

**HEALTH CARE SUBCOMMITTEE
RECOMMENDATIONS FOR FY 2015-16
TO THE PROVISO SUBCOMMITTEE**

SECTION 33 - J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

33.15 DELETE (Medicaid Cost and Quality Effectiveness) Directs the department to establish a procedure to assess the various forms of health care delivery systems to measure cost effectiveness and quality. Direct the identifiable benchmarks be measured annually that broadly address agency program areas and initiatives. Requires annual healthcare report cards for the prior fiscal year be posted on the department's website by December 31st.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Agency states that most members are in managed care, so remaining FFS population not comparable, also a report must also be prepared by actuaries which incurs a cost to the department.* Requested by Department of Health and Human Services.

~~33.15. (DHHS: Medicaid Cost and Quality Effectiveness) The Department of Health and Human Services shall establish a procedure to assess the various forms of health care delivery systems to measure cost effectiveness and quality. These measures must be compiled on an annual basis on identifiable benchmarks. These measures must broadly address agency program areas and initiatives using national and state measures. Cost effectiveness shall be determined in an actuarially sound manner and data must be aggregated in a manner to be determined by a third party. The methodology must use appropriate case mix and actuarial adjustments. The department shall issue an annual healthcare report of statewide measures deemed appropriate by the department required under state and federal guidelines. The report shall be formatted in a clear, concise manner in order to be easily understood by Medicaid beneficiaries and other stakeholders. The annual results of the cost effectiveness calculations, quality measures and the report cards shall be made public on the department's website by December thirty first for the prior state fiscal year.~~

33.24 DELETE (Medicaid Non-Emergency Medical Transportation) Directs the department, when their Medicaid non-emergency medical transportation contracts expire, to procure transportation services using a service model that maximizes efficiencies and cost effectiveness, improves health care outcomes, and improves member experience while using qualified transportation providers. Directs the department to develop policies, procedures and standards with input from stakeholders. Directs the department to collect financial and utilization data and other data as necessary to monitor and evaluate cost effectiveness and productivity.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The department indicates that this proviso is not necessary as the NEMT procurement is currently underway.* Requested by Department of Health and Human Services.

~~33.24. (DHHS: Medicaid Non-Emergency Medical Transportation) The Department of Health and Human Services (department) shall procure transportation services upon the expiration of the current Medicaid non-emergency medical transportation contracts using a service model that maximizes efficiencies and cost effectiveness; improves health care outcomes; and improves member experience regarding quality and satisfaction in the Medicaid transportation program while using qualified transportation providers.~~

~~The department shall develop the policies, procedures and transportation provider performance standards with input from stakeholders. The department shall provide oversight of the implementation and operation.~~

~~The department shall collect financial and utilization data and any other data necessary to continually monitor and evaluate the cost effectiveness and productivity of the transportation services provided.~~

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- 33.26 DELETE** (Healthy Connections Prime) Instructs the department to request a delay in the July 1, 2014 implementation of its demonstration for dual eligible beneficiaries known as Healthy Connections Prime and directs that the requested new enrollment date be no earlier than January 1, 2015.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The department indicates the proviso is not necessary as Prime is scheduled to begin February 2015.* Requested by Department of Health and Human Services.

~~33.26. (DHHS: Healthy Connections Prime) The Department of Health and Human Services is instructed to request from the Centers for Medicare and Medicaid Services, a delay in the July 1, 2014 implementation of its demonstration for dual eligible (Medicare/Medicaid) beneficiaries known as Healthy Connections Prime. The requested date to begin enrollment will be no earlier than January 1, 2015.~~

- 33.28 DELETE** (Armed Services Home and Community-Based Waiver) Directs the department, to the extent possible in administering home and community-based waiver programs, to maintain the waiver status of an eligible family member of a member of the armed services who maintains his SC state residence, regardless of where the service member is stationed.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Codified in Section 3 of Act Number 289 of 2014.* Requested by Department of Health and Human Services.

~~33.28. (DHHS: Armed Services Home and Community-Based Waiver) In administering home and community-based waiver programs, the department shall, to the extent possible, maintain the waiver status of an eligible family member of a member of the armed services who maintains his South Carolina state residence, regardless of where the service member is stationed. Consequently, a person on a waiver waiting list would return to the same place on the waiting list when the family returns to South Carolina. Furthermore, the eligible family member previously enrolled in a waiver program and who received active services would be reinstated into the waiver program once Medicaid eligibility is established, upon their return to South Carolina. It is not the intent of this provision to authorize services provided outside the South Carolina Medicaid Service Area. These provisions are contingent upon the department receiving federal approval.~~

- 33.29 DELETE** (Child Support Enforcement System) Directs the department transfer up to \$3,000,000 to DSS for development of the Child Support Enforcement System and directs that these funds cannot be used to pay litigation costs associated with development of the system.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Funds have been transferred.* Requested by Department of Health and Human Services.

~~33.29. (DHHS: Child Support Enforcement System) The department shall transfer up to three million dollars to the Department of Social Services for the development of the Child Support Enforcement System. These funds cannot be used to pay any litigation cost associated with the development of this system.~~

SECTION 34 - J04-DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

- 34.24 AMEND** (Health Licensing Monetary Penalties) Authorizes the Department to retain the first \$50,000 of civil monetary penalties collected each fiscal year from penalties assessed by the

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Division of Health Licensing. The funds retained shall be utilized solely to carry out and enforce the provisions of regulations applicable to that Division.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “Division of Health Licensing (DHL)” to “Bureau of Health Facilities Licensing (BHFL).” *Technical. Agency has changed the name of the division.* Requested by Department of Health and Environmental Control.

34.24. (DHEC: Health Licensing Monetary Penalties) In the course of regulating health care facilities/services, the ~~Division~~ Bureau of Health Facilities Licensing (~~DHL~~) (BHFL) assesses civil monetary penalties against nonconforming providers. ~~DHL~~ BHFL shall retain up to the first \$50,000 of civil monetary penalties collected each fiscal year and these funds shall be utilized solely to carry out and enforce the provisions of regulations applicable to that division. These funds shall be separately accounted for in the department’s fiscal records.

34.25 **AMEND** (Health Facility Monetary Penalties) Authorizes the department to retain the first \$100,000 of civil monetary penalties collected each fiscal year from penalties assessed by the Bureau of Health Facilities and Services Development. Directs the funds only be used to carry out and enforce the regulations that apply to the Bureau. Requires regulations for nursing home staffing to provide a minimum of 1.63 hours of direct care per resident per day from non-licensed nursing staff; maintain at least one licensed nurse per shift for each staff work area; and to enforce all other staffing and non-staffing standards.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to change “Bureau of Health Facilities and Services Development (BHF)” to “Division of Construction/Fire & Life Safety (DCFLS).” *Technical. Agency has changed the name of the bureau.* Requested by Department of Health and Environmental Control.

34.25. (DHEC: Health Facility Monetary Penalties) In the course of regulating health care facilities/services, the ~~Bureau of Health Facilities and Services Development (BHF)~~ Division of Construction/Fire & Life Safety (DCFLS) assesses civil monetary penalties against nonconforming providers. ~~BHF~~ DCFLS shall retain up to the first \$100,000 of civil monetary penalties collected each fiscal year and these funds shall be utilized solely to carry out and enforce the provisions of regulations applicable to that ~~Bureau~~ division. These funds shall be separately accounted for in the department’s fiscal records. Regulations for nursing home staffing for Fiscal Year 2014-15 must (1) provide a minimum of one and sixty-three hundredths (1.63) hours of direct care per resident per day from the non-licensed nursing staff; and (2) maintain at least one licensed nurse per shift for each staff work area. All other staffing standards and non-staffing standards established in Standards for Licensing Nursing Homes: R61-17, Code of State Regulations, must be enforced.

34.43 **AMEND** (Residential Treatment Facilities Swing Beds) Allows residential treatment facilities to swing/convert up to 10 beds to acute psychiatric beds. Includes stipulation the conversion would have to comply with federal CMS rules and regulations.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update fiscal year reference to “2015-16.”

34.43. (DHEC: Residential Treatment Facilities Swing Beds) For Fiscal Year ~~2014-15~~ 2015-16 in coordination with the South Carolina Health Plan and to improve access for acute psychiatric beds as patient populations demand, Residential Treatment Facilities (RTF) may swing up to eighteen beds per qualifying facility to accommodate patients with a diagnosis of an acute psychiatric disorder. In order to qualify to utilize swing beds a facility must meet the

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following criteria: the facility must currently have both licensed acute psychiatric and residential treatment facility beds, the RTF beds must meet the same licensure requirements as the existing licensed acute psychiatric beds, and any facility utilizing swing beds must keep the acute and RTF patient populations separate and distinct. The utilization of swing beds must also comply with all federal Centers for Medicare and Medicaid Services rules and regulations.

- 34.44 AMEND** (Sand-scraping and Sandbagging) Allows sand-scraping and sandbagging at golf courses as protection, if the department permits, until December 31, 2015. Suspends the payment of any fines the department assessed associated with sandbagging, sand-scraping or renourishment on golf courses. Directs the department to refund any fines paid the prior fiscal year.

SUBCOMMITTEE RECOMMENDATION: AMEND proviso to update year reference to "2016."

34.44. (DHEC: Sand-scraping and Sandbagging) Sand-scraping and sandbagging is allowed as protection for golf courses, if permitted by the department, until June 30, ~~2015~~ 2016. The payment of any fines assessed by the department regarding the use of sandbags, sand scraping or renourishment on golf courses are suspended. Any fines paid during the prior fiscal year regarding the use of sandbags, sand scraping or renourishment on golf courses are to be refunded by the department.

- 34.45 DELETE** (Tuberculosis Outbreak) Allows the department, upon discovering a TB outbreak, to expend any available funds for related surveillance, investigation, containment, and treatment. Stipulates procedures for DHEC to follow for notifying the community or specific individuals regarding any tuberculosis contact investigation.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Agency stated that this is their current policy and the proviso is no longer necessary.*

34.45. (DHEC: Tuberculosis Outbreak) ~~(A) Upon discovery of a tuberculosis outbreak, the Department of Health and Environmental Control may expend any funds available to the agency, for the purpose of surveillance, investigation, containment, and treatment activities related thereto.~~

~~(B) During an investigation of an index tuberculosis patient, the Department of Health and Environmental Control, through the South Carolina Health Alert Network, must notify the patient's community that a tuberculosis contact investigation is being conducted into the possible exposure to tuberculosis. This subsection only applies if the investigation of the patient has met all of the following criteria:~~

~~(1) abnormal chest x-rays;~~

~~(2) positive Acid-Fast Bacilli (AFB) sputum results; and~~

~~(3) first round of contact investigation completed with results of individuals testing positive outside of the index patient's family.~~

~~(C) Upon being informed of or having reason to suspect a case of tuberculosis that is capable of transmitting tuberele bacilli at a school or child care center involving a student, teacher, employee, volunteer, or an individual working at the school or child care center for an employer providing services to the school or child care center, the department immediately shall notify:~~

~~(1) if the case is at a school, the principal, and the Superintendent of the school district if the school is a public school; and~~

~~(2) if the case is at a child care center, the director of the child care center; and~~

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~~(D) When informing the principal of a school or the director of a child care center about a known or suspected case of tuberculosis that is capable of transmitting tuberele bacilli as provided for in subsection (C), the department shall provide:~~

- ~~(1) an update addressing the:
 - ~~(a) status of the investigation, including the steps the department is taking to identify the source and extent of the exposure and the risks of additional exposure; and~~
 - ~~(b) steps the school or child care center must take to assist the department in controlling the spread of the tuberculosis infection; and~~~~
- ~~(2) information and other resources to distribute to parents and guardians that discuss how to assist the department in identifying and managing the tuberculosis infection.~~

SECTION 35 - J12-DEPARTMENT OF MENTAL HEALTH

35.4 **DELETE** (McCormick Satellite Clinic) Redirected the \$750,000 appropriated by proviso 73.17 of Act 397 of 2006 for the Williams Building Cooperative Ministries Homeless Shelter Renovation & Operation as follows: \$250,000 for a satellite community mental health clinic in McCormick County and \$500,000 to the City of Columbia to benefit other homeless programs. Requires the city of Columbia to report annually on expenditure of the funds until they have all been expended.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *The funds redirected to the City of Columbia have been expended. The McCormick Satellite Clinic project is an outdated construction effort and is no longer feasible. Residual capital project funds will be held until the project is deemed feasible or until such time as the department is authorized to redirect the use of said funds to another capital project.* Requested by Department of Mental Health.

~~**35.4.** (DMH: McCormick Satellite Clinic) The \$750,000 appropriated by Proviso 73.17 of Act 397 of 2006 for the Williams Building Cooperative Ministries Homeless Shelter Renovation & Operation shall be redirected as follows: \$250,000 shall be used for a satellite community mental health clinic in McCormick County. Unexpended funds may be carried forward into the current fiscal year to be expended for the same purpose. The City of Columbia must provide documentation annually on expenditures related to the \$500,000 transferred to the city by Proviso 10.16 of Act 117 of 2007 to benefit other homeless programs until all funds are expended.~~

35.9 **DELETE** (Veterans Nursing Home Study) Directs the department, in conjunction with the Governor's Office Division of Veterans Affairs, to conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state and if it is so determined, to identify possible locations, number of beds, and required funding. Directs that the study be submitted to the Governor and various Senate and House committees by December 15, 2014.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been submitted.* Requested by Department of Mental Health.

~~**35.9.** (DMH: Veterans Nursing Home Study) The Department of Mental Health, in conjunction with the Department of Administration, Office of Executive Policy and Programs, Division of Veterans Affairs, shall conduct a feasibility study to determine whether there is a need for additional veterans nursing homes in the state. In the event it is determined that it would be in the best interests of the state's veteran population to have additional veterans nursing homes located around the state, the study shall identify possible locations and provide a general concept on the number of beds recommended along with the funding that would be required to implement~~

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~~the recommendations. The study shall be submitted to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Medical Affairs Committee, and the Chairman of the House Medical, Military, Public and Municipal Affairs Committee by December 15, 2014.~~

SECTION 108 - F50-PUBLIC EMPLOYEE BENEFIT AUTHORITY

- 108.1** **DELETE** (Lottery & Infrastructure Bank Health Insurance) Allows the Lottery Commissioners and Infrastructure Bank Board members to participate in the State Health Plan upon payment of full premium costs.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso.

~~108.1. (PEBA: Lottery & Infrastructure Bank Health Insurance) South Carolina Lottery Commissioners and South Carolina Transportation Infrastructure Bank Board members and their eligible dependents are eligible to participate in the State Health and Dental Insurance Plan, upon paying the full premium costs as determined by the Public Employee Benefit Authority.~~

- 108.10** **DELETE** (Pharmacy Benefit Manager Audit) Directs PEBA to have a detailed report and an independent audit prepared by September 1, 2014 on its contract with Catamaran for Pharmacy Benefit Manager services to ensure fair and equitable reimbursement practices are being followed. Requires the independent auditor to have experience in conducting Pharmacy Benefit Manager Service Audits.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been submitted.* Requested by Public Employee Benefit Authority.

~~108.10. (PEBA: Pharmacy Benefit Manager Audit) By September 1, 2014, the Public Employee Benefit Authority shall have prepared a detailed report and have prepared an independent audit of its contract with Catamaran for Pharmacy Benefit Manager services to ensure, among other things, that fair and equitable reimbursement practices are being followed. The independent auditor must have experience in conducting Pharmacy Benefit Manager services audits.~~

- 108.11** **DELETE** (Litigation Review) Requires PEBA submit a report to the Chairmen of the Senate Finance and House Ways and Means Committees by December 1, 2014 on the settlement between the State and the Bank of New York Mellon that provides review and comment on the settlement benefits for state employees and retirees.

SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Report has been submitted.* Requested by Public Employee Benefit Authority.

~~108.11. (PEBA: Litigation Review) The Public Employee Benefit Authority shall submit to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, no later than December 1, 2014, a report on the settlement between the State of South Carolina and the Bank of New York Mellon that provides review and comment upon the benefits of the settlement for the employees and retirees of South Carolina. In conducting the review and preparing the report, the Public Employee Benefit Authority may use appropriated or available funds as necessary to retain independent expert assistance, including legal counsel of its choosing.~~

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- 108.12 DELETE** (Self-Insured Group Health Benefits Plan) Directs that effective January 1, 2015, the self-insured group health benefits plan for state employees and retirees administered by PEBA shall reimburse pharmacies that participate in the State Health Plan's retail pharmacy network on an equal and uniform per-product basis whether the network is established via direct contract with the State Health Plan or via an authorized pharmacy benefit manager.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso. *Pricing for pharmacy was resolved with an amendment to the contract with the pharmacy benefit manager.* Requested by Public Employee Benefit Authority.

~~108.12. (PEBA: Self-Insured Group Health Benefits Plan) Effective January 1, 2015, the self-insured group health benefits plan for state employees and retirees established under Section 1-11-710 et seq. (the State Health Plan) and administered by the Public Employee Benefit Authority pursuant to Section 9-4-10 et seq. (PEBA) shall reimburse all pharmacies participating in the State Health Plan's retail pharmacy network on an equal and uniform per-product basis. This requirement applies whether the network is established via direct contract with the State Health Plan or via an authorized pharmacy benefit manager.~~