

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



Fiscal Year 2020-21 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

**OPERATING
REQUESTS
(FORM B1)**

For FY 2020-21, 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 2020-21, 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 2020-21, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting funding for Capital Projects.
<input checked="" type="checkbox"/>	Not requesting any changes.

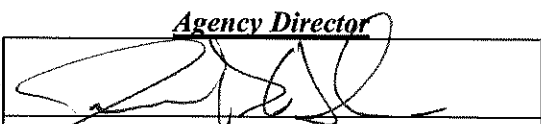
**PROVISOS
(FORM D)**

For FY 2020-21, 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>
PRIMARY CONTACT:	Erin Boyce	898-1574	erin.boyce@scdhhs.gov
SECONDARY CONTACT:			

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Justin D. Baker	

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

Fiscal Year 2020-21 Budget Request Executive Summary

Agency Code: J020
 Agency Name: Department Of Health & Human Services
 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	47,384,662	264,520,394	58,272,469	11,947,376	382,124,901					0.00
2	B1 - Recurring	Decreased Federal Participation	51,659,015	(54,781,744)	3,122,729	0	0					0.00
3	B1 - Recurring	Community Long Term Care (CLTC) Census	13,925,644	38,480,260	1,386,087	0	53,791,991					0.00
4	B1 - Recurring	Provider Reimbursement Rate	7,852,502	28,268,308	3,749,864	0	39,870,674					0.00
5	B1 - Recurring	Disproportionate Share Hospital (DSH) Allotment Increase	6,715,820	20,024,180	0	0	26,740,000					0.00
6	B1 - Recurring	DDSN Appropriation Transfer	(762,665)	0	0	0	(762,665)					0.00
7	B2 - Non-Recurring	Medicaid Management Information System	7,409,009	141,174,758	0	0	148,583,767					0.00
8							0					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			134,183,987	437,686,156	66,531,149	11,947,376	650,348,668	0.00	0.00	0.00	0.00	0.00

AGENCY NAME:	DEPARTMENT OF HEALTH AND HUMAN SERVICES		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	01 <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: \$47,384,662 Federal: \$264,520,394 Other: \$70,219,845 Total: \$382,124,901 <i>What is the net change in requested appropriations for FY 2020-21? 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 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 #	

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	

ACCOUNTABILITY OF FUNDS	<p>These annualizations are distributed throughout the agency’s budget and touch upon each of the 5 defined goals and their respective objectives.</p>
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AGENCY NAME:	DEPARTMENT OF HEALTH AND HUMAN SERVICES		
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What specific strategy, as outlined in the FY 2019-20 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?

RECIPIENTS OF FUNDS	<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?

JUSTIFICATION OF REQUEST	<p>The following items were taken into consideration when developing our annualization request (General Fund):</p> <ul style="list-style-type: none"> • Increase in Medicare premiums- \$14,224,764 • Coordinated care rates & enrollment - \$16,289,787 • Nursing Home Rates & Utilization - \$8,700,525 • Various other program growth - \$8,169,587 <p>As this decision package reflects natural growth in beneficiaries, provider rates, and individual utilization, if this decision package is not funded, the Department will need to make sure additional earmarked authority is added to its budget in an equivalent amount. Additionally, the Department may make necessary adjustments to rates and services 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		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	02 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Decreased Federal Participation <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$51,659,015 Federal: (\$54,781,744) Other: \$3,122,729 Total: \$0 <i>What is the net change in requested appropriations for FY 2020-21? 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	

ACCOUNTABILITY OF FUNDS	These annualizations are distributed throughout the agency's budget and touch upon each of the 5 defined goals. <i>What specific strategy, as outlined in the FY 2019-20 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?</i>
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AGENCY NAME:	DEPARTMENT OF HEALTH AND HUMAN SERVICES		
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RECIPIENTS OF FUNDS	<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?

JUSTIFICATION OF REQUEST	<p>As mentioned in the Department’s budget request last year, South Carolina operates CHIP as an extension of the state’s traditional Medicaid benefit for low income children. While CHIP has historically benefitted from 80% federal financial participation, a series of recent congressional actions increased the Federal Medical Assistance Percentage (FMAP) for CHIP to 100%. The current federal legislation states the CHIP FMAP rate will revert back to the traditional 80% in FFY2021. This resulted in the original ask of \$33.7 million.</p> <p>When the Department submitted the budget originally, the assumption was the FMAP would become more favorable based on preliminary data released and later updated by actuaries. However, the final FMAP submitted by the federal government which came after the original budget submission resulted in a decrease in federal participation – not an increase. The difference resulted in the additional request of \$18.0 million in general funds.</p> <p>If this decision package is not funded, the Department will make necessary adjustments to rates and services to fund the recurring expenditures associated with our maintenance of effort. The Department will also request equivalent earmarked authority to cover expenditures at current levels during the transition of members and rates.</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	03 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Community Long Term Care (CLTC) Census <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$13,925,644 Federal: \$38,480,260 Other: \$1,386,087 Total: \$53,791,991 <i>What is the net change in requested appropriations for FY 2020-21? 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 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	

ACCOUNTABILITY OF FUNDS	This decision package supports strategy 4.1, departmental implementation of policies that promote provision of care in clinically appropriate, cost-effective settings. Part of this decision packages focuses on provider rates, which supports strategy 3.2: maintaining comprehensive statewide provider networks.
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What specific strategy, as outlined in the FY 2019-20 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?

RECIPIENTS OF FUNDS	<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> <p>The Community Long-Term Care 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.</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 CLTC waivers have seen approximately 50% growth in expenditures over the last 5 years with most of the increase from increased census and individual utilization.</p> <p>\$12.6 million of General Funds and related federal matched funds maintain the current and expected census of CLTC recipients throughout FY 2021. 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.</p> <p>\$1.3 million of General Funds package is related to funding for rate increases for adult day healthcare transportation and attendant care providers following a comprehensive rate review of all CLTC providers, by type and service. This is the first in a multi-year request to benchmark CLTC provider rates to updated wage and cost information. If this portion of the decision package is not funded, the Department will not increase the provider rates.</p> <p>\$1.3 million in earmarked authority has been added to the DDSN line to allow SCDHHS to pass through federal funds to SCDDSN for waiver services funded through that agency and provided by SCDDSN's network of providers. If this portion of the decision package is not funded, the Department will not increase the provider rates.</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.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	04 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Provider Reimbursement Rates <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$7,852,502 Federal: \$28,268,308 Other: \$3,749,864 Total: \$39,870,674 <i>What is the net change in requested appropriations for FY 2020-21? 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 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 #	

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	

ACCOUNTABILITY OF FUNDS	This decision packages focuses on provider rates, which supports strategy 3.2: maintaining comprehensive statewide provider networks.
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What specific strategy, as outlined in the FY 2019-20 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?

RECIPIENTS OF FUNDS	The funding would go to providers serving Medicaid beneficiaries.
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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>Through this decision package, SCDHHS is planning to implement the second round of provider increases as the first round was implemented in SFY 2020. For the second year in a row, an analysis of rates was performed on a cohort of providers.</p> <p>This decision packages reflects the projected increase for the provider types where rates were deemed low based on the study:</p> <ul style="list-style-type: none"> • Anesthesia • Vision • Ambulatory Surgical Centers • Pediatric Day Care • Private Duty Nursing (RNs & LPNs) <p>If this decision package is not funded, the Department would continue with rate schedule modernization and consolidation, but without net increases to the provider community.</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.

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B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	05 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	Disproportionate Share Hospital (DSH) Allotment Increase <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: \$6,715,820 Federal: \$20,024,180 Other: \$0 Total: \$26,740,000 <i>What is the net change in requested appropriations for FY 2020-21? 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 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 #
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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
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ACCOUNTABILITY OF FUNDS	This decision packages focuses on provider rates, which supports strategy 3.2: maintaining comprehensive statewide provider networks.
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What specific strategy, as outlined in the FY 2019-20 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?

RECIPIENTS OF FUNDS	The funding would go to eligible hospitals who receive Medicaid DSH payments.
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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>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 Center for Medicare and Medicaid. Since the Department pays up to the limit, as the allotment grows so does the Department's expenditures.</p> <p>If this decision package is not funded, the Department will freeze the total DSH pool at FY 2020 levels and not pay up to the DSH allotment cap set by the federal government.</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.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	06 <i>Provide the Agency Priority Ranking from the Executive Summary.</i>
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TITLE	DDSN Appropriation Transfer <i>Provide a brief, descriptive title for this request.</i>
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AMOUNT	General: (\$762,665) Federal: Other: Total: (\$762,665) <i>What is the net change in requested appropriations for FY 2019-20? 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 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 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	

ACCOUNTABILITY OF FUNDS	This action would support strategy 2.1 (Ensure access to coordinated and collaborative care delivered in appropriate settings).
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What specific strategy, as outlined in the FY 2018-19 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?

RECIPIENTS OF FUNDS	<p>The funds from this decision package would transfer to Department of Disabilities and Special Needs 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 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>Through this decision packages, SCDHHS will transfer appropriation to the South Carolina Department of Disabilities and Special Needs (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.</p>
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	07
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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: \$7,409,009 Federal: \$141,174,757 Total: \$148,583,766
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What is the net change in requested appropriations for FY 2020-21? 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 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 #	

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 type="checkbox"/> Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This decision package supports multiple Department goals and strategies including using new technologies to improve the member service and experience, improve processing time and resolution rates for applications and reviews and ensure timely handling of provider relations.</p>
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What specific strategy, as outlined in the FY 2019-20 Strategic Planning and

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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?

RECIPIENTS OF FUNDS	<p>The Medicaid Management Information System (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 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.)? 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 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 "Final Design, Development, and Implementation" stage during FY 2020 and FY 2021.</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. Does this non-recurring appropriation request create an annualization or need for recurring funds?

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FORM D – PROVISO REVISION REQUEST

NUMBER	33.20
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Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	Medicaid Accountability and Quality Improvement Initiative
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Provide the title from the FY 2019-20 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	No
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Is this request associated with a budget request you have submitted for FY 2020-21? 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>SCDHHS is requesting to strike a provision that allocated \$3.6 million in state funded contracts to Hospitals that provide services for certain uninsured, high-need beneficiaries as the agency intends to provide hospitals an additional \$12 million for the provision of uncompensated care for individuals in FY 2021.</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>Although this proviso directs a variety of expenditures, it does not provide or specifically identify a source of funding for this work. The Department proposes to strike language allocating certain hospitals \$3.6M.</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 PROVISOR TEXT	<p>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 for innovative care strategies for qualifying safety net providers. The</p>
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AGENCY NAME:	Department of Health and Human Services		
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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 FY 2019-20 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 D – PROVISO REVISION REQUEST

NUMBER	33.22
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Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	Rural Health Initiative
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Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

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

RELATED BUDGET REQUEST	No
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Is this request associated with a budget request you have submitted for FY 2020-21? 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>SCDHHS recommends striking a one-year provision directing funding to a graduate medical education project cooperatively operated by three state institutions. The plan will be received and funded in FY 2020.</p> <p>SCDHHS also proposes striking obsolete rural hospital transformation language.</p> <p>The requested change is a technical amendment to update the reporting date.</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>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 PROVISOR TEXT	<p>From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative in the current fiscal year, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to implement this initiative. Recurring and non-recurring funding for the Rural Health Initiative may be carried forward by the department and expended for the same purpose.</p> <p>(A) The Department of Health and Human Services shall incentivize the development of primary care access in rural and underserved areas, leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group, and continue to leverage the use of teaching hospitals to ensure rural physician coverage in counties with a demonstrated lack of adequate access and coverage through the following provisions:</p> <p>(1) Rural and Underserved Area Provider Capacity - the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships. The department shall also expend \$5,000,000 in accordance with a graduate medical education plan developed cooperatively by the Presidents or their designees of the following institutions: the Medical University of South Carolina, the University of South Carolina, and Francis Marion University.</p> <p>(2) Rural Healthcare Coverage and Education - The USC School of Medicine, in consultation with the South Carolina Office of Rural Health, shall continue to operate a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus, through clinical practice, training, and</p>
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AGENCY NAME:	Department of Health and Human Services		
AGENCY CODE:	J020	SECTION:	33

research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least \$1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February first of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

(3) Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to \$500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose. Additionally, the department shall use up to \$200,000 of the recurring funds appropriated for the Department of Aging's Geriatric Physicians Loan Forgiveness program.

(4) Statewide Health Innovations - At least \$2,000,000 must be expended by the department to contract with the USC School of Medicine to develop and continue innovative healthcare delivery and training opportunities through collaborative community engagement via ICARED and other innovative programs that provide clinical services, mental and behavioral health services, children's health, OB/GYN services, and/or chronic disease coverage gaps. In consultation with the Office of Rural Health, the department must ensure collaborative efforts with the greatest potential for impact are prioritized.

(B) The department shall continue to investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years.

~~(1) In the current fiscal year, the department is authorized to establish a DSH pool, or carry forward DSH capacity from a previous period as federally permissible, for this purpose and/or if deemed necessary to implement transformation plans for which conforming applications were filed with the department pursuant to this or a previous hospital transformation or rural health initiative proviso, but for which additional negotiations or development were required. An emergency department that~~

AGENCY NAME:	Department of Health and Human Services		
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~~is established within 35 miles of its sponsoring hospital pursuant to this or a previous hospital transformation or rural health initiative proviso and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the South Carolina Telemedicine Network.~~

(21) The department may solicit proposals from and provide financial support for capital expenditures associated with the replacement of two or more rural hospitals, not to exceed one-quarter of the total project capital budget. Such a plan must be submitted by a hospital system approved to advise a rural transformation project, and the project must be subject to ongoing advisement by the submitting facility, or subject to acquisition by the advising facility. The advised facility must be designated as a critical access hospital in a county experiencing not less than four percent decrease in population between the most recent decennial censuses and have been deemed eligible to participate in the rural transformation pool in a prior fiscal year. The department shall require such written agreements which may require project milestone, last-dollar funding, and other stipulations deemed necessary and prudent by the department to ensure proper use of the funds.

(2) Any facility or capital effort undertaken pursuant to section (B) of this or a previous hospital transformation initiative shall be exempt from and Department of Health and Environmental Control Certificate of Need Requirements or regulations. Any such facility shall participate in the South Carolina Telemedicine network.

(C) The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations. Not later than January 1, 201921, the department shall submit to the President of the Senate and Speaker of the House of Representatives an evaluation of the state's safety-net providers that includes, at a minimum, Federally Qualified Health Centers, Rural Health Clinics, and to the extent applicable to funding received by the state, free clinics.

Paste FY 2019-20 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 D – PROVISIO REVISION REQUEST

NUMBER	33.23 <i>Cite the proviso according to the renumbered list for FY 2020-21 (or mark “NEW”).</i>
TITLE	BabyNet Compliance <i>Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.</i>
BUDGET PROGRAM	II.A.7 – BabyNet <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	N/A <i>Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.</i>
REQUESTED ACTION	Amend <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	N/A <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	The requested change is a technical amendment to update the reporting date.

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>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<u>20</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 2019-20 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 D – PROVISO REVISION REQUEST

NUMBER	117.120
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Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	South Carolina Telemedicine Network
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Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

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

RELATED BUDGET REQUEST	No
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Is this request associated with a budget request you have submitted for FY 2020-21? 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>Delete reference to report as it will be completed in the current fiscal year.</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>No fiscal impact as a result of this 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>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.</p> <p>(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.</p> <p>(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. 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</p>
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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 FY 2019-20 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>\$42,486,694</p> <p><i>What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 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 contracts and for reimbursement of services mentioned below.</p>
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	<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"> • Make reductions to payments allocated through the Rural Health Initiative – (\$7,500,000) • Cut allocations for the core of the South Carolina Telemedicine Network - (\$7,000,000) • Make reductions to payments allocated through contracts with outside vendors that receive 100% state funds – (\$4,000,000) • Retract the 8% rate increase given to Adult Day Health and Attendant Care providers in 2019 – (\$4,000,000) • Retract the professional rate increase implemented in July 2019 with Phase I of the pricing project – (\$5,500,000) • Retract the 438.6 state-directed hospital quality payment initiative - (\$14,486,694)
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What programs or activities are supported by the General Funds identified?

AGENCY NAME:	DEPARTMENT OF HEALTH AND HUMAN SERVICES		
AGENCY CODE:	J020	SECTION:	33

SUMMARY	<p>Cuts described in the first bullet would reduce funding for medically underserved communities throughout the state. Payments made through this initiative are not connected to individual beneficiaries or discrete services.</p> <p>The telemedicine reductions would reduce a state-dollar pass-thru to MUSC to fund grants and/or infrastructure development associated with the promotion of telehealth services.</p> <p>The third bullet would cut the general funds appropriated to the Department that is passed through to a variety of state agencies and entities.</p> <p>Reductions to the fourth and fifth bullet would reverse the most recent provider rate increases implemented for professional medical and long-term supports services.</p> <p>Elimination of the final bullet would end a recently implemented hospital quality payment initiative added to managed care rates in SFY 2020.</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	<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. Worked to reduce duplicate members who have the same social security number but multiple IDs, eliminating possible duplication of managed care capitation payments 2. The Division of Program Integrity estimates it saves approximately \$7 million through Provider Pre-Payment Review, Provider Post-Payment Reviews, Pharmacy Lock-in, 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. Worked with vendors to reduce pricing on agency software licensing - \$400,000 5. Close monitoring of all RMMIS spend including maximizing recovery of salaries via APD alignment with RMMIS - \$50,000
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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	Time 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.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other</td> </tr> </table>	<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
<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	The initiatives set forth in this plan have associated time savings for businesses or citizens. Reductions in the time to process eligibility and provider applications reduces the uncertainty of individuals 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 SCDHHS.
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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?

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?

AGENCY NAME:	DEPARTMENT OF HEALTH AND HUMAN SERVICES		
AGENCY CODE:	J020	SECTION:	33

SUMMARY

The following initiatives have been implemented or are in the process of being implemented by the Department:

1. Legacy Accounting System Replacement Assessment & Implementation (LASRAI) utilizes state SAP (or SCEIS) to manage all SCDHHS financial functions related to Medicaid expenditures and recoveries.
2. The Department is consolidating BabyNet payments by integrating Part C funding into Medicaid billing.
3. The Department fully staffed its first processing center in fall 2017, allowing for more timely determinations. The Department opened three additional centers in 2019.
4. The Department contracted with an outside vendor for a Nursing Home Provider Liaison Center allowing nursing homes to get quicker status updates on pending nursing home applications.
5. By successfully completing examinations, qualified staff are now serving as bilingual interpreters and translators to improve customer service for people with limited English proficiency.
6. The Department is undergoing an initiative to modernize, consolidate, and rationalize fee schedules that will lessen the burden to providers. Phase I was effective July 2019 for the professional service provider group.
7. The Department underwent a provider manual consolidation project to enhance the ease of navigation of provider manuals.

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