of any policy changes. In some cases, the Department will implement systems and policy changes to receive customary federal match for Medicare premiums, and in others, the Department may elect to take direct responsibility for the cost of care in preference of paying for Medicare premiums. This cost-neutrality approach has precedent in a program offered to children and families through the Department’s Health Insurance Premium Payment (HIPP) program. Through a series of efforts, the Department believes it can substantially reduce or eliminate entirely the payment of all state funds to Medicare premiums.

If this decision package is not funded, or is funded in part, the Department will accommodate the expenditures using agency reserves and flexibility authorities currently provided through statute and proviso. The Department requests additional earmarked authority equivalent to the amount not funded but is positioned to continue funding the full program for an additional year without additional General Fund appropriations, if necessary. Despite this, and as the Director detailed in a letter dated Aug. 31, 2020, lower funding in the short and intermediate term will accelerate

**JUSTIFICATION OF REQUEST**

reserve spending and hasten the need for either (a) even greater funding requests in future years, or (b) additional cuts to Department operations, provider rates and services, that would not be required otherwise

*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 & Human Services		
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## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Community Long Term Care (CLTC) Census Growth</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$22,672,755</b> <b>Federal: \$53,872,338</b> <b>Other: \$0</b> <b>Total: \$76,545,093</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This decision package supports the strategy of 4.1, which strives to implement policies that provide care in clinically appropriate, cost-effective settings.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>This package is designed to continue providing current services to beneficiaries eligible for CLTC waivers under existing criteria. Funds from this decision package would be used to reimburse Medicaid providers for rendered services.</p>
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**FUNDS**

The CLTC program provides services to aged and disabled individuals in community settings, delaying or deferring entirely their admissions to an institution such as a nursing home. This allows individuals to live and age in their communities.

*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**

The CLTC waivers have seen growth of approximately 38% in census over the last five years (2015 – 2020).

This decision package will allow the Department to maintain the current and expected census of CLTC recipients throughout FY 2022. If this portion of the decision package is not funded, the Department will cap waiver participation based upon the number of members that can be served at any point-in-time with existing appropriations or the lowest participation level allowable by CMS, whichever is higher.

The Department submitted a similar decision package as part of its FY 2020-21 submission; and, in anticipation of implementing an enrollment cap, advised such an action at the Dec. 3, 2019 Medical Care Advisory Committee meeting. Pursuant to the state's COVID-19 response, the Department elected not to implement this cap despite level-funding from FY 2019 to FY 2020 pursuant to Act 135 of 2020. Once the FY 2022 General Appropriation Act is complete, the Department will either withdraw the waiver amendments or advise updated dates and caps and submit the amendments in spring 2021.

*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.*

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## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	4
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Disproportionate Share Hospital (DSH) Allotment Increase</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$8,831,395</b></p> <p><b>Federal: \$19,968,274</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$28,799,669</b></p>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 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 #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This decision packages focuses on provider payments, which supports strategy 3.2: maintaining comprehensive statewide provider networks.</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 10px;"></div>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	The funding would go to eligible hospitals who receive Medicaid DSH payments.
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**FUNDS**

*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**

A state's federal fiscal year allotment represents the aggregate limit on the federal share amount of the state's DSH payments to DSH hospitals in the state set by the Center for Medicare and Medicaid Services (CMS). Although not required by state or federal law, SCDHHS currently pays eligible hospitals the maximum amount allotted to the state. As the allotment grows, so does the state's obligation to match federal funds with a state maintenance of effort.

If this decision package is not funded, the Department will freeze the amount of the DSH pool distributed to eligible hospitals at FY 2020 levels, the last year for which SCDHHS received an appropriation to pay out the full federal DSH allotment.

*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 & Human Services		
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## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	5
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Initiatives</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$36,973,963</b> <b>Federal: \$85,411,049</b> <b>Other: (\$349,759)</b> <b>Total: \$122,035,253</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 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 #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This decision packages focuses on provider rates, which supports strategy 3.2: maintaining comprehensive statewide provider networks.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	The funding would go to providers serving Medicaid beneficiaries.
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**FUNDS**

*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**

Through this decision package, SCDHHS is planning to implement the third round of provider rate increases as the first round was implemented in SFY 2020, and second round in SFY 2021.

This decision package reflects the projected increase for the following provider types:

- Institutional Providers, including hospitals and inpatient psychiatric units;
- Skilled nursing facilities for two years of rate re-baselining: FY 2021 and FY 2022; and,
- Dental services.

If this decision package is not funded, the Department would continue with rate schedule modernization and consolidation, but without net increases to the institutional provider community.

*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.*

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## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>6</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>State-funded Contracts for Non-covered Populations</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$35,800,000</b> <b>Federal: \$0</b> <b>Other: (\$34,800,000)</b> <b>Total: \$1,000,000</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>0.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 checked="" 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 #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>These annualizations are distributed throughout the agency's budget and touch upon each of the five defined goals.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>The funds from this decision package are allocated based on several provisos, most notably Proviso 33.20 DHHS: Medicaid Accountability and Quality Improvement Initiative &amp; 33.21 DHHS: Rural Health Initiative.</p>
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**FUNDS**

*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**

The Department engages myriad non-profits, hospitals, clinics, and state agencies to provide and administer limited services to populations not covered by Medicaid or the Children’s Health Insurance Program (CHIP). Traditionally, the Department has budgeted these programs and contracts to be funded from agency reserves. This request annualizes funding for optional state-funded programs and services for non-covered populations, and the Department has accordingly prioritized them below mandatory programs and initiatives for covered populations.

If this decision package is not funded, the Department would curtail, eliminate, or redesign the relevant contracts and agreements to reduce the state-fund only spend or conform them to the requirements of Medicaid or CHIP.

*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 & Human Services		
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## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	7
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>South Carolina Department of Disabilities and Special Needs (SC DDSN) Appropriation Transfer</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: (\$1,808,437)</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: (\$1,808,437)</b></p>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	0.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<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	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>These annualizations are distributed throughout the agency's budget and touch upon each of the five defined goals.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>The funds from this decision package would transfer to SC DDSN for individuals enrolled in the Community Supports (CS), Head and Spinal Cord Injury (HASCI) and Intellectual Disability and Related Disabilities (ID/RD) waiver who were eligible for</p>
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**FUNDS**

Medicaid prior to enrollment in the waiver.

*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**

Through this decision package, SCDHHS will transfer appropriation to SC DDSN. Annually, and in accordance with interagency contracts executed pursuant to three §1915 (c) home and community-based service waivers, SCDHHS annually transfers the recurring state match associated with non-waiver services provided by SC DDSN, to allow for a consistent process for billing and reimbursement of claims for all services rendered by SC DDSN providers.

*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 & Human Services		
Agency Code:	J020	Section:	33

## **FORM B2 – NON-RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	3
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	Medicaid Management Information System (MMIS)
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	\$117,048,236
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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 type="checkbox"/>	IT Technology/Security related
	<input checked="" type="checkbox"/>	Consulted DTO during development
<input checked="" type="checkbox"/>	Request for Non-Recurring Appropriations	
<input checked="" type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding	
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

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

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This decision package supports multiple Department goals and strategies including using new technologies to improve the member service and experience, improving processing time and resolution rates for applications and reviews, and ensuring timely handling of provider relations.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF FUNDS</b>	<p>The MMIS replacement project is operating under a Centers for Medicare and Medicaid Services (CMS) approved Advance Planning Document. The procurements already issued have been approved by CMS and State Fiscal Accountability Authority (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.</p>
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*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)?*

**JUSTIFICATION  
OF REQUEST**

The Department operates using an MMIS that is nearly four 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. 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.

The MMIS project is a multi-year effort, with plans and individual procurements subject to multiple rounds of state and federal review and approval. The overall objectives of the MMIS project are:

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.

Under the approved MMIS plan, the Department anticipates multiple MMIS components will be in the "Final Design, Development, and Implementation" stage during FY 2022 and FY 2023. This nonrecurring request is greater than in previous years and represents several projects reaching peak implementation, and therefore cost, in FY 2022. These include the implementation and operations of portions of the member management and eligibility system, the medical administrative services organization project, the Department's transition to cloud-based computing, electronic visit verification, as required by federal law, and others.

*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 & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	117.118
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	BabyNet
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	II. Programs and Services 7. BabyNet
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	N/A
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*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.*

<b>REQUESTED ACTION</b>	Delete
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	South Carolina Department of Administration
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>This proviso relates to a Legislative Audit Council recommendation from 2011, when the Individuals with Disabilities Education Act (IDEA) Part C program lead agency responsibilities were with First Steps to School Readiness. Since the implementation of Executive Order 2016-20 and subsequent actions by the General Assembly through the appropriations act and actions by SCDHHS administratively, this proviso has become moot.</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.*

**FISCAL IMPACT**

SCDHHS estimates no fiscal impact associated with this proviso.

*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**

~~**117.118.** (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, 2019. 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.~~

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	117.119
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	South Carolina Telemedicine Network
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	N/A
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	No
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*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.*

<b>REQUESTED ACTION</b>	Amend
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*Choose from: Add, Delete, Amend, or Codify.*

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

<b>SUMMARY &amp; EXPLANATION</b>	<p>Delete the reference to report in subsection (C) as it was completed and provide instruction to participating state agencies to seek federal matching funds where appropriate.</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.

## FISCAL IMPACT

No fiscal impact as a result of this change.

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

**117.119.** (GP: South Carolina Telemedicine Network) From the funds appropriated to the Medical University of South Carolina for the MUSC Hospital Authority for Telemedicine and the funds appropriated and authorized for the Department of Health and Human Services, the agencies must continue the development of the South Carolina Statewide Telemedicine Network. The South Carolina Telehealth Alliance shall submit a proposal to the MUSC Hospital Authority and the Department of Health and Human Services to determine which hospitals, clinics, schools or other entities are best suited for Telemedicine partnerships.

(A) The Department of Health and Human Services shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage by expanding the use of Telemedicine, to include new applications such as School Based Telehealth, and Tele-ICU. The department shall also amend its policy related to reimbursement for telemedicine to add Act 301 Behavioral Health Centers as a referring site for covered telemedicine services.

(B) During the current fiscal year the Department of Health and Human Services shall contract with the MUSC Hospital Authority in the amount of \$5,000,000 to lead the development and operation of a statewide, open access South Carolina Telemedicine Network. **MUSC will provide SCDHHS with all information and materials requested by the department necessary to seek federal medical assistance for this contract.** The MUSC Hospital Authority shall contract with each Regional Support Hub to ensure funding and support of strategic plans submitted by the Regional Support Hubs and approved by both the MUSC Hospital Authority and the Department of Health and Human Services. Institutions and other entities participating in the network must be afforded the opportunity to meaningfully participate in the development of any annual refining to the initiative's strategic plan. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. The MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. These reports must include an itemization of the ultimate recipients of these funds, whether vendors, grantees, specific participating institutions, or the Medical University of South Carolina, and must distinguish between funds allocation to the university as a participating institution as opposed to those retained and used by the university in its capacity as the administering entity for the network.

~~(C) The Department of Health and Human Services and the Public Employee Benefit Authority shall each review federal additions to telehealth coverage established under the Bipartisan Budget Act of 2018, the SUPPORT for Patients and Communities Act, and other recent federal legislation and/or regulation. No later than October 1, 2019, both of these agencies shall submit a report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee on how they intend to broaden their service-based coverage to align with these federal changes and to improve the sustainability of telehealth services.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

117.125

*Cite the proviso according to the renumbered list (or mark "NEW").*

**TITLE**

Opioid Abuse Prevention and Treatment Plan

*Provide the title from the renumbered list or suggest a short title for any new request.*

**BUDGET PROGRAM**

II. Programs and Services

*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 2021-2022? If so, cite it here.*

**REQUESTED ACTION**

Amend

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

**OTHER AGENCIES AFFECTED**

DAODAS, SLED, and some participating entities

*Which other agencies would be affected by the recommended action? How?*

**SUMMARY & EXPLANATION**

This amendment strikes two items:

- An earmark of \$500,000 that has been disbursed.
- A report that has been prepared and provided.

*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.*

## FISCAL IMPACT

The Department estimates no fiscal impact in FY 2022

*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

**117.125.** (GP: Opioid Abuse Prevention and Treatment Plan) From the funds appropriated and authorized to the Department of Alcohol and Other Drug Abuse Services and the Department of Health and Human Services in the current fiscal year, the agencies shall establish a coalition of state agencies, providers and other related entities to combat the opioid epidemic in a collaborative manner and ensure that appropriate services and treatments are made available statewide. This initiative should include efforts to coordinate funding for the provision of treatment with an assessment of current programs and funding levels, to enhance available prevention, treatment and recovery services; expand provider capacity; and enable workforce development for substance use disorder services. General Funds appropriated to any state agency for Opioid Abuse Prevention and Treatment may be carried forward and expended for the same purpose.

(A) The Department of Alcohol and Other Drug Abuse Services, the State Law Enforcement Division, and the Department of Health and Human Services shall establish an advisory board with representation from both agencies, to provide both oversight and administrative direction to the coalition. The advisory board may also include representation from the Department of Health and Environmental Control, the Department of Mental Health, the Medical University of South Carolina, the University of South Carolina's School of Medicine, the Department of Labor Licensing and Regulation, the Department of Corrections, state and local law enforcement agencies, the judicial branch, the South Carolina Hospital Association, the South Carolina Medical Association, the South Carolina Primary Health Care Association, Behavioral Health Centers and other related entities. The advisory board must consider recommendations made in the 2018 report by the South Carolina House of Representatives Opioid Abuse Prevention Study Committee, as well as any recommendations made by the South Carolina Behavioral Health Coalition related to substance use disorders and create a plan to ensure implementation of appropriate recommendations.

(B) The Department of Health and Human Services may leverage any and all available federal funds to implement enhanced treatment services and resources for this coalition.

(C) In consultation with the Department of Alcohol and Other Drug Abuse Services and the Medical University of South Carolina Hospital Authority, the Department of Health and Human Services shall review and evaluate outcomes data from the program for MAT services for prescription opioid dependency and addiction established by Act 97 of 2017 and expanded by Act 264 of 2018. Based on the success rate and ability to continue expansion of this model, the department may provide funding not to exceed \$2,500,000 to continue and expand the program to additional providers that are necessary to ensure greater impact in geographical areas of critical need. All medications proven to be effective in treating opioid addiction shall be considered as viable options on a case by case basis to ensure the greatest level of success for individuals in the program.

~~(D) In consultation with the Department of Alcohol and Other Drug Abuse Services, the Department of Health and Human Services shall identify at least one county with a disproportionately high number and incidence of opioid-related overdoses and deaths to provide up to \$500,000 to develop a local continuum of substance and behavioral health service coordination within the target county and across the region.~~

(E) The Department of Alcohol and Other Drug Abuse Services and the Department of Health and Human Services shall assist the Department of Health and Environmental

Control with any funding required to implement necessary programmatic enhancements to the Prescription Monitoring Program. The departments must consider changes to strengthen risk assessments and patient support tools, as well as the potential integration of Electronic Health Record systems. To the extent possible, the program must be expanded to include the administration of naloxone and other opioid overdose antidotes.

(F) In order to provide comprehensive treatment, from the point of incarceration, to individuals charged with criminal offenses who suffer from any substance use disorder that is treatable with medication, the Department of Alcohol and Other Drug Abuse Services must solicit potential cooperation from law enforcement, the state's solicitors, Magistrate Courts and Circuit Courts, to establish a diversion program in at least one judicial circuit. This program shall provide both behavioral and medical treatment, consultations with peer support specialists, and continued supervision of participants who are released, which may include electronic monitoring.

(G) The Department of Alcohol and Other Drug Abuse Services and the Department of Health and Human Services shall also coordinate with at least one four-year college or university and one two-year technical college with on-campus dormitories to establish pilot programs for Collegiate Recovery Programs to target intervention and the retention of students. These programs must offer academic support in designated spaces that provide for group meetings, clinical support, technology access, and academic advising, to assist students in recovery.

~~(H) The advisory board shall provide a report on the success of the development of the plan and the implementation of recommendations to the Chairman of the Senate Finance Committee, the Chairman of the House Ways & Means Committee, and the Governor no later than January 31, 2020. The report may also include proposals for amending existing recommendations or the establishment of new policies to combat the opioid epidemic.~~

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISIO REVISION REQUEST**

<b>NUMBER</b>	33.20
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	Medicaid Accountability and Quality Improvement Initiative
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	Various
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	Decision Package 6: State-funded Contracts for Non-covered Populations (Delete if decision package 6 is not funded)
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*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.*

<b>REQUESTED ACTION</b>	Delete
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*Choose from: Add, Delete, Amend, or Codify.*

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

<b>SUMMARY &amp; EXPLANATION</b>	<p>Traditionally, the Department has funded the programs and contracts detailed in this proviso from Department reserves. Decision Package 6: State-funded Contracts for Non-covered Populations requests annualized funding for them. If this decision package is not funded, the Department would curtail, eliminate, or redesign the relevant contracts and agreements to reduce the state fund-only spend or conform them to the requirements of Medicaid or CHIP, rendering this proviso moot.</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.*

## FISCAL IMPACT

The Department links the fiscal impact of this proviso to Decision Package 6 with a General Fund impact of \$35.8 million.

*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

~~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: (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.~~

~~(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.~~

~~(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.~~

~~(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 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate \$5,000,000 of funding to FQHCs, at least \$1,500,000 of funding for Free Clinics, and \$1,500,000 of funding for local alcohol and drug abuse authorities created under Act 301 of 1973 and up to \$4,000,000 for capital improvements to the Act 301 facilities through consultation with the Department of Alcohol and Other Drug Abuse Services, to ensure funds are provided on a needs-based approach. 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 publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.~~

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

33.23

*Cite the proviso according to the renumbered list (or mark "NEW").*

**TITLE**

BabyNet Compliance

*Provide the title from the renumbered list 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 2021-2022? If so, cite it here.*

**REQUESTED ACTION**

Amend

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

**OTHER AGENCIES AFFECTED**

N/A

*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 and change the program name.

*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.*

**FISCAL IMPACT**

No fiscal impact as a result of this technical change.

*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**

(DHHS: ~~BabyNet~~ **IDEA Part C** 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, 2019**21** on the status of the department's efforts to bring the ~~BabyNet~~ **Individuals With Disabilities Education Act (IDEA), Part C** program into compliance with federal requirements. This report must specifically address areas in which the **IDEA Part C** ~~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 **the program** ~~BabyNet~~ into compliance, including specific steps and the associated timeline.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

## **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

33.EMD

*Cite the proviso according to the renumbered list (or mark "NEW").*

**TITLE**

Meals in Emergency Operations

*Provide the title from the renumbered list or suggest a short title for any new request.*

**BUDGET PROGRAM**

II. Programs and Services A. Health Services 6.Medicaid Eligibility: Other Operating

*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 2021-2022? If so, cite it here.*

**REQUESTED ACTION**

Add

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

**OTHER AGENCIES AFFECTED**

None, although the requests mirrors provisos in other state agencies, including the Department of Social Services, which is the lead agency of Emergency Support Function 6: Mass Care.

*Which other agencies would be affected by the recommended action? How?*

**SUMMARY & EXPLANATION**

SCDHHS serves as a partner agency to SCDSS and others in staffing emergency shelters during hurricane evacuations, staffing the state emergency operations center, and providing technical assistance and case management during evacuations. This proviso would allow the Department to purchase meals for employees who are engaged in emergency response and are unable to leave their post, or when travel may be restricted due to the emergency response. The Department expects this to most often be the result of shelter duty during hurricane evacuations but would request the flexibility for any emergency response scenario.

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.

**FISCAL IMPACT**

The Department expects a nominal fiscal impact to this proviso, given the number of employees that engage in hurricane shelter duty and the typical duration of such events.

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**

**33.EMD (DHHS: Meals in Emergency Operations) The cost of meals may be provided to state employees who are not permitted to leave their stations and are required to work during actual emergencies, emergency situation exercises, and when the Governor declares a state of emergency.**

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Health & Human Services		
Agency Code:	J020	Section:	33

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

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	\$42,486,694
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	None – cuts would be made to provider contracts and reimbursement of services mentioned below.
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	<p>For modeling purposes, the Department has identified five components of an overall package that could reduce General Fund expenditures by 3%:</p> <ul style="list-style-type: none"> <li>◦ Retract the professional rate increase implemented in July 2019 with Phase I of the pricing project – (\$5,500,000)</li> <li>◦ Retract the 438.6 state-directed hospital quality payment initiative – (\$14,486,694)</li> <li>◦ Cap Community Long Term Care (CLTC) waiver enrollment at the ending SFY21 level – (\$1,811,747)</li> <li>◦ Cap Disproportionate Share Hospital (DSH) allotment to the FFY 2020 level – (\$8,831,395)</li> <li>◦ Curtail or eliminate optional contracts and grants supported without federal match to entities that provide or administer services for populations not covered by Medicaid or the Children’s Health Insurance Program (CHIP) – (\$11,856,858 is necessary to meet the target amount, but the Department can eliminate up to \$37,186,065)</li> </ul>
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>Reductions in the first bullet would reverse the most recently funded provider rate increases implemented for professional medical services.</p> <p>Reductions in the second bullet would end a recently implemented hospital quality payment initiative added to managed care rates in SFY 2020.</p> <p>Reductions in the third bullet would cap CLTC waiver enrollment at the ending SFY21 level and the Department would implement a waiting list thereafter.</p> <p>Reductions in the fourth bullet would cap DSH allotment to a maximum of the FFY 2020 level.</p> <p>The final bullet would cut the general funds appropriated to the Department that are passed through to a variety of state agencies and entities for noncovered populations.</p>
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*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 COST SAVINGS PLANS**

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

1. Worked to reduce duplicate members who have the same Social Security number but multiple IDs, eliminating possible duplication of managed care capitation payments as well as recouping for waiver and hospice retroactive eligibility saves \$1.8 million a year.
2. The Division of Program Integrity estimates it saves approximately \$7.3 million through provider pre-payment reviews, provider post-payment reviews, its pharmacy lock-in program, terminations and exclusions, and recipient utilization.
3. Continuing to maximize pharmaceutical rebates and implement policies that result in the lowest expenditures net of rebates attainable.
4. Close monitoring of all Replacement Medicaid Management Information System /Member Management Replacement Project/Medicaid Enterprise System TAPFIN costs. Implementing the Department's plan to transition consultants to state staff by the end of CY2020 will result in general funds savings of greater than \$1 million.
5. Third-party liability collections handled prospectively instead of through pay-and-chase.

Complying with the Families First Coronavirus Response Act netted the Department approximately \$224 million, which has allowed the Department to

continue with enhanced funding and initiatives, even when level-funded for SFY21.

*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 & Human Services		
Agency Code:	J020	Section:	33

## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	Reducing Cost and Burden to Businesses and Citizens
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	Time and cost savings for citizens and businesses
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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.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<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

<b>METHOD OF CALCULATION</b>	The initiatives set forth in this plan have associated time or cost savings for businesses or citizens. Reductions in the time needed to process eligibility and provider applications reduces uncertainty for citizens about their healthcare coverage and healthcare business owners about the source of payment for goods and services rendered. Modernization of provider manuals simplifies the process for understanding the criteria and process for receiving reimbursement from the South Carolina Department of Health and Human Services (SCDHHS).
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	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?*

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

<b>SUMMARY</b>	<p>The following initiatives have been implemented or are in the process of being implemented by the Department:</p> <ol style="list-style-type: none"> <li>1. The Legacy Accounting System Replacement Assessment &amp; Implementation (LASRAI) utilizes state SAP (or the South Carolina Enterprise Information System) to manage all SCDHHS financial functions related to Medicaid expenditures and recoveries.</li> <li>2. The Department is consolidating Individuals with Disabilities Education Act Part C program, commonly known as BabyNet, payments by integrating Part C funding into Medicaid billing. SCDHHS is also replacing the legacy case management system with a modern system designed to interoperate with other agency systems and providers.</li> <li>3. The Department continues to operate processing centers at a reduced capacity to promote social distancing and opened an additional center in summer 2020 to provide additional space and capacity for eligibility processing.</li> <li>4. The Department has teams dedicated to managing nursing home case escalations and provided temporary emergency relief in the form of a 4% rate add on to nursing homes to reimburse nursing facilities for the unanticipated costs incurred to protect residents and facility staff in response to coronavirus disease 2019 (COVID-19).</li> <li>5. The Department is undergoing an initiative to modernize, consolidate, and rationalize fee schedules that will lessen the burden to providers. Phase I was implemented July 2019 for the professional service provider group and phase II</li> </ol>
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was implemented July 2020 for vision, anesthesia, private duty nursing, and pediatric day care providers.

6. In response to the COVID-19 public health emergency, the Department granted the following temporary flexibilities:

- Expanded telehealth services;
- Eliminated prior authorizations;
- Allowed more providers to provide services;
- Covered COVID-19 testing for the uninsured;
- Accelerated Disproportionate Share Hospital payments to providers; and,
- Implemented retrospective risk pool for SFY 20

7. The Department has issued 519 Chrome Books, 125 laptops, 480 monitors, and approximately 400 cell phones and wireless hot-spots to Department personnel to support telecommuting policies that ensure the safety of the workforce, security of Departmental systems and data, and continuity of operations for beneficiaries and vendors.

*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*