

PROVISO

SUBCOMMITTEE

RECOMMENDATIONS

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HEALTHCARE

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

SECTION 21 - J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

21.3 **AMEND** (Medical Assistance Audit Program Remittance) Requires the department to remit to the general fund an amount that represents 50% of the cost of the Medical Assistance Audit Program as established in the State Auditor's Office. Directs that the amount also include appropriated salary adjustments and fringe benefits that are allocable to the program. Directs that the remittance be made monthly and be based on invoices the State Auditor provides.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to direct that the funds be remitted to the State Auditor's Office rather than to the general fund. Fiscal Impact: Pending. Requested by Department of Health and Human Services.

21.3. (DHHS: Medical Assistance Audit Program Remittance) The Department of Health and Human Services shall remit to the ~~general fund~~ *State Auditor's Office* an amount representing fifty percent (allowable Federal Financial Participation) of the cost of the Medical Assistance Audit Program as established in the State Auditor's Office of the Budget and Control Board Section 80B. Such amount shall also include appropriated salary adjustments and employer contributions allocable to the Medical Assistance Audit Program. Such remittance to the ~~general fund~~ *State Auditor's Office* shall be made monthly and based on invoices as provided by the State Auditor's Office of the Budget and Control Board.

21.9 **DELETE** (Community Residential Care Optional State Supplementation) Directs that if the federal government grants a cost of living increase to Social Security and Supplemental Social Security Income recipients, the increase to Personal Needs Allowance for residents of community residential facilities will be effective in January. Directs the department to increase the residential care payment by the amount of the cost of living increase less \$2 per recipient for a Personal Needs Allowance increase. Authorizes the department to maximize a portion of the OSS funds to implement the Integrated Personal Care program for eligible residents of community residential care facilities that receive OSS payments.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.9. (DHHS: Community Residential Care Optional State Supplementation) ~~The increase to Personal Needs Allowance for residents of community residential care facilities, if the federal government grants a cost of living increase to Social Security and Supplemental Security Income recipients, will be effective in January. The department will increase the residential care payment by the amount of the cost of living increase minus \$2.00 per recipient for an increase in the Personal Needs Allowance. This increase to the Personal Needs Allowance applies to all OSS recipients regardless of whether they receive Social Security and/or Supplemental Security Income. The maximum amount of payment a facility can charge will be increased by the same amount as the cost of living increase, less \$2.00. The department is authorized to maximize a portion of the OSS funds to implement the Integrated Personal Care program for eligible residents of community residential care facilities that receive OSS payments.~~

21.15 **DELETE** (Prescription Reimbursement Payment Methodology) Directs that the prescription dispensing fee is at least \$4.05 per prescription filled and requires that prescription reimbursements must be the lowest of the federal upper limit of payment or South Carolina maximum allowable cost for the drug, if any, less 10% plus the current dispensing fee; the Wholesale Acquisition Cost plus 12.5%; or the provider's usual and customary charge to the

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

general public for the product. Authorizes the department to adjust the dispensing fee to offset any negative change in the federal reimbursement methodology. Requires the department to submit a report on any changes in the federal methodology and the impact on the state prescription reimbursement payment by October 31, 2010.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~21.15. (DHHS: Prescription Reimbursement Payment Methodology) The prescription dispensing fee for the current fiscal year is not less than \$4.05 per prescription filled. Prescription reimbursements must be the lowest of: the federal upper limit of payment or South Carolina maximum allowable cost (MAC) for the drug, if any, less 10% plus the current dispensing fee; the Wholesale Acquisition Cost (WAC) plus 12.5%, or the provider's usual and customary charge to the general public for the dispensed product. By October 31, 2010, the Department of Health and Human Services shall submit a state plan amendment to the Centers for Medicare and Medicaid Services (CMS) requesting approval for the reimbursement rate referenced above. The Department shall submit a copy of the CMS State Plan Amendment to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee.~~

~~During the CMS review process or if the CMS denies the aforementioned state plan amendment; prescription reimbursements must be the lowest of: the federal upper limit of payment or South Carolina maximum allowable cost (MAC) for the drug, if any, less 10% plus the current dispensing fee; the Average Wholesale Price (AWP) minus 10%, or the provider's usual and customary charge to the general public for the dispensed product.~~

~~The Department of Health and Human Services shall adjust the dispensing fee as necessary to offset any negative change in the federal reimbursement methodology from the prior fiscal year. The department shall submit a report by January thirty first, of the current fiscal year to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee summarizing any changes in the federal reimbursement methodology and the impact of the changes on the state prescription reimbursement payment.~~

21.17 **DELETE** (Medicaid Monthly Maintenance Needs Allowance) Direct the department to conform the State Medicaid Monthly Maintenance Needs Allowance to the most current maximum amounts authorized by the Federal Government, phased in 5 years. Authorize the department to use their appropriated general funds to implement this provision.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~21.17. (DHHS: Medicaid Monthly Maintenance Needs Allowance) The Department of Health and Human Services, phased in ratably over five years, shall conform South Carolina's State Medicaid Monthly Maintenance Needs Allowance to the most current maximum amounts authorized by the Federal Government. The department may utilize, to the extent necessary, general funds appropriated to the agency in Part IA of this act to implement the provisions of this paragraph.~~

21.20 **DELETE** (Prior Authorization Exemptions) Requires the department to spend pharmaceutical services funds without prior authorization on medications prescribed to treat major depression, schizophrenia, bipolar disorder, HIV/acquired immune deficiency syndrome, or oncology related pharmaceuticals. Allows the department to implement operational procedures necessary to insure appropriate use and to prevent non-FDA approved use of the medications.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~21.20. (DHHS: Prior Authorization Exemptions) The Department of Health and Human Services must expend funds appropriated for pharmaceutical services without prior authorization on medications prescribed to treat major depression, schizophrenia, or bipolar disorder as defined by the most recent edition of the Diagnostics and Statistical Manual of the American Psychiatric Association or following prescribing practice guidelines established by the American Psychiatric Association, or HIV/acquired immune deficiency syndrome, or oncology related pharmaceuticals. Operational procedures necessary to insure the appropriate use and prevent the non FDA approved use of these medications will be allowed.~~

21.22 DELETE (Prevention Partnership Grants) Requires the department to use prevention grant funds to implement a Prevention Partnership Grants Program. Directs that \$1,000,000 of these funds be allocated to DHEC for HIV Prevention. Provides for the grant process and directs that the department function as a clearinghouse for all of the state's prevention and healthy lifestyle activities identified in agency activity inventories in order to prevent duplication. Directs the department develop an interagency state prevention and healthy living plan and present the plan to the Governor and Chairmen of the Senate Finance, House Ways and Means, Senate Medical Affairs, and House Medical, Military, Public and Municipal Affairs Committees annually by Sept. 30th.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: Pending. Requested by Department of Health and Human Services.

~~21.22. (DHHS: Prevention Partnership Grants) The Department of Health and Human Services must implement a Prevention Partnership Grants Program with funds appropriated herein for prevention grants. Of these funds \$1,000,000 shall be allocated to the Department of Health and Environmental Control for HIV Prevention. Grants must be awarded through a competitive process to government agencies, private foundations and businesses, and/or non-profit organizations that operate preventive health programs with documented outcomes. To prevent duplication, the department must also function as a clearinghouse for all of the state's prevention and healthy lifestyle activities identified in the activity inventories agencies submitted to the State Budget Office. Information provided to the department for the clearinghouse must include, at a minimum, details on expenditures, administrative costs, recipients, and outcomes. The department will use this clearinghouse to identify gaps and overlaps in the state's prevention and healthy lifestyle efforts, and then develop and present to the Governor and Chairmen of the Senate Finance, House Ways and Means, Senate Medical Affairs, and House Medical, Military, Public and Municipal Affairs Committees an interagency state prevention and healthy living plan, including guidelines for administration and distribution of prevention partnership grants, annually by September 30th. All state agencies, whether specifically identified in this section or not, must provide information upon the department's request.~~

21.23 DELETE (Federally Qualified Health Centers-Pharmacies) Suspends federally qualified health centers from the provisions of Chapter 43 of Title 40 [PROFESSIONS AND OCCUPATIONS-PHARMACIST] that would require: (1) all facilities distributing or dispensing prescription drugs to be permitted by the Board of Pharmacy; (2) each pharmacy to have a pharmacist-in-charge; (3) a pharmacist-in-charge to be physically present; and (4) to limit a pharmacist to serve as a pharmacist-in-charge at only one pharmacy at a time. Directs that a federally qualified health

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

center must be covered under Section 40-43-60(I) [COMPLIMENTARY DRUG SAMPLE] allowing licensed practitioners defined by Section 40-43-30(45) [DEFINITION OF PRACTITIONER] to dispense drugs or devices that are the property of the practitioner or corporation. Allows a federally qualified health center to transport medications in the same manner as allowed for free clinics and/or private physician practices.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.23. (DHHS: Federally Qualified Health Centers-Pharmacies) ~~(A) Federally qualified health centers are suspended from provisions of Chapter 43, Title 40 of the 1976 Code that require:~~

~~(1) all facilities distributing or dispensing prescription drugs to be permitted by the Board of Pharmacy;~~

~~(2) each pharmacy to have a pharmacist in charge;~~

~~(3) a pharmacist to be physically present in the pharmacy or health center delivery site in order to serve as the pharmacist in charge;~~

~~(4) a pharmacist to serve as a pharmacist in charge for only one pharmacy at a time.~~

~~(B) A federally qualified health center must be recognized as a covered entity under Section 40-43-60(I) of the 1976 Code allowing licensed practitioners, as defined by Section 40-43-30(45), to dispense drugs or devices that are the lawful property of the practitioner or the corporation.~~

~~(C) A federally qualified health center may transport medications in the same manner as allowed by laws for free clinics and/or private physician practices.~~

21.24 **DELETE** (High Management Group Home Psychiatric Residential Treatment Facility) Authorizes an existing facility currently licensed by DSS who is enrolled with the Medicaid agency as a High Management Group Home provider to elect to be enrolled with the Medicaid agency and licensed by DHEC as a Psychiatric Residential Treatment Facility if the facility meets specific criteria. Allows the facility to request and be granted a Certificate of Need exemption from DHEC for up to the number of beds existing as of 1/1/07 and requires the request be submitted to DHEC before 1/1/08. Directs that if the current High Management Group Home facility cannot meet licensing standards or obtain an exemption or waiver from DHEC it may move and rebuild within the adjacent 20 miles, up to the number of beds existing at the facility on 1/1/07 and obtain the same exemptions. Directs that facilities that seek to increase the existing number of beds beyond those held on 1/1/07 or relocate outside the 20 mile radius will be subject to all CON and licensing requirements. Directs that High Management Group Homes that do not elect to operate as a Psychiatric Treatment Facility may continue to receive non-Medicaid state and federal funds only, except as allowed under an authorized transition plan.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.24. (DHHS: High Management Group Homes/Psychiatric Residential Treatment Facility) ~~An existing facility currently licensed by the South Carolina Department of Social Services and enrolled with the Medicaid agency as a High Management Group Home provider may elect to be enrolled with the Medicaid agency as a Psychiatric Residential Treatment Facility and licensed by the Department of Health and Environmental Control as a Residential Treatment Facility provided the facility meets the following criteria:~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~(1) Department of Health and Environmental Control licensing standards outlined in Regulation 61-103 regarding Residential Treatment Facilities;~~

~~(2) State and federal laws, regulations, and policies regarding participation as a Psychiatric Residential Treatment Facility.~~

~~A High Management Group Home facility may request and be granted a Certificate of Need exemption from the Department of Health and Environmental Control for up to the number of beds existing as of January 1, 2007. Any such request must be submitted to DHEC prior to January 1, 2008. If the current High Management Group Home facility cannot meet licensing standards or obtain an exemption or waiver from licensing standards of the Department of Health and Environmental Control, the High Management Facility, licensed by the Department of Social Services and enrolled with the Medicaid agency as a High Management Group Home, may move and rebuild within the adjacent twenty miles up to the number of beds existing at the facility on January 1, 2007 and obtain the same exemptions. Facilities seeking to increase the existing number of beds beyond those held on January 1, 2007, or relocate outside of the 20 mile radius will be subject to all CON and licensing requirements.~~

~~High Management Group Homes not electing to operate as a Psychiatric Residential Treatment Facility may continue to receive non-Medicaid state and federal funds only, except as allowed under a transition plan authorized by the Medicaid agency.~~

21.25 DELETE (State Children's Health Insurance Program) Directs the department to establish a separate, stand-alone plan under the authority of the State Children's Health Insurance Program (SCHIP) to expand eligibility for children up to 200% of the prevailing federal poverty level. Directs that all other Medicaid eligibility criteria shall apply and that for these purposes a "child" is considered to be under 19 years of age. Directs that the plan operate as a combination program complementing existing Medicaid and Medicaid SCHIP expansion programs. Directs that program implementation is contingent on availability of Federal funding. Authorizes the department to limit the number of enrollees, close enrollment, or establish a waiting list as necessary in order to not exceed available state appropriations. Prohibits any cost sharing requirement. Directs the department to convert the stand-alone plan to the standard SCHIP Medicaid program using the same income limits if a cost savings can be demonstrated without a reduction of services.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Department has merged both SCHIP plans into one plan.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~**21.25.** (DHHS: State Children's Health Insurance Program) The Department of Health and Human Services shall establish a separate, stand-alone plan under the authority of the State Children's Health Insurance Program (SCHIP) for the purpose of expanding eligibility for children up to two hundred percent (200%) of the prevailing federal poverty level. All other Medicaid eligibility criteria shall apply. For these purposes, a child is considered to be an individual under the age of nineteen. This plan shall operate as a combination program complementing existing Medicaid and Medicaid SCHIP expansion programs. The program shall be modeled on private insurance and the benefits package must be substantially equal to the benefits provided by: (1) Federal Employee Health Benefits Program Standard Option; or, (2) a plan offered to state employees; or, (3) a plan offered by an HMO with the largest commercial enrollment in the state; or, (4) a plan approved by the Secretary of the Federal Department of Health & Human Services. The private benefit plan must include dental and visual benefits substantially equal to those benefits currently offered to existing beneficiaries~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~under the Medicaid program. Implementation of this program is contingent upon the availability of Federal funding appropriated for this purpose. The department shall be authorized to limit the number of enrollees, close enrollment, or establish a waiting list as necessary so as not to exceed available state appropriations. No cost sharing provision shall be applied. The department is directed to convert the stand alone plan to the standard SCHIP Medicaid program using the same income limits if the department demonstrates a cost savings without a reduction of the services offered.~~

- 21.28 DELETE** (Nursing Services to High Risk/High Tech Children) Directs the department to establish a separate class and comp plan for Registered and Licensed Practical Nurses who provide services to Medically Fragile Children who are Ventilator dependent, Respirator dependent, Intubated, or Parenteral feeding dependent. Requires the plan recognize the skill level needed for caring for Medically Fragile Children. Directs the department to use funds that would have been spent on admitting these children to Hospital Pediatric Intensive Care Units due to the lack of in-home nursing services. Directs the department to provide a \$3 hourly rate adjustment to RNs and LPNs who provide specialized and technical care to children defined as High Risk/High Tech.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~**21.28.** (DHHS: Nursing Services to High Risk/High Tech Children) The Department of Health and Human Services shall establish a separate classification and compensation plan for Registered Nurses (RN) and Licensed Practical Nurses (LPN) who provide services to Medically Fragile Children, who are Ventilator dependent, Respirator dependent, Intubated, and Parenteral feeding or any combination of the above. The classification plan shall recognize the skill level that these nurses caring for these Medically Fragile Children must have over and above normal home care or school based nurses.~~

~~The department shall utilize funds that would have been spent for these children being admitted to Hospital Pediatric Intensive Care Units due to the lack of in-home nursing care services. The department shall provide an hourly rate adjustment of \$3.00 per hour to both the RN rate and LPN rate who provide specialized and technical medical care to those children who are defined as High Risk/High Tech.~~

- 21.34 DELETE** (MUSC Medicaid Services Reimbursement) Requires the department to reimburse MUSC 100% of costs on all Medicaid hospital services they render.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: Pending. Requested by Department of Health and Human Services.

~~**21.34.** (DHHS: MUSC Medicaid Services Reimbursement) The Department of Health and Human Services must reimburse the Medical University of South Carolina for costs on all Medicaid hospital services rendered as specified in the Medicaid State Plan.~~

- 21.36 AMEND** (Carry Forward) Authorizes the department to carry forward prior year cash balances for any earmarked or restricted trust, agency, or special revenue account or subfund. Requires all revenue deposited into the Restricted Medicaid Expansion Fund be spent in the year it is received. Requires the department submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year to the President Pro Tempore of the Senate, Speaker of the House, and Chairmen of the Senate Finance and Ways and Means Committees, within 15 days after the Comptroller General closes books on the fiscal year.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the requirement that revenue deposited into the Restricted Medicaid Expansion Fund be spent in the year it is received. *Provide for use of funds received during the last fiscal month.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.36. (DHHS: Carry Forward) The Department of Health and Human Services is authorized to carry forward cash balances from the prior fiscal year into the current fiscal year for any earmarked or restricted trust and agency, or special revenue account or subfund. ~~All revenue deposited into the Restricted Medicaid Expansion Fund must be expended in the year the revenue is received.~~ The department shall submit a comprehensive reporting of all cash balances brought forward from the prior fiscal year. The report shall, at a minimum, for each account or subfund include the following: the statutory authority that allows the funds to be carried forward, the maximum authorized amount that can be carried forward, the general purpose or need for the carry forward, the specific source(s) of funding or revenue that generated the carry forward, and a detailed description of any pending obligations against the carry forward. The report must be submitted to the President Pro Tempore of the Senate, Chairman of the Senate Finance Committee, Speaker of the House of Representatives, and Chairman of the House Ways and Means Committee, within fifteen (15) days after the Comptroller General closes the fiscal year.

21.38 **DELETE** (ARRA County Matching Funds Adjustment) Authorizes the department to make quarterly reductions or refunds to county matching funds assessed for indigent medical care as necessary to comply with Section 5001(g)(2) [FMAP] of ARRA.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *ARRA funds are no longer available.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.38. (DHHS: ARRA County Matching Funds Adjustment) ~~From the county assessments for indigent medical care, the department is authorized to reduce and/or refund to the respective counties on a quarterly basis, such amounts as may be necessary to comply with Section 5001(g)(2) of the American Recovery and Reinvestment Act of 2009.~~

21.39 **DELETE** (Smart Card USB Token Pilot Study) Authorizes a pilot study to be conducted if any Medicaid Health Care provider determines to test a smart card or USB token which meets HIPAA and UETA standards and contains encrypted portable health information, if all federal and state mandates are satisfied and no medical services are denied if the card does not function properly or if it is not provided in an exigent situation. Directs that the study must be at no cost to the State or the department. Requires the department cooperate with the provider to facilitate a pilot so long as all direct and reasonable indirect costs are paid for, if the department incurs such costs.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

21.39. (DHHS: Smart Card/USB Token Pilot Study) ~~At no cost to the State of South Carolina or the Department of Health and Human Services, if any provider for Health Care under Medicaid determines to test a smart card or USB token which meets HIPAA and UETA standards and contains encrypted portable health information, such a pilot study may be conducted so long as all federal and state mandates are satisfied and so long as no medical~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~services are denied if the card does not function properly at the provider site of service or if the card is not provided in an exigent situation. The department must cooperate with the provider in facilitating such a pilot so long as all direct and reasonable indirect costs are paid for, if such costs are incurred by the department.~~

- 21.40 AMEND** (Community Health Plans) Directs the department to oversee all community health plans approved to operate as a pilot program for the purpose of providing health care and requires oversight include review and approval of the community health plan's financial and business plan. Directs that only plans receiving approval from the department and the Chairmen of the Senate Finance and House Ways and Means Committees before January 1, 2009 be authorized to operate as an approved community health plan under this provision. Requires the department to submit a report by 1/1/10 to specific General Assembly Committees that includes legislative recommendations, an overview and listing of approved community health plans, and individual reports prepared by each approved community health plan providing an analysis of the financial status of the program, data on the enrollees and participating health care providers, a description of services utilized, and other information as requested by the department or committees.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso delete the report submission requirement. *Report has been submitted.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~**21.40.** (DHHS: Community Health Plans) The Department of Health and Human Services shall oversee all community health plans approved to operate as a pilot program for the purpose of providing health care. Such oversight shall include the review and approval of the financial and business plan of the community health plan. Only those plans receiving approval from the department, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee prior to January 1, 2009 shall be authorized to operate as an approved community health plan pursuant to this provision. The department shall approve participation requirements of community health plans. An approved community health plan acting in accordance with these provisions shall not be considered as providing insurance or an unauthorized insurer. The department shall submit a report no later than January 1, 2011, to the Chairmen of the Senate Finance Committee; House Ways and Means Committee; Senate Medical Affairs Committee; House Medical, Military, Public and Municipal Affairs Committee; Senate Banking and Insurance Committee; and House Labor, Commerce and Industry Committee. The report shall include legislative recommendations, an overview of approved community health plans, a listing of all approved community health plans, and individual reports to be prepared by each approved community health plan providing an analysis of the financial status of the program, data on the enrollees and participating health care providers, a description of enrollee services utilized, and other information as requested by the department or committees.~~

- 21.41 DELETE** (ARRA State Match Carry Forward) Authorizes the department to carry forward unobligated state match funds resulting from additional payment received from the increased FMAP provided by the ARRA of 2009.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *ARRA funds are no longer available.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~21.41. (DHHS: ARRA State Match Carry Forward) The Department of Health and Human Services is authorized to carry forward from the prior fiscal year into the current fiscal year any unobligated state match funds resulting from additional payments received from the increased Federal Medical Assistance Percentage provided by the American Recovery and Reinvestment Act of 2009.~~

21.43 AMEND (GAPS) Suspends, for FY 2010-11, the requirements of Sections 44-6-610-660 [GAP ASSISTANCE PHARMACY PROGRAM FOR SENIORS ACT].

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change Fiscal Year “2010-211” to “2011-12.” Fiscal Impact: Pending. Requested by Department of Health and Human Services.

~~21.43. (DHHS: GAPS) The requirements of Title 44, Chapter 6-610 through Chapter 6-660 shall be suspended for Fiscal Year ~~2010-11~~ 2011-12.~~

21.45 DELETE (Medicaid Pooling Initiative) Directs the department’s Medicaid Pharmacy and Therapeutics Committee to conduct a cost benefit analysis of the National Medicaid Pooling Initiative and the state’s participation in the initiative. Directs that the analysis include a review of all other Centers for Medicare and Medicaid Services approved multi-state Medicaid drug purchasing pools in order to compare the initiative to other available plans to identify the initiative that provides the maximum savings for the state. Directs that a report be provided to the Chairmen of the Senate Finance and House Ways and Means Committee by January 14, 2011.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been submitted.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

~~21.45. (DHHS: Medicaid Pooling Initiative) The Department of Health and Human Services’ Medicaid Pharmacy and Therapeutics Committee shall conduct a cost benefit analysis of the National Medicaid Pooling Initiative (NMPI) and the state’s participation in the NMPI. The analysis shall include a review of all other multi-state Medicaid drug purchasing pools that have been approved by the Centers for Medicare and Medicaid Services to compare the NMPI to other available plans to identify the initiative that provides the greatest opportunity to achieve maximum savings for the state. The department shall provide a report on the results of the analysis to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than January 14, 2011.~~

21.hhc ADD (In-Home Health Care Systems for Medicaid Recipients) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the department, during FY 11-12, to pilot test an in-home health care system in up to five counties that had highest incidence of emergency room use during FY 09-10 by Medicaid recipients, including seniors and children covered by Medicaid or SCHIP. Direct that the program provide a state-of-the-art in-home health care system which provides around the clock access to medical assessment care and provides an emergency response function that gives a Medicaid recipient the ability to contact a national emergency response center. Direct that the purpose of the program is to reduce the number of emergency room visits in nonemergency cases and the amount of visits to other medical care facilities. Medicaid recipients selected by the department to participate in this program are required to participate as a condition of receiving these benefits. Direct that in developing the pilot-testing program, seniors over 65, pregnant women

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

in their third trimester, and parents with infants under six months of age shall be given priority. Provide guidelines for required components of the in-home health care system. Require the pilot-testing program be conducted for a period of 3 fiscal years beginning with 2011-12 and, then be converted by the department into a statewide program within the funds made available for this purpose. Authorize the department to take actions as may be required, including making requests for Medicaid waivers when necessary to develop and administer the program. Authorize the department to contract with a third-party provider or vendor to furnish and operate the program. Fiscal Impact: Pending. Requested by Department of Health and Human Services.

21.hhc. (DHHS: In-Home Health Care Systems for Medicaid Recipients) The Department of Health and Human Services, during Fiscal Year 2011-12, within the funds appropriated or made available by the General Assembly or within federal Medicaid funds made available for this purpose upon application by the department, shall pilot test an in-home health care system in not more than the five counties of this State with the highest incidence of emergency room use during Fiscal Year 2009-10 by Medicaid recipients, including seniors and children covered by Medicaid or SCHIP. This program shall provide a state-of-the-art in-home health care system which provides around the clock access to medical assessment care and additionally provides an emergency response function that gives a Medicaid recipient the ability to contact a national emergency response center.

The purpose of the program is to reduce the amount of emergency room visits in nonemergency cases and to reduce the amount of visits to other medical care facilities in order to save on the cost of providing this care and in order to provide better health care. Medicaid recipients selected by the department to participate in this program are required to participate as a condition of receiving these benefits.

In developing its pilot-testing program, and in selecting individual clients/patients to participate in the program, since the two largest users of emergency room services are infants and seniors, the department shall give priority in participation to seniors over sixty-five years of age, pregnant women in their third trimester, and parents with infants under six months of age. The goal of this priority order is the elimination of unnecessary emergency room visits, unnecessary physician visits, 'defensive medicine' and optimizing to the correct level of health care, and producing the fastest and largest health care savings. In addition, the department shall select as priority participants new parents that are economically impoverished, and parents that are poorly educated, and seniors that are economically impoverished, and seniors that are living alone.

The in-home health care system must consist of three main components:

- (1) the medical console and wireless transmitter;
- (2) the medical triage center; and
- (3) the emergency response call center.

The medical console and wireless transmitter must have the following capabilities:

(1) The medical console must be capable of communication between two separate call centers, one of which is a monitoring facility to provide certified medical triage care twenty-four hours a day and the other of which is a monitoring facility to provide emergency response services twenty-four hours a day.

(2) The wireless transmitter for the medical console must have two buttons, one for transmitting a signal to the console to contact the emergency response monitoring facility, and the second button also must send a wireless signal to the console to trigger contact with the medical triage center.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

(3) The medical console must be able to send a report/event code to the emergency response call center after a medical triage center call has been placed.

(4) An emergency button on the medical console must include Braille for the sight impaired.

The medical triage center must have or be:

(1) open twenty-four hours a day, three hundred sixty-five days a year;

(2) a call center must be located in the United States;

(3) Utilization Review Accreditation Commission (URAC) accredited;

(4) on call physician availability, twenty-four hours, seven days a week for guidance or review of clinical calls as needed;

(5) registered nurses with a minimum of ten years experience available to answer all calls;

(6) all calls digitally recorded and archived, and a triage report prepared and sent;

(7) daily monitoring of communications with the call center;

(8) fully HIPAA compliant;

(9) bilingual staff in English and Spanish;

(10) a mechanism that ensures that a caller will never receive a busy signal or voice mail when accessing the nurse advice line;

(11) clinical staff able to serve pediatric, adolescent, adult, and senior populations, as well as health care expertise in a variety of clinical areas such as emergency room, pediatrics, critical care, oncology, cardiology, pulmonary, geriatrics, obstetrics/gynecology and general medicine; and

(12) the infrastructure in place to allow the telephone network to digitally communicate with the medical console for incoming call connection, call disconnect, and client file access.

The emergency response call center:

(1) be open twenty-four hours a day, three hundred sixty-five days a year;

(2) be located in the United States;

(3) must maintain a digital receiver capable of processing two-way voice audio using multiple formats.

Facilities, emergency response and the medical triage center, shall offer all selected recipients unlimited use of services provided by the emergency monitoring and medical triage facilities at no additional cost burden to the State.

The pilot-testing program must be conducted for a period of three fiscal years beginning with 2011-12 and, thereafter, must be converted by the department into a statewide program within the funds made available for this purpose. The department in developing and administering this program is authorized to take such actions as may be required, including making requests for Medicaid waivers when necessary.

The department, in implementing this program on a pilot-testing and statewide basis, also is authorized to contract with a third-party provider or vendor to furnish and operate the program.

21.plt ADD (Pediatric Long Term Care Hospital Reimbursement) PROVISO SUBCOMMITTEE RECOMMENDATION: ADD new to direct the department to develop and implement a reasonable and appropriate rate methodology for Medicaid services to reimburse a Pediatric Long Term Care Hospital designated under the 2010-2011 DHEC State Health Plan. Direct the department, in developing the rate, to consider rates and methodologies used by other state Medicaid programs. Direct the department to submit any necessary plan amendment to the

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

Centers for Medicare and Medicaid Services (CMS) by August 31, 2011. Fiscal Impact: No impact on the General Fund.

21.plt. (DHHS: Pediatric Long Term Care Hospital Reimbursement) The department shall develop and implement a reasonable and appropriate rate methodology for Medicaid services to reimburse a Pediatric Long Term Care Hospital designated under the 2010-2011 Department of Health and Environmental Control State Health Plan. The department shall consider rates and methodologies utilized by other state Medicaid programs in developing this rate. The department shall submit any necessary plan amendment to the Centers for Medicare and Medicaid Services (CMS) no later than August 31, 2011.

SECTION 22 - J04-DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

22.5 **AMEND** (Cancer/Hemophilia) Prohibits \$686,216 appropriated for prevention, detection, and surveillance of cancer and cancer treatment services and \$1,493,245 appropriated for the hemophilia assistance program from being transferred to other programs within the agency. Provides the manner in which mandated budget reductions may be taken from this item.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “\$686,216” to \$545,449; and “\$1,493,245” to “\$1,186,928.” *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.5. (DHEC: Cancer/Hemophilia) Notwithstanding any other provisions of this act, the funds appropriated herein for prevention, detection and surveillance of cancer as well as providing for cancer treatment services, ~~\$686,216~~ \$545,449 and the hemophilia assistance program, ~~\$1,493,245~~ \$1,186,928 shall not be transferred to other programs within the agency and when instructed by the Budget and Control Board or the General Assembly to reduce funds within the department by a certain percentage, the department may not act unilaterally to reduce the funds for any cancer treatment program and hemophilia assistance program provided for herein greater than such stipulated percentage.

22.9 **AMEND** (Emergency Medical Services) Provides for the allocation of Emergency Medical Services funds to counties to improve and upgrade the EMS system throughout the state. Prohibits \$1,610,512 appropriated for Emergency Medical Services from being transferred to any other program. Authorizes unexpended funds to be carried forward. Provides the manner in which mandated budget reductions may be taken from this item.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “\$1,610,512” to “\$1,234,288.” *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.9. (DHEC: Emergency Medical Services) Funds appropriated herein for Emergency Medical Services, shall be allocated for the purpose of improving and upgrading the EMS system throughout the state. The monies allocated to the Counties are for the purpose of improving or upgrading the local EMS system through the licensed ambulance services, the monies allocated to the EMS Regional Councils are for the administration of training programs and technical assistance to local EMS organizations and county systems. All additional funds are to be allocated as follows: to the counties at the ratio of 81% of the additional funds appropriated herein, to the EMS Regions at a ratio of 12% of the additional funds appropriated

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

herein and to the state EMS Office at the ratio of 7% of the additional funds appropriated herein. The Department of Health and Environmental Control shall develop criteria and guidelines and administer the system to make allocations to each region and county within the state, based on demonstrated need and local match. Funds appropriated, ~~\$1,610,512~~ \$1,234,288, to Emergency Medical Services shall not be transferred to other programs within the department's budget. Unexpended funds appropriated to the program may be carried forward to succeeding fiscal years and expended for administrative and operational support and for temporary and contract employees to assist with duties related to improving and upgrading the EMS system throughout the state, including training of EMS personnel and administration of grants to local EMS providers. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds appropriated for EMS Regional Councils or Aid to Counties greater than such stipulated percentage.

- 22.10** **AMEND** (Rape Violence Prevention Contract) Directs that \$513,481 of Rape Violence Prevention funds be used to support rape crisis centers programmatic efforts by distributing these funds based on DHEC Rape Violence Prevention Program service standards and each center's accomplishment of a pre-approved annual action plan.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change "\$513,481" to "\$493,956" and direct that for FY 11-12 the department may not reduce these contracts below the current level of funding. *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.10. (DHEC: Rape Violence Prevention Contract) Of the amounts appropriated in Rape Violence Prevention, ~~\$513,481~~ \$403,956 shall be used to support programmatic efforts of the state's rape crisis centers with distribution of these funds based on the Department of Health and Environmental Control Rape Violence Prevention Program service standards and each center's accomplishment of a pre-approved annual action plan. *For Fiscal Year 2011-12, the department shall not reduce these contracts below the current funding level.*

- 22.12** **AMEND** (Sickle Cell Programs) Directs that \$957,633 is appropriated for Sickle Cell program services and directs that 67% of the funds be divided equitably between existing Community Based Sickle Cell Programs in Spartanburg, Columbia, Orangeburg, and Charleston; and 33% of the funds be used for the Community Based Sickle Cell Program at DHEC. Directs that the funds be used for prevention and educational programs, testing, counseling and newborn screening. Provides the manner in which mandated budget reductions may be taken from this item. Prohibits these funds from being transferred for any other purpose.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change "\$957,633" to "\$761,233." *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.12. (DHEC: Sickle Cell Programs) ~~\$957,633~~ \$761,233 is appropriated for Sickle Cell program services and shall be apportioned as follows:

- (1) 67% is to be divided equitably between the existing Community Based Sickle Cell Programs located in Spartanburg, Columbia, Orangeburg, and Charleston; and
- (2) 33% is for the Community Based Sickle Cell Program at DHEC.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

The funds shall be used for providing prevention programs, educational programs, testing, counseling and newborn screening. The balance of the total appropriation must be used for Sickle Cell Services operated by the Independent Living program of DHEC. The funds appropriated to the community based sickle cell centers shall be reduced to reflect any percent reduction assigned to the Department of Health and Environmental Control by the Budget and Control Board; provided, however, that the department may not act unilaterally to reduce the funds for the Sickle Cell program greater than such stipulated percentage. The department shall not be required to undertake any treatment, medical management or health care follow-up for any person with sickle cell disease identified through any neonatal testing program, beyond the level of services supported by funds now or subsequently appropriated for such services. No funds appropriated for ongoing or newly established sickle cell services may be diverted to other budget categories within the DHEC budget.

- 22.13** **AMEND** (Genetic Services) Directs that \$130,948 under the Independent Living program is to be used to provide appropriate genetic services to medically needy and underserved persons. Directs that the funds be divided equally among the three Regional Genetic Centers of South Carolina, composed of units from MUSC, USC School of Medicine, and the Greenwood Genetic Center.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “\$130,948” to “\$104,086.” *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.13. (DHEC: Genetic Services) The sum of ~~\$130,948~~ \$104,086 appearing under the Independent Living program of this act shall be appropriated to and administered by the Department of Health and Environmental Control for the purpose of providing appropriate genetic services to medically needy and underserved persons. Such funds shall be used by the department to administer the program and to contract with appropriate providers of genetic services. Such services will include genetic screening, laboratory testing, counseling, and other services as may be deemed beneficial by the department, and these funds shall be divided equally among the three Regional Genetic Centers of South Carolina, composed of units from the Medical University of South Carolina, the University of South Carolina School of Medicine, and the Greenwood Genetic Center.

- 22.34** **AMEND** (Beach Renourishment and Monitoring) Requires beach renourishment funds be spent in accordance with priorities established by the Office of Coastal and Resource Management (OCRM). Limits funds spent to support annual beach profile monitoring to \$100,000 annually. Directs beach renourishment project funds that are certified by the department as excess to a project to be allocated to other beach renourishment projects on a priority basis according to R.30-18.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to allow beach renourishment funds to be spent for coastal access improvement; delete the specification that these funds be spent in accordance with priorities established by OCRM And instead direct that the funds be spent in accordance with “all required state and federal permits and certifications.” Fiscal Impact: No impact on the General Fund.

22.34. (DHEC: Beach Renourishment and Monitoring *and Coastal Access Improvement*) Funds allocated for beach renourishment may be spent for coastal access improvement and shall be spent in accordance with ~~the priorities established by the department’s Office of~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~Coastal and Resource Management~~ *all required state and federal permits and certifications.* If state funds are made available from any general revenue, capital, surplus or bond funding appropriated to the department for beach renourishment and maintenance, the department shall be able to expend not more than \$100,000 of these funds annually to support annual beach profile monitoring coast wide to enable the department to determine erosion rates and to identify priority areas needing renourishment and maintenance to mitigate erosion and storm damage potential. Appropriations for beach renourishment projects that are certified by the department as excess to the final State share of project costs and the annual coast wide monitoring costs ~~shall~~ *may* be allocated by the department to other beach renourishment projects on a priority basis in accordance with R.30-18 *or spent for coastal access improvement.*

- 22.35** **AMEND** (South Carolina State Trauma Care Fund) Directs that \$2,948,519 of State Trauma Care Fund monies be used to increase the reimbursement rates for trauma hospitals, for trauma specialists' professional fee, for increasing the capability of EMS trauma care providers from counties with a high rate of traumatic injury deaths to care for injury patients, and to support the trauma system. Provides the percentage methodology to be used to disburse the funds.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change "\$2,948,519" to "\$2,268,885." *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

22.35. (DHEC: South Carolina State Trauma Care Fund) Of the funds appropriated to the South Carolina State Trauma Care Fund, ~~\$2,948,519~~ \$2,268,885 shall be utilized for increasing the reimbursement rates for trauma hospitals, for trauma specialists' professional fee, for increasing the capability of EMS trauma care providers from counties with a high rate of traumatic injury deaths to care for injury patients, and for support of the trauma system, based on a methodology as determined by the department with guidance and input from the Trauma Council as established in Section 44-61-530 of the South Carolina Code of Laws. The methodology to be developed will include a breakdown of disbursement of funds by percentage, with a proposed 76.5% disbursed to hospitals and trauma physician fees, 16% of the 21% must be disbursed to EMS providers for training EMTs, Advanced EMTs and paramedics by the four regional councils of this state and the remaining 5% must be disbursed to EMS providers in counties with high trauma mortality rates, and 2.5% allocated to the department for administration of the fund and support of the trauma system. The Department of Health and Environmental Control shall promulgate regulations as required in Section 44-61-540 of the 1976 Code for the administration and oversight of the Trauma Care Fund.

- 22.moc** **ADD** (Moratorium on Coal-Ash Landfill Permits) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to prohibit the department, during the current fiscal year, from receiving or expending funds for permitting coal-ash landfills within the ACE Basin Project Area until the Federal EPA renders a finding as to whether or not coal-ash is a hazardous waste. Fiscal Impact: No impact on the General Fund.

22.moc.(DHEC: Moratorium on Coal-Ash Landfill Permits) During the current fiscal year the Department of Health and Environmental Control may not receive or expend funds for permitting coal-ash landfills within the ACE Basin Project Area until the Federal Environmental Protection Agency renders a finding as to whether or not coal-ash is a hazardous waste.

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

SECTION 23 - J12-DEPARTMENT OF MENTAL HEALTH

- 23.8** **AMEND** (Alzheimer’s Funding) Requires the department to use \$911,620 of Community Mental Health Centers funding to contract to provide Alzheimers respite care and diagnostic services to those who qualify as determined by the Alzheimer’s Disease and Related Disorders Association and to maximize federal matching dollars.
PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “\$911,620” to “\$778,706.” *Conforms to amount of funding currently provided.* Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.

23.8. (DMH: Alzheimer’s Funding) Of the funds appropriated to the Department of Mental Health for Community Mental Health Centers, ~~\$911,620~~ \$778,706 must be used for contractual services to provide respite care and diagnostic services to those who qualify as determined by the Alzheimer’s Disease and Related Disorders Association. The department must maximize, to the extent feasible, federal matching dollars. On or before September thirtieth of each year, the Alzheimer’s Disease and Related Disorders Association must submit to the department, Governor, Senate Finance Committee, and House Ways and Means Committee an annual financial statement and outcomes measures attained for the fiscal year just ended. These funds may not be expended or transferred during the current fiscal year until the required reports have been received by the department, Governor, Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds transferred to the Alzheimer’s Disease and Related Disorders Association greater than such stipulated percentage.

- 23.14** **DELETE** (Carry Forward Unobligated Funds) Authorizes the department to carry forward unobligated funds resulting from additional payment received from the increased FMAP provided by the ARRA of 2009 and to use the funds for inpatient hospital services.
PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *ARRA funds are no longer available.* Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.

23.14. (DMH: Carry Forward Unobligated Funds) ~~The Department of Mental Health is authorized to carry forward from the prior fiscal year into the current fiscal year, unobligated funds resulting from additional payments received from the increased Federal Medical Assistance Percentage provided by the American Recovery and Reinvestment Act of 2009 to be used for inpatient hospital services.~~

- 23.mbc** **ADD** (Medicaid Beneficiary Choice) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to require the department to allow a Medicaid beneficiary to receive medically necessary community based rehabilitative behavioral health services from any qualified Medicaid provider enrolled by the Department of Health and Human Services as of July 1, 2011, if the department provides state identified matching funds for such services. Fiscal Impact: No impact on the General Fund.

23.mbc.(DMH: Medicaid Beneficiary Choice) For any Medicaid covered community based rehabilitative behavioral health service for which the Department of Mental Health provides state identified matching funds, the department must allow a Medicaid beneficiary to receive medically necessary community based rehabilitative behavioral health services from

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

any qualified Medicaid provider enrolled by the Department of Health and Human Services as of July 1, 2011.

SECTION 25 - J20-DEPARTMENT OF ALCOHOL & OTHER DRUG ABUSE SERVICES

25.3 AMEND (Eligibility for Treatment Services) Directs that any South Carolina resident, upon payment of all applicable fees, is eligible to take part in treatment programs offered by the department during FY 10-11.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “2010-11” to “current” fiscal year. Fiscal Impact: No impact on the General Fund. Requested by Department of Alcohol and Other Drug Abuse Services.

25.3. (DAODAS: Eligibility for Treatment Services) Upon the payment of all applicable fees, any resident of South Carolina is eligible to take part in the treatment programs offered by the Department of Alcohol and Other Drug Abuse Services during the ~~2010-11~~ current fiscal year.

SECTION 26 - L04-DEPARTMENT OF SOCIAL SERVICES

26.24 AMEND (Day Care Facilities Supervision Rates) Prohibits the department from implementing Regulations 114-504(B) and (C) [DAY CARE FACILITIES SUPERVISION STAFF:CHILD RATIOS FOR LICENSED CENTERS] during the Fiscal Year 2010-11.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change Fiscal Year “2010-11” to “2011-12.” Fiscal Impact: No impact on the General Fund. Requested by Department of Social Services.

26.24. (DSS: Day Care Facilities Supervision Ratios) For Fiscal Year ~~2010-11~~ 2011-12, staff-child ratios contained in Regulations 114-504(B), 114-504(C), 114-524(B), and 114-524(C) shall remain at the June 24, 2008 levels.

26.25 DELETE (Child Welfare Outsourcing Study) Directs the department to study the outsourcing of child welfare services including case management and report the findings to the Governor and Chairmen of the Senate Finance and House Ways and Means Committees by January 31, 2011.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been issued.* Fiscal Impact: No impact on the General Fund. Requested by Department of Social Services.

26.25. (DSS: Child Welfare Outsourcing Study) ~~From funds appropriated to the department for child welfare, the department shall conduct a study with provider and stakeholder participation to determine the feasibility of child welfare outsourcing initiatives. The study should include, but is not limited to, a review of other states contract monitoring and quality assurance models for private providers, to include performance measures and outcomes; a description of all services which might be effectively outsourced to include case management; an analysis of state procurement requirements; an analysis of cost savings or potential costs avoided that may accrue to the state; and a review of provider and state system data measures which can monitor private provider accountability and compliance and assist in rate setting. The department shall provide a report of the findings to the Governor, the Chairman of the~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than January 31, 2011.~~

26.26 **AMEND** (Child Care Center Provisional License Extension) Authorizes a licensed child care center that is not in full compliance the hot water requirement of Regulation 114-507 A.6(b) [PHYSICAL SITE, INDOOR SPACE AND CONDITIONS, WATER SUPPLY] to have their provisional license extended until June 30, 2011.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “2011” to “2012.” Fiscal Impact: No impact on the General Fund. Requested by Department of Social Services.

26.26. (DSS: Child Care Center Provisional License Extension) If a licensed child care center is not in full compliance with Regulation 114-507 item A.6(b) related to the provision of hot water, the center may have their provisional license extended until June 30, ~~2011~~ 2012.

SECTION 89 - X90-GENERAL PROVISIONS

89.80 **AMEND** (Flexibility) Authorizes agencies, in order to provide maximum flexibility to absorb general fund reductions mandated in this act as compared to Fiscal Year 2008-09 general fund appropriations, to spend agency earmarked and restricted “special revenue funds” to maintain critical program previously funded with general fund appropriations. Provides guidelines for utilizing this flexibility. Prohibits specific agencies from reducing or transferring funds from the certain programs or area.

PROVISO SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the prohibition on reducing or transferring funds from the following Department of Health and Human Services program: (1) Teen Pregnancy/Abstinence Programs including, but not limited to MAPPS; (2) PACE; (3) Federally Qualified Health Centers; and (4) Provider Rates and delete the department’s prohibition on decreasing provider reimbursement rates from their current levels. Delete the statement that this provision is not intended to restrict the annual updating of cost based rates and those rates indexed to methodologies described in the Medicaid State Plan. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Human Services.

89.80. (GP: Flexibility) In order to provide maximum flexibility in absorbing the general fund reductions mandated in this act as compared to Fiscal Year 2008-09 general fund appropriations, agencies are authorized for FY ~~2010-11~~ 2011-12 to spend agency earmarked and restricted accounts designated as “special revenue funds” as defined in the Comptroller General’s records, to maintain critical programs previously funded with general fund appropriations. Any spending authorization for these purposes must receive the prior approval of the Office of State Budget and must be reported to the Governor, Senate Finance Committee, and the House Ways and Means Committee. The Comptroller General is authorized to implement the procedures necessary to comply with this directive. This provision is provided notwithstanding any other provision of law restricting the use of earned revenue. Appropriation transfers may exceed twenty percent of the program budget upon approval of the Budget and Control Board, Office of State Budget in consultation with the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

State institutions of higher learning whose budgets have been reduced from the Fiscal Year ~~2009-10~~ 2010-11 state funding level, shall have the authority to use other sources of available funds to support and maintain state funded programs affected by state reductions during Fiscal

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

Year ~~2010-11~~ 2011-12 and may adjust appropriations from special items or programs contained in this act in an amount greater or less than the percentage of the reduction assessed to the institution's base budget. Institutions shall submit to the Office of State Budget, the Senate Finance Committee, and the House Ways and Means Committee the amount of base budget reductions associated with these programs.

~~Notwithstanding the flexibility authorized in this provision, the following agencies are prohibited from reducing or transferring funds from the following programs or areas:~~

~~(A) Department of Health and Human Services~~

~~(1) Teen Pregnancy/Abstinence Programs including, but not limited to
MAPPS~~

~~(2) PACE~~

~~(3) Federally Qualified Health Centers~~

~~(4) Provider Rates~~

~~The Department of Health and Human Services shall not decrease provider reimbursement rates from their current levels.~~

~~It is not the intent of this proviso to restrict the annual updating of cost based rates and those rates which are indexed to methodologies described in the Medicaid State Plan.~~

~~(B) Lieutenant Governor's Office~~

~~Home and Community Based Services (Meals on Wheels)~~

~~(C) Department of Commerce~~

~~Regional Economic Development Organizations as defined by proviso 40.12~~

~~(D) Department of Natural Resources~~

~~Law Enforcement Program/Enforcement Operations as contained in Program~~

~~II. F. 1~~

~~(E) Department of Parks, Recreation, and Tourism~~

~~(1) Program II. A. Special Item: Regional Promotions~~

~~(2) Program II. C. Special Item: Palmetto Pride~~

~~In addition the Department of Parks, Recreation and Tourism is prohibited from closing or reducing the FTE's in the State House Gift Shop, and the Santee Welcome Center.~~

~~Notwithstanding the prohibition on reducing or transferring funds from the programs or areas listed above, the Department of Natural Resources may reduce the specified programs or areas by an amount not to exceed the percentage associated with any mandated reduction.~~

89.opt **ADD** (Opt Out of Federal Patient Protection and Affordable Care Act) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct that if federal law permits, the state opts out of specific provisions of the federal Patient Protection and Affordable Care Act (PL 111-148). Fiscal Impact: Pending.

89.opt. (Opt Out of Federal Patient Protection and Affordable Care Act) If federal law permits, the State of South Carolina opts out of the following provisions in the federal Patient Protection and Affordable Care Act (Public Law 111-148):

(1) Subtitles A through C of Title I (and the amendments made by such subtitles), except for Sections 1253 and 1254;

(2) Parts I, II, III, and V of subtitle D of Title I (and the amendments made by such parts);

(3) Part I of subtitle E of Title I (and the amendments made by such part);

(4) Subtitle F of Title I (and the amendments made by such subtitle);

(5) Section 1561 (and the amendments made by such section);

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

(6) Sections 2001 through 2006 and subtitle C of Title II (and the amendments made by such sections and subtitle); and

(7) Sections 10101 through 10107 (and the amendments made by such sections).

89.hsp ADD (Transfer DMH Veterans Services to Lt Gov Ofc on Aging) **PROVISO SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to transfer for the current fiscal year and effective July 1, 2011, the duties, functions, responsibilities, personnel, funding, and physical assets of the Veteran’s Services Program that consists of the Stone Pavilion, the Campbell Veterans Home and the Veterans’ Victory House from the Department of Mental Health to the Lieutenant Governor’s Office on Aging. Require the transferred funds to be administered separately from other programs within the office and that the funds be used exclusively for the Veteran’s Services Program. Direct that the Stone Pavilion shall remain under DMH’s purview until the Office on Aging issues a RFP and awards a contract to oversee the Stone Pavilion. Fiscal Impact: No impact on the General Fund.

89.hsp. (GP: Transfer DMH Veterans Services to Lt. Gov Ofc on Aging) For the current fiscal year, effective July 1, 2011, the duties, functions, responsibilities, personnel, funding, and physical assets of the Veteran’s Services Program consisting of the Stone Pavilion, the Campbell Veterans Home and the Veterans’ Victory House, located within the Department of Mental Health are transferred to the Lieutenant Governor’s Office on Aging. These funds must be administered separately from other programs within the office and must be expended for the exclusive use of the Veteran’s Services Program. However, until such time as the Office on Aging has issued a Request for Proposal and awarded a contract to oversee the Stone Pavilion, it shall remain under the purview of the Department of Mental Health.

SECTION 90 - X91-STATEWIDE REVENUE

90.11 DELETE (Health Care Maintenance of Effort Funding) Directs that the source of funds in this provision is \$121,348,857 from the Health Care Annualization and Maintenance of Effort Fund and directs the State Treasurer to disburse specific appropriations by September 1, 2010 for the purposes stated.

PROVISO SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Non-recurring proviso was for FY 2010-11.* Fiscal Impact: No impact on the General Fund.

~~90.11. (SR: Health Care Maintenance of Effort Funding) (A) The source of funds appropriated in this provision is \$121,348,857 from the Health Care Annualization and Maintenance of Effort Fund. By this provision these funds are deemed to have been received and are available for appropriation.~~

~~(B) The State Treasurer shall disburse the following appropriations by September 1, 2010, for the purposes stated:~~

- ~~(1) Part IA State General Fund.....\$ 71,685,517;~~
- ~~(2) L04 Department of Social Services
Child Support Enforcement Penalties and
Development.....\$ 18,677,849;~~

~~The below funds shall be disbursed for the purpose of agency operating expenses.~~

- ~~(3) J12 Department of Mental Health\$ 9,500,000;~~
- ~~(4) J16 Department of Disabilities and Special Needs\$ 21,385,491;~~

~~The Department of Disabilities and Special Needs shall utilize \$1,250,000 of the above \$21,385,491 for Early Intervention for three to five year olds.~~

**PROVISO SUBCOMMITTEE
HEALTHCARE
RECOMMENDATIONS FOR FY 2011-12
TO THE HOUSE WAYS AND MEANS COMMITTEE**

~~(5) L24 Commission for the Blind.....\$ 100,000.~~

~~If the balance of the Fund exceeds the total amount appropriated in this provision, the excess funds shall be appropriated to the Department of Health and Human Services for Medicaid Maintenance of Effort. If the balance of the Fund is less than the total amount appropriated in this provision, the appropriation to the Department of Health and Human Services shall be reduced by a corresponding amount.~~

~~(C) Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.~~

90.14 DELETE (Health and Human Services Funding) Directs that the source of funds in this proviso is \$234,886,144 of HHS general fund appropriations, carry forward funds, earmarked and restricted special revenue funds, and unobligated state match funds resulting from the extension of the increased FMAP. Directs all agencies, unless specifically exempted by another provision, to transfer unobligated state match funds resulting from receipt of the increased FMAP from July 1, 2010 to December 31, 2010 to HHS. Directs HHS to transfer \$49,107,658 to the General Fund by December 31, 2010 and to disburse the funds to specific agencies. Directs HHS to retain unobligated state match resulting from the increased FMAP in excess of the funds appropriated and to use these funds for the Medicaid Maintenance of Effort. **PROVISO SUBCOMMITTEE RECOMMENDATION:** DELETE proviso. *Non-recurring proviso was for FY 2010-11.* Fiscal Impact: No impact on the General Fund.

~~**90.14.** (SR: Health and Human Services Funding) The source of funds appropriated in this provision is \$234,886,144 of Department of Health and Human Services general fund appropriations, carry forward funds, earmarked and restricted special revenue fund accounts, and unobligated state match funds resulting from the extension of the increased Federal Medical Assistance Percentage. All agencies, unless specifically exempt by another provision contained in this act, shall transfer unobligated state match funds resulting from the receipt of the increased Federal Medical Assistance Percentage from July 1, 2010 to December 31, 2010 to the Department of Health and Human Services.~~

~~Of these funds the Department of Health and Human Services shall transfer \$49,107,658 to the General Fund of the state no later than December 31, 2010.~~

~~Of these funds the department is directed to disburse the following appropriations for the purposes stated:~~

- ~~1. Department of Health and Human Services
Medicaid Maintenance of Effort\$ 162,778,486;~~
- ~~2. Department of Disabilities and Special Needs
Agency Operating Expenses.....\$ 19,000,000; and~~
- ~~3. Department of Social Services
Therapeutic Foster Care\$ 4,000,000.~~

~~Any unobligated state match funds resulting from the receipt of the increased Federal Medical Assistance Percentage in excess of the funds appropriated above shall be retained by the Department of Health and Human Services for Medicaid Maintenance of Effort.~~