

**South Carolina Department of Health and Human Services**

**FY 2018-19 Proviso 117.73 Report – IMD Operations**

**Submitted November 1, 2018**

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

### **Changes to Authorization Process and Agency Match Responsibilities**

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

### **Changes in Utilization and Treatment Venue**

The number of South Carolina Medicaid beneficiaries placed in PRTFs has steadily increased annually over the last five fiscal years. FY18 showed a 3% increase from the previous fiscal year in the number of beneficiaries placed in PRTFs.

Inpatient psychiatric hospitals have shown similar trends in utilization, though there are significant differences between public and private facilities. For private facilities, FY15 saw a 674% increase in the number of South Carolina Medicaid beneficiaries admitted. This increase coincided with the change of admission procedure for PRTFs, suggesting that PRTFs maintained full census resulting in more beneficiaries utilizing acute inpatient level of care. In FY16 the percentage, while still an increase, lowered to 73%. In FY 17 the number of admissions of unique beneficiaries decreased by 7% followed by a decrease of 4% in FY18. Public inpatient psychiatric facilities experienced far less dramatic trends. In FY15 the number of South Carolina Medicaid beneficiaries grew by 8%. In FY16 there was a decrease of 7% and in FY17 there was a decrease of 1%. FY18 shows a decrease of 21%.

The trend of fewer inpatient admissions is likely due to Rehabilitative Behavioral Health Services benefit being added to the MCO service array in July of 2016. Focused care coordination results in less need for acute inpatient psychiatric care.

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

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

**PRTFs, Claims by Incurred Year**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Provider Name</b>	<b>Amount Paid</b>	<b>Amount Paid</b>	<b>Amount Paid</b>	<b>Amount Paid</b>	<b>Amount Paid*</b>
ABS LINC SC INC	\$ 2,626,679.49	\$ 5,131,745.26	\$ 5,761,627.33	\$ 6,025,054.13	\$ 5,151,909.77
AVALONIA GROUP HOMES INC	\$ 498,424.80	\$ 1,292,170.95	\$ 1,864,466.10	\$ 2,884,793.13	\$ 2,525,810.32
CAROLINA CHILDRENS HOME	\$ 484,922.40	\$ -	\$ -	\$ -	\$ -
CHESTNUT HILL MENTAL HEALT	\$ 2,770,110.44	\$ 3,680,136.03	\$ 3,267,922.80	\$ 1,477,402.24	\$ 49,405.02
COASTAL HARBOR TREATMENT	\$ -	\$ -	\$ -	\$ -	\$ -
EXCALIBUR YOUTH SERVICES	\$ 698,952.90	\$ 1,822,300.20	\$ 2,114,749.53	\$ 2,203,321.05	\$ 1,040,464.74
GENERATIONS RESIDENTIAL PR	\$ 1,494,081.30	\$ 2,040,768.45	\$ 2,040,768.45	\$ 1,868,931.27	\$ 1,772,915.28
GREENVILLE HEALTH SYSTEM	\$ 1,837,138.45	\$ 1,734,000.36	\$ 1,647,445.80	\$ 1,498,564.20	\$ 916,308.84
HILLSIDE INC	\$ -	\$ -	\$ -	\$ 79,200.00	\$ 85,440.00
LIGHTHOUSE CARE CENTER OF	\$ -	\$ 403,908.00	\$ 1,408,149.00	\$ 1,124,959.64	\$ 11,913.38
LIGHTHOUSE CARE CENTER OF	\$ 1,221,062.72	\$ 1,363,094.08	\$ 1,468,798.40	\$ 1,511,541.30	\$ 1,170,597.19
NEW HOPE CAROLINAS INC	\$ 304,182.30	\$ 804,818.70	\$ 1,283,921.10	\$ 1,492,611.75	\$ 2,782,424.16
PALMETTO LOWCOUNTRY BHSLLC	\$ -	\$ -	\$ -	\$ -	\$ -
PALMETTO PEE DEE BH LLC	\$ 4,964,890.66	\$ 5,112,760.62	\$ 5,473,498.14	\$ 5,563,682.52	\$ 3,946,085.66
PINELANDS RESIDENTIAL TREA	\$ 428,337.45	\$ -	\$ -	\$ -	\$ -
SOUTH CAROLINA DEPT OF MEN	\$ 1,751,773.67	\$ 2,707,137.44	\$ 576,224.40	\$ -	\$ -
THE DEVEREUX FOUNDATION	\$ -	\$ -	\$ -	\$ 617,797.80	\$ 84,026.25
THREE RIVERS BEHAVIORAL CA	\$ 1,221,706.19	\$ 42,097.36	\$ -	\$ -	\$ -
THREE RIVERS RESIDENTIAL	\$ 4,159,507.38	\$ 5,152,361.40	\$ 5,274,296.52	\$ 5,420,858.70	\$ 3,922,187.64
WILLOWGLEN ACADEMY SC INC	\$ 4,228,841.10	\$ 3,754,903.95	\$ 3,786,986.70	\$ 3,876,512.85	\$ 1,962,408.06
WINDWOOD FARM HOME FOR CHI	\$ 1,169,892.75	\$ 1,295,226.45	\$ 1,293,393.15	\$ 1,266,504.75	\$ 1,378,914.48
YORK PLACE	\$ 509,224.11	\$ -	\$ -	\$ -	\$ -
YOUTH AND FAMILY CENTERED	\$ -	\$ -	\$ -	\$ 117,150.00	\$ 220,550.00
<b>TOTALS</b>	<b>\$ 30,369,728.11</b>	<b>\$ 36,337,429.25</b>	<b>\$ 37,262,247.42</b>	<b>\$ 37,028,885.33</b>	<b>\$ 27,021,360.79</b>
<i>*Includes Fee-for-Service and MCO Payments</i>					

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

**PRTFs, Unduplicated Patients by Year**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Provider Name</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients*</b>
ABS LINC SC INC	56	73	99	105	134
AVALONIA GROUP HOMES INC	10	29	38	58	74
CAROLINA CHILDRENS HOME	11	0	0	0	0
CHESTNUT HILL MENTAL HEALT	67	72	65	32	2
COASTAL HARBOR TREATMENT	0	0	0	0	0
EXCALIBUR YOUTH SERVICES	18	38	55	53	42
GENERATIONS RESIDENTIAL PR	26	29	36	29	33
GREENVILLE HEALTH SYSTEM	38	37	35	34	64
HILLSIDE INC	0	0	0	0	1
LIGHTHOUSE CARE CENTER OF	0	21	63	55	5
LIGHTHOUSE CARE CENTER OF	23	30	30	30	48
NEW HOPE CAROLINAS INC	4	12	26	48	75
PALMETTO LOWCOUNTRY BHSLLC	0	0	0	0	0
PALMETTO PEE DEE BH LLC	73	86	104	102	98
PINELANDS RESIDENTIAL TREA	11	0	0	0	0
SOUTH CAROLINA DEPT OF MEN	28	34	14	0	0
THE DEVEREUX FOUNDATION	0	0	0	12	2
THREE RIVERS BEHAVIORAL CA	20	5	0	0	0
THREE RIVERS RESIDENTIAL	89	99	102	107	123
WILLOWGLEN ACADEMY SC INC	64	65	60	67	62
WINDWOOD FARM HOME FOR CHI	20	28	30	31	29
YORK PLACE	14	0	0	0	0
YOUTH AND FAMILY CENTERED	0	0	0	0	2
<b>Total Unique Patients</b>	<b>527</b>	<b>626</b>	<b>695</b>	<b>719</b>	<b>741</b>
<b>Total Patient Visits</b>	<b>572</b>	<b>658</b>	<b>757</b>	<b>751</b>	<b>742</b>

*\*Includes Fee-for-Service beneficiaries and MCO members*

### Public Inpatient Psychiatric Hospitals, Claims by Incurred Year

	FY 2014	FY 2015	FY 2016	FY2017	FY2018
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid*
WILLIAM J MCCORD ADOLESCEN	\$ 1,640,317.92	\$ 1,606,326.87	\$ 1,423,329.66	\$ 1,533,781.21	\$ 1,595,701.33
SOUTH CAROLINA DEPT OF MEN (Harris)	\$ 293,137.68	\$ 177,357.05	\$ 191,136.15	\$ 97,535.40	\$ 44,132.40
SOUTH CAROLINA DEPT OF MEN (Hall)	\$ 12,116,141.84	\$ 10,233,079.88	\$ 6,762,163.63	\$ 5,450,810.37	\$ 4,730,147.48
SOUTH CAROLINA DEPT OF MEN (Bryan)	\$ 248,525.14	\$ 143,941.56	\$ 68,496.48	\$ 129,389.25	\$ 191,671.41
<b>Totals</b>	<b>\$14,298,122.58</b>	<b>\$12,160,705.36</b>	<b>\$8,445,125.92</b>	<b>\$7,211,516.23</b>	<b>\$6,561,652.62</b>

*\*Includes Fee-for-Service and MCO Payments*

### Public Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

	FY 2014	FY 2015	FY 2016	FY2017	FY2018
Provider Name	Patients	Patients	Patients	Patients	Patients*
WILLIAM J MCCORD ADOLESCEN	104	112	100	95	91
SOUTH CAROLINA DEPT OF MEN (Harris)	19	14	6	6	2
SOUTH CAROLINA DEPT OF MEN (Hall)	362	405	395	391	291
SOUTH CAROLINA DEPT OF MEN (Bryan)	13	11	2	5	6
<b>Total Unique Patients</b>	<b>492</b>	<b>533</b>	<b>496</b>	<b>491</b>	<b>387</b>
<b>Total Patient Visits</b>	<b>498</b>	<b>542</b>	<b>503</b>	<b>497</b>	<b>390</b>

*\*Includes Fee-for-Service beneficiaries and MCO members*

### Private Inpatient Psychiatric Hospitals, Claims by Incurred Year

	FY 2014	FY 2015	FY 2016	FY2017	FY2018
Provider Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid*
PALMETTO LOWCOUNTRY BEHAVI	\$ 208,800.44	\$ 1,328,453.10	\$ 1,288,883.76	\$ 1,428,697.12	\$ 2,227,474.53
THE CAROLINA CENTER FOR BE	\$ 28,639.20	\$ 422,777.79	\$ 624,252.56	\$ 495,713.28	\$ 650,126.54
THREE RIVERS BEHAVIORAL HE	\$ 200,427.66	\$ 1,163,013.53	\$ 1,197,687.94	\$ 1,502,458.04	\$ 1,867,310.91
REBOUND BEHAVIORAL HEALTH	\$ -	\$ 215,745.20	\$ 1,901,119.17	\$ 955,396.34	\$ 270,084.41
LIGHTHOUSE CARE CENTER OF	\$ 11,351.45	\$ 336,944.78	\$ 1,469,398.51	\$ 1,423,409.26	\$ 1,170,597.19
<b>Totals</b>	<b>\$ 449,218.75</b>	<b>\$3,466,934.40</b>	<b>\$6,481,341.94</b>	<b>\$5,805,674.04</b>	<b>\$ 6,185,593.58</b>

*\*Includes Fee-for-Service and MCO Payments*

**Private Inpatient Psychiatric Hospitals, Unduplicated Patients by Year**

	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Provider Name</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients</b>	<b>Patients*</b>
PALMETTO LOWCOUNTRY BEHAVI	61	353	373	410	654
THE CAROLINA CENTER FOR BE	8	108	176	135	179
THREE RIVERS BEHAVIORAL HE	57	294	319	361	434
REBOUND BEHAVIORAL HEALTH	0	73	478	279	71
LIGHTHOUSE CARE CENTER OF	2	70	293	302	39
<b>Total Unique Patients</b>	<b>127</b>	<b>856</b>	<b>1,478</b>	<b>1,366</b>	<b>1,303</b>
<b>Total Patient Visits</b>	<b>128</b>	<b>898</b>	<b>1,639</b>	<b>1,487</b>	<b>1,514</b>
<i>*Includes Fee-for-Service beneficiaries and MCO members</i>					

**Treatment Trends**

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

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

**Conclusion and Recommendations**

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

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

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

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

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

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

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

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

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