

South Carolina Department of Health and Human Services

FY 2017-18 Proviso 117.73 Report – IMD Operations

Submitted November 1, 2017

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) eliminated prior authorizations for various behavioral health services, including the use of Form 257. Previously, one of several other state agencies had been required to complete this form in order for a youth to be admitted to a private residential treatment facility (PRTF). When the form was eliminated, SCDHHS also 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 has increased since FY15 though the percentage of increase has diminished over the last three years. There was a 19% increase in FY15, an 11% increase in FY16 and a 2% increase in FY17.

Inpatient psychiatric hospitals have shown similar trends in utilization, though there are significant differences depending on whether the hospital is public or private. For private facilities, FY15 saw a 574% increase in the number of South Carolina Medicaid beneficiaries placed. In FY16 the percentage, while still an overall increase, lowered to 72%. FY17's increase was 11%; there has been a significant leveling off of the annual increases since FY15 for private inpatient psychiatric facilities. Public inpatient psychiatric facilities experienced far less dramatic trends. In FY15 the number of South Carolina Medicaid Beneficiaries grew by 8%. In FY16 there was a decrease of 7% and in FY17 there was a decrease of 1%.

These totals have been strongly influenced by policy changes that took place in 2014. Once the state agencies effectively stopped acting as gatekeepers, many families increased pressure to place children in out-of-home settings, leading to an overflow into emergency departments and inpatient psychiatric facilities. The combined number of beneficiaries in PRTFs, public inpatient and private inpatient rose 132% between FY14 and FY16. FY17 saw a decrease of 4%. It is too early to tell if this recent decrease will continue.

On July 1, 2017, PRTF rates were increased based on their 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 amounts of claims for private and public PRTFs and inpatient psychiatric hospitals.

PRTFs, Claims by Incurred Year

	FY 2013	FY 2014	FY 2015	FY 2016	FY2017
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
ABS LINC SC INC	\$ 3,251,707.62	\$ 2,626,679.49	\$ 5,131,745.26	\$ 5,761,627.33	\$ 6,025,054.13
AVALONIA GROUP HOMES INC	\$ 576,471.00	\$ 498,424.80	\$ 1,292,170.95	\$ 1,864,466.10	\$ 2,884,793.13
CAROLINA CHILDRENS HOME	\$ 931,491.00	\$ 484,922.40	\$ -	\$ -	\$ -
CHESTNUT HILL MENTAL HEALT	\$ 1,469,980.95	\$ 2,770,110.44	\$ 3,680,136.03	\$ 3,267,922.80	\$ 1,477,402.24
COASTAL HARBOR TREATMENT	\$ -	\$ -	\$ -	\$ -	\$ -
EXCALIBUR YOUTH SERVICES	\$ 1,085,721.00	\$ 698,952.90	\$ 1,822,300.20	\$ 2,114,749.53	\$ 2,203,321.05
GENERATIONS RESIDENTIAL PR	\$ 1,748,037.00	\$ 1,494,081.30	\$ 2,040,768.45	\$ 2,040,768.45	\$ 1,868,931.27
GREENVILLE HEALTH SYSTEM	\$ 1,888,393.69	\$ 1,837,138.45	\$ 1,734,000.36	\$ 1,647,445.80	\$ 1,498,564.20
LIGHTHOUSE CARE CENTER OF			\$ 403,908.00	\$ 1,408,149.00	\$ 1,124,959.64
LIGHTHOUSE CARE CENTER OF	\$ 1,238,787.45	\$ 1,221,062.72	\$ 1,363,094.08	\$ 1,468,798.40	\$ 1,511,541.30
NEW HOPE CAROLINAS INC	\$ 84,390.00	\$ 304,182.30	\$ 804,818.70	\$ 1,283,921.10	\$ 1,492,611.75
PALMETTO LOWCOUNTRY BHSLLC	\$ 989,793.58	\$ -	\$ -	\$ -	\$ -
PALMETTO PEE DEE BH LLC	\$ 5,403,152.48	\$ 4,964,890.66	\$ 5,112,760.62	\$ 5,473,498.14	\$ 5,563,682.52
PINELANDS RESIDENTIAL TREA	\$ 1,034,214.00	\$ 428,337.45	\$ -	\$ -	\$ -
SOUTH CAROLINA DEPT OF MEN	\$ 2,514,347.19	\$ 1,751,773.67	\$ 2,707,137.44	\$ 576,224.40	\$ -
THREE RIVERS BEHAVIORAL CA	\$ 1,160,942.55	\$ 1,221,706.19	\$ 42,097.36	\$ -	\$ -
THREE RIVERS RESIDENTIAL	\$ 4,483,099.00	\$ 4,159,507.38	\$ 5,152,361.40	\$ 5,274,296.52	\$ 5,420,858.70
WILLOWGLEN ACADEMY SC INC	\$ 3,857,787.00	\$ 4,228,841.10	\$ 3,754,903.95	\$ 3,786,986.70	\$ 3,876,512.85
WINDWOOD FARM HOME FOR CHI	\$ 1,175,931.00	\$ 1,169,892.75	\$ 1,295,226.45	\$ 1,293,393.15	\$ 1,266,504.75
YORK PLACE	\$ 1,299,414.36	\$ 509,224.11	\$ -	\$ -	\$ -
	\$ 34,193,660.87	\$ 30,369,728.11	\$ 36,337,429.25	\$ 37,262,247.42	\$ 36,214,737.53

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 2013	FY 2014	FY 2015	FY 2016	FY2017
Provider Name	Patients	Patients	Patients	Patients	Patients
ABS LINC SC INC	59	56	73	99	105
AVALONIA GROUP HOMES INC	14	10	29	38	58
CAROLINA CHILDRENS HOME	14	11	0	0	0
CHESTNUT HILL MENTAL HEALT	40	67	72	65	32
COASTAL HARBOR TREATMENT	0	0	0	0	0
EXCALIBUR YOUTH SERVICES	21	18	38	55	53
GENERATIONS RESIDENTIAL PR	24	26	29	36	29
GREENVILLE HEALTH SYSTEM	42	38	37	35	34
LIGHTHOUSE CARE CENTER OF	0	0	21	63	55
LIGHTHOUSE CARE CENTER OF	29	23	30	30	30
NEW HOPE CAROLINAS INC	2	4	12	26	48
PALMETTO LOWCOUNTRY BHSLLC	30	0	0	0	0
PALMETTO PEE DEE BH LLC	78	73	86	104	102
PINELANDS RESIDENTIAL TREA	25	11	0	0	0
SOUTH CAROLINA DEPT OF MEN	34	28	34	14	0
THREE RIVERS BEHAVIORAL CA	34	20	5	0	0
THREE RIVERS RESIDENTIAL	97	89	99	102	107
WILLOWGLEN ACADEMY SC INC	62	64	65	60	67
WINDWOOD FARM HOME FOR CHI	20	20	28	30	31
YORK PLACE	30	14	0	0	0
Total Unique Patients	621	527	626	695	707
Total Patient Visits	655	572	658	757	751

Public Inpatient Psychiatric Hospitals, Claims by Incurred Year

	FY 2013	FY 2014	FY 2015	FY 2016	FY2017
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
WILLIAM J MCCORD ADOLESCEN	\$ 2,317,186.44	\$ 1,640,317.92	\$ 1,606,326.87	\$ 1,423,329.66	\$ 1,533,781.21
SOUTH CAROLINA DEPT OF MEN (Harris)	\$ 106,778.49	\$ 293,137.68	\$ 177,357.05	\$ 191,136.15	\$ 97,535.40
SOUTH CAROLINA DEPT OF MEN (Hall)	\$ 8,216,036.14	\$ 12,116,141.84	\$ 10,233,079.88	\$ 6,762,163.63	\$ 5,450,810.37
SOUTH CAROLINA DEPT OF MEN (Bryan)	\$ 264,269.52	\$ 248,525.14	\$ 143,941.56	\$ 68,496.48	\$ 129,389.25
	\$10,904,270.59	\$14,298,122.58	\$12,160,705.36	\$8,445,125.92	\$7,211,516.23

Public Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

	FY 2013	FY 2014	FY 2015	FY 2016	FY2017
Provider Name	Patients	Patients	Patients	Patients	Patients
WILLIAM J MCCORD ADOLESCEN	113	104	112	100	95
SOUTH CAROLINA DEPT OF MEN (Harris)	9	19	14	6	6
SOUTH CAROLINA DEPT OF MEN (Hall)	315	362	405	395	391
SOUTH CAROLINA DEPT OF MEN (Bryan)	18	13	11	2	5
Total Unique Patients	450	492	533	496	491
Total Patient Visits	455	498	542	503	497

Private Inpatient Psychiatric Hospitals, Claims by Incurred Year

Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
PALMETTO LOWCOUNTRY BEHAVI	\$ 175,535.96	\$ 208,800.44	\$ 1,328,453.10	\$ 1,288,883.76	\$ 1,428,697.12
THE CAROLINA CENTER FOR BE	\$ 31,374.30	\$ 28,639.20	\$ 422,777.79	\$ 624,252.56	\$ 495,713.28
THREE RIVERS BEHAVIORAL HE	\$ 109,951.39	\$ 200,427.66	\$ 1,163,013.53	\$ 1,197,687.94	\$ 1,502,458.04
REBOUND BEHAVIORAL HEALTH	\$ -	\$ -	\$ 215,745.20	\$ 1,901,119.17	\$ 955,396.34
LIGHTHOUSE CARE CENTER OF	\$ -	\$ 11,351.45	\$ 336,944.78	\$ 1,469,398.51	\$ 1,423,409.26
	\$ 316,861.65	\$ 449,218.75	\$3,466,934.40	\$6,481,341.94	\$5,805,674.04

Private Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

	FY 2013	FY 2014	FY 2015	FY 2016	FY2017
Provider Name	Patients	Patients	Patients	Patients	Patients
PALMETTO LOWCOUNTRY BEHAVI	45	61	353	373	410
THE CAROLINA CENTER FOR BE	8	8	108	176	135
THREE RIVERS BEHAVIORAL HE	27	57	294	319	361
REBOUND BEHAVIORAL HEALTH	0	0	73	478	279
LIGHTHOUSE CARE CENTER OF	0	2	70	293	302
Total Unique Patients	80	127	856	1,478	1,366
Total Patient Visits	80	128	898	1,639	1,487

Treatment Trends

Over the last twenty-five years, behavioral health services have nationally shifted 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. 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. To aid in this ongoing effort, SCDHHS is partnering with the Building Bridges Initiative, which supports psychiatric treatment facilities in transforming their treatment and business models into brief intervention facilities as well as providing models for longer-term treatment of the child in his or her community.

Outpatient behavioral health services were added to the Medicaid managed care benefit in July 2016. Increased care coordination should lead to better treatment outcomes resulting in fewer inpatient hospitalizations.

The SCDHHS Division of Behavioral Health implemented the Inpatient Outcomes Initiative (IOI) which looks at both PRTF and acute psychiatric inpatient hospitals. 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. Since this initiative was implemented, we are seeing instances of long term stay beneficiaries being discharged after SCDHHS made contact with the PRTFs. There have been several instances of PRTFs acknowledging that the youth did not meet medical necessity for PRTF level of care but had nowhere else to go. There have been numerous instances where upon joining the treatment team meetings it was apparent that medical necessity criteria was not met.

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

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