

South Carolina Department of Health and Human Services

FY 2019 Proviso 117.73 Report – IMD Operations

Submitted November 1, 2019

The Department of Health and Human Services shall produce an annual report on Medicaid-funded out-of-home placements and associated expenditures which shall be provided to the Chairman of the Senate Finance Committee, Chairman of the House Ways and Means Committee, and the Governor no later than November first each year.

Changes to Authorization Process and Agency Match Responsibilities

On July 1, 2014, the South Carolina Department of Health and Human Services (SCDHHS) changed the prior authorization process for various behavioral health services. We removed the requirement that child-serving state agencies be the sole referral source for PRTF admissions. The agency QIO continued to prior authorize the admissions. When the state agency involvement requirement was eliminated, SCDHHS assumed financial responsibility for covering the state's share of these Medicaid-covered services. As a result, the corresponding services that had previously been financed by other agencies using the IMD transition funds are now funded by SCDHHS and are reported here accordingly.

Changes in Utilization and Treatment Venue

The number of South Carolina Medicaid beneficiaries placed in PRTFs steadily increased annually from FY15 through FY18, though FY18 was only a 3% increase from the previous fiscal year. FY19 showed a 16% decrease from FY18 in the number of beneficiaries placed in PRTFs. This decrease is likely a result in increased coordination of care since the benefit was added to managed care at the start of FY18.

Inpatient psychiatric hospitals have shown more uneven utilization, with continued differences between public and private facilities. For private facilities, FY16 saw a 73% increase in the number of South Carolina Medicaid beneficiaries admitted. In FY17 the number of admissions of unique beneficiaries decreased by 8% followed by a decrease of 5% in FY18. FY19 saw an increase of 38% in admissions. This was almost entirely due to one facility whose admissions increased by 115% between FY18 and FY19. Removing that facility's numbers from the total showed a 6% increase in FY19 for private facility admissions.

Public inpatient psychiatric facilities experienced less dramatic trends. In FY16 the number of South Carolina Medicaid beneficiaries admitted decreased by 7%. In FY17 there was a decrease of 1% and in FY18 there was a decrease of 21%. FY19 shows an increase of 21%.

On July 1, 2017, PRTF rates were rebased after SCDHHS reviewed PRTF's most recent cost reports. Additionally, ancillary services including pharmacy are no longer included in the daily rate. PRTFs now have the flexibility to enroll as ancillary service providers and bill South Carolina Medicaid separately for those services.

The tables that follow provide additional detail on the numbers of beneficiaries and claims for private and public PRTFs and inpatient psychiatric hospitals.

PRTFs, Claims by Incurred Year

	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
ABS LINC SC INC	\$ 5,131,745.26	\$ 5,761,627.33	\$ 6,025,054.13	\$ 5,151,909.77	<i>see Palmetto Pines</i>
AVALONIA GROUP HOMES INC	\$ 1,292,170.95	\$ 1,864,466.10	\$ 2,884,793.13	\$ 2,525,810.32	\$ 2,767,098.67
CHESTNUT HILL MENTAL HEALT	\$ 3,680,136.03	\$ 3,267,922.80	\$ 1,477,402.24	\$ 49,405.02	\$ -
EXCALIBUR YOUTH SERVICES	\$ 1,822,300.20	\$ 2,114,749.53	\$ 2,203,321.05	\$ 1,040,464.74	\$ 1,024,862.39
GENERATIONS RESIDENTIAL PR	\$ 2,040,768.45	\$ 2,040,768.45	\$ 1,868,931.27	\$ 1,772,915.28	\$ 1,553,654.34
GREENVILLE HEALTH SYSTEM	\$ 1,734,000.36	\$ 1,647,445.80	\$ 1,498,564.20	\$ 916,308.84	\$ 805,134.73
HILLSIDE INC	\$ -	\$ -	\$ 79,200.00	\$ 85,440.00	\$ 97,920.00
LIGHTHOUSE CARE CENTER OF	\$ 403,908.00	\$ 1,408,149.00	\$ 1,124,959.64	\$ 11,913.38	\$ -
LIGHTHOUSE CARE CENTER OF	\$ 1,363,094.08	\$ 1,468,798.40	\$ 1,511,541.30	\$ 1,170,597.19	\$ 1,484,404.11
NEW HOPE CAROLINAS INC	\$ 804,818.70	\$ 1,283,921.10	\$ 1,492,611.75	\$ 2,782,424.16	\$ 1,925,427.18
PALMETTO PEE DEE BH LLC	\$ 5,112,760.62	\$ 5,473,498.14	\$ 5,563,682.52	\$ 3,946,085.66	\$ 2,612,529.58
PALMETTO PINES BEHAVIORAL	\$ -	\$ -	\$ -	\$ -	\$ 4,270,764.64
SOUTH CAROLINA DEPT OF MEN	\$ 2,707,137.44	\$ 576,224.40	\$ -	\$ -	\$ -
THE DEVEREUX FOUNDATION	\$ -	\$ -	\$ 617,797.80	\$ 84,026.25	\$ 75,470.85
THREE RIVERS BEHAVIORAL CA	\$ 42,097.36	\$ -	\$ -	\$ -	\$ -
THREE RIVERS RESIDENTIAL	\$ 5,152,361.40	\$ 5,274,296.52	\$ 5,420,858.70	\$ 3,922,187.64	\$ 4,174,065.25
WILLOWGLEN ACADEMY SC INC	\$ 3,754,903.95	\$ 3,786,986.70	\$ 3,876,512.85	\$ 1,962,408.06	\$ 2,933,605.50
WINDWOOD FARM HOME FOR CHI	\$ 1,295,226.45	\$ 1,293,393.15	\$ 1,266,504.75	\$ 1,378,914.48	\$ 1,453,607.36
YOUTH AND FAMILY CENTERED	\$ -	\$ -	\$ 117,150.00	\$ 220,550.00	\$ 136,950.00
TOTALS	\$ 36,337,429.25	\$ 37,262,247.42	\$ 37,028,885.33	\$ 27,021,360.79	\$ 25,315,494.60
<i>*As of 9/30/2019</i>					

Note: The Department of Mental Health’s facility was the only public PRTF until its October 2015 closure. All other PRTFs are private.

PRTFs, Unduplicated Patients by Year

	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Patients	Patients	Patients	Patients	Patients
ABS LINC SC INC	73	99	105	134	<i>see Palmetto Pines</i>
AVALONIA GROUP HOMES INC	29	38	58	74	74
CHESTNUT HILL MENTAL HEALT	72	65	32	2	0
EXCALIBUR YOUTH SERVICES	38	55	53	42	28
GENERATIONS RESIDENTIAL PR	29	36	29	33	27
GREENVILLE HEALTH SYSTEM	37	35	34	64	26
HILLSIDE INC	0	0	0	1	1
LIGHTHOUSE CONWAY	21	63	55	5	0
LIGHTHOUSE AUGUSTA	30	30	30	48	71
NEW HOPE CAROLINAS INC	12	26	48	75	60
PALMETTO PEE DEE BH LLC	86	104	102	98	60
PALMETTO PINES BEHAVIORAL	0	0	0	0	139
SOUTH CAROLINA DEPT OF MEN	34	14	0	0	0
THE DEVEREUX FOUNDATION	0	0	12	2	2
THREE RIVERS BEHAVIORAL CA	5	0	0	0	0
THREE RIVERS RESIDENTIAL	99	102	107	123	116
WILLOWGLEN ACADEMY SC INC	65	60	67	62	53
WINDWOOD FARM HOME FOR CHI	28	30	31	29	30
YOUTH AND FAMILY CENTERED	0	0	0	2	1
Total Unique Patients	626	695	719	741	619
Total Patient Visits	658	757	751	742	688
<i>*As of 9/30/2019</i>					

Public Inpatient Psychiatric Hospitals, Claims by Incurred Year

PUBLIC INPATIENT PSYCHIATRIC HOSPITALS - CLAIMS PAID BY INCURRED FISCAL YEAR					
2015-2019					
	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
WILLIAM J MCCORD ADOLESCEN	\$ 1,606,326.87	\$ 1,423,329.66	\$ 1,533,781.21	\$ 1,595,701.33	\$ 1,282,915.87
SOUTH CAROLINA DEPT OF MEN (Harris)	\$ 177,357.05	\$ 191,136.15	\$ 97,535.40	\$ 44,132.40	\$ 2,530,817.46
SOUTH CAROLINA DEPT OF MEN (Hall)	\$ 10,233,079.88	\$ 6,762,163.63	\$ 5,450,810.37	\$ 4,730,147.48	\$ 5,181,419.54
SOUTH CAROLINA DEPT OF MEN (Bryan)	\$ 143,941.56	\$ 68,496.48	\$ 129,389.25	\$ 191,671.41	\$ 399,199.23
Totals	\$ 12,160,705.36	\$ 8,445,125.92	\$ 7,211,516.23	\$ 6,561,652.62	\$ 9,394,352.10
<i>*As of 9/30/2019</i>					
<i>Includes Fee-for-Service and MCO Payments</i>					

Public Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

2015-2019					
	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Patients	Patients	Patients	Patients	Patients
WILLIAM J MCCORD ADOLESCEN	112	100	95	91	75
SOUTH CAROLINA DEPT OF MEN (Harris)	14	6	6	2	21
SOUTH CAROLINA DEPT OF MEN (Hall)	405	395	391	291	373
SOUTH CAROLINA DEPT OF MEN (Bryan)	11	2	5	6	10
Total Unique Patients	533	496	491	387	470
Total Patient Visits	542	503	497	390	479
<i>*As of 9/30/2019</i>					
<i>Includes Fee-for-Service Beneficiaries and MCO Members</i>					

Private Inpatient Psychiatric Hospitals, Claims by Incurred Year

2015-2019					
	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
PALMETTO LOWCOUNTRY BEHAVI	\$ 1,328,453.10	\$ 1,288,883.76	\$ 1,428,697.12	\$ 2,227,474.53	\$ 1,944,899.25
THE CAROLINA CENTER FOR BE	\$ 422,777.79	\$ 624,252.56	\$ 495,713.28	\$ 650,126.54	\$ 841,288.72
THREE RIVERS BEHAVIORAL HE	\$ 1,163,013.53	\$ 1,197,687.94	\$ 1,502,458.04	\$ 1,867,310.91	\$ 3,974,989.31
REBOUND BEHAVIORAL HEALTH	\$ 215,745.20	\$ 1,901,119.17	\$ 955,396.34	\$ 270,084.41	\$ 482,680.40
LIGHTHOUSE CARE CENTER OF	\$ 336,944.78	\$ 1,469,398.51	\$ 1,423,409.26	\$ 1,170,597.19	\$ 1,484,404.11
Totals	\$ 3,466,934.40	\$ 6,481,341.94	\$ 5,805,674.04	\$ 6,185,593.58	\$ 8,728,261.79
<i>*As of 9/30/2019</i>					
<i>Includes Fee-for-Service and MCO Payments</i>					

Private Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

2015-2019					
	FY 2015	FY 2016	FY2017	FY2018	*FY2019
Provider Name	Patients	Patients	Patients	Patients	Patients
PALMETTO LOWCOUNTRY BEHAVI	353	373	410	654	587
THE CAROLINA CENTER FOR BE	108	176	135	179	237
THREE RIVERS BEHAVIORAL HE	294	319	361	434	937
REBOUND BEHAVIORAL HEALTH	73	478	279	71	107
LIGHTHOUSE CARE CENTER OF	70	293	302	39	72
Total Unique Patients	856	1,478	1,366	1,303	1,798
Total Patient Visits	898	1,639	1,487	1,514	1,940
<i>*As of 9/30/2019</i>					
<i>Includes Fee-for-Service Beneficiaries and MCO Members</i>					

Treatment Trends

Over the last thirty-five years, behavioral health services have shifted nationally from a primary focus on inpatient, psychiatric residential treatment to a community-based approach addressing comprehensive behavioral health concerns. This trend follows the “recovery movement” model with specific attention to an individual’s right to effective treatment and support systems, the importance of the individual fully participating in the community, and an increased emphasis on coping strategies that will allow for successful navigation of challenges, facilitation of recovery, and resiliency training. This is in juxtaposition to a model focusing primarily on symptom management. The shift is also a result of judicial decisions (e.g., Olmstead vs. L.C.), significant improvement in medication and its side-effects, and the successful implementation of community evidenced-based practices.

In response to Olmstead vs. L.C., for example, several federal agencies increased financial assistance to states for Home and Community Based Services (HCBS). In 2007, Indiana used a grant to study a pilot program for Community Alternative – Psychiatric Residential Treatment Facilities (CA-PRTF). Their findings included a 44% overall functioning improvement rate for beneficiaries in the grant vs. 32.64% for those in regular public services. They also found that improvement in any one domain of functioning was 71.2% for grant-funded beneficiaries vs. 55.5% for those in regular public services. By 2007, half of states reported decreasing their PRTF length-of-stay to 30 days or less, while Arkansas, Georgia, and Tennessee reported that over 90% of discharged patients received 30 or fewer days of PRTF treatment prior to transitioning into community-based services (Eckhart, 2010).

Conclusion and Recommendations

HCBS promote successful treatment outcomes for children and have been shown to be cost-effective for South Carolina. The Children’s Health Access in Community Environments (CHANCE) waiver demonstrated an annual average savings of \$41,367.40 per participant compared to beneficiaries who were treated in an inpatient setting. (University of South Carolina Center for Health Services and Policy Research, July 2014)

As our state implements the Palmetto Coordinated System of Care (PCSC), more HCBS will be available through the proposed 1915(c) waiver to ensure that children receive comprehensive and outcomes-

based services that are also cost effective. The Family First Prevention Services Act, which became law in February of 2018 will further support the emphasis on community-based services.

<https://www.childrendefense.org/wp-content/uploads/2018/08/family-first-detailed-summary.pdf>

Outpatient behavioral health services were added to the Medicaid managed care benefit in July 2016.

In November of 2016 the SCDHHS Division of Behavioral Health implemented the Inpatient Outcomes Initiative (IOI) which looks at both PRTF and acute psychiatric inpatient facilities. For PRTFs, a designated staff from SCDHHS Division of Behavioral Health attends the monthly treatment team of children who are experiencing the longest stays in PRTFs. When this initiative was implemented, beneficiaries with long term stays were being discharged soon after SCDHHS contacted the PRTFs.

PRTFs were added to the Medicaid managed care benefit in July 2017. It is anticipated that this will continue to result in fewer and shorter stays in PRTFs and emphasize treatment of children and youth in their homes and communities.

The combination of active management strategies of the PRTF benefit, which includes enhanced fee-for-service oversight and inclusion in the managed care benefit, has resulted in shorter length of stays and more beneficiaries being served. By medically managing the length and types of PRTF stays, capacity was uncovered in the existing system to serve more beneficiaries in need.

Acute inpatient psychiatric services were added to the Medicaid managed care benefit in July of 2019. This addition marks the final piece of the continuum of care for children's behavioral health service in South Carolina under the umbrella of managed care. Adding inpatient psychiatric services to the managed care benefit eliminates any perverse incentive for members to "fail up" into more intensive services that were previously solely Fee for Service. This addition makes complete the care coordination for all aspects of behavioral health care for children and it is expected to support the SCDHHS mission to purchase the most health for our citizens in need at the least possible cost to the taxpayer.

There is a need for continued collaboration by SCDHHS and the managed care organizations with the PRTFs and acute inpatient psychiatric facilities to ensure that children and youth receive care in the least restrictive environment which increases positive treatment outcomes, ensures access to inpatient treatment for children in need and saves the taxpayers money.