

Representative **Murrell Smith** proposes the following amendment:

Department of Health & Human Services - DHHS

Amend:

33.20. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:

(A) Healthy Outcomes Initiative - The Department of Health and Human Services may tie Disproportionate Share Hospital (DSH) payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

(B) To improve community health, the department may explore various health outreach, education, patient wellness and incentive programs. The department may pilot health interventions targeting diabetes, smoking cessation, weight management, heart disease, and other health conditions. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(C) Rural Hospital DSH Payment - Medicaid-designated rural hospitals in South Carolina may be eligible to receive up to one hundred percent of costs associated with uncompensated care as part of the DSH program. Funds shall be allocated from the existing DSH program. To be eligible, rural hospitals must participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative. In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.

(D) Primary Care Safety Net - The department shall implement a methodology to reimburse safety net providers participating in a hospital Healthy Outcomes Initiative program to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs and other entities receiving funding under Section 330 of the Public Health Services Act), Rural Health Clinics (RHCs), local alcohol and drug abuse authorities established by Act 301 of 1973, Free Clinics, other clinics serving the uninsured, and Welvista. The department shall formulate a methodology and allocate ~~\$4,000,000~~ \$3,600,000 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate ~~\$6,400,000~~ \$5,000,000 of funding to FQHCs, at least ~~\$1,600,000~~ \$1,500,000 of funding for Free Clinics, and ~~\$1,600,000~~ \$1,500,000 of funding for local alcohol and drug abuse authorities created under Act 301 of 1973. The department ~~shall~~ may continue to develop and implement a process for obtaining encounter-level data that may be used to assess the cost and impact of services provided through this proviso. ~~The department shall also explore a transition to a prospective payment system for FQHCs to provide greater predictability and stability for FQHC budgets.~~

~~(E) Rural and Underserved Area Provider Capacity—The department shall incentivize the development of primary care access in rural and underserved areas through the following mechanisms:~~

~~———— (1) the department shall leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group;~~

~~(2) the department shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage, expand the use of Telemedicine, and ensure targeted placement and support of OB/GYN services in at least four counties with a demonstrated lack of adequate OB/GYN resources by June 30, 2017; and~~

~~(3) during the current fiscal year the department shall contract with the MUSC Hospital Authority in the amount of \$10,000,000 to lead the development and operation of an open access South Carolina Telemedicine Network. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. MUSC Hospital Authority shall publish a summary report to the General Assembly indicating the overall progress of the state's telemedicine transformation by March 1, 2017. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.~~

~~———— (4) the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. Any funding supplied by the department in support of the Rural Health Initiative may be deducted from the allocation made to the USC School of Medicine in section (E)(3) of this proviso.~~

~~(F)(E)~~ The department shall allocate funds to be used for obesity education for patients, reimbursement payments for providers, and continuing education for all providers through partnerships with the Department.

~~(G)(F)~~ To be eligible for funds in this proviso, providers must provide the department with patient, service and financial data to assist in the operation and ongoing evaluation of both the initiatives resulting from this proviso, and other price, quality, transparency and DSH accountability efforts currently underway or initiated by the department. The Revenue and Fiscal Affairs Office shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

~~(H)(G)~~ The department may pilot ~~an all-inclusive~~ a behavioral health intervention program for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state. The pilot program must provide reports detailing progress on the target population and health outcomes achieved. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

~~(I)(H)~~ The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.