

SCDHHS Report on BabyNet Federal Compliance Efforts

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Background

First authorized in 1986 as an amendment to the Education of the Handicapped Act, the current iteration of a federally-sponsored early intervention system for children from infancy through their third birthday is authorized by Part C of the Individuals with Disabilities Education Act (IDEA) of 2004 (PL 108-446). The purpose of the IDEA Part C program is the timely and accurate identification and evaluation of children under the age of 3 with developmental delays, appropriate referrals to service and ongoing service coordination necessary to aid the child's ongoing social, emotional and educational development. At the federal level, the IDEA Part C program is overseen by the Office of Special Education Programs (OSEP) within the United States Department of Education.

Effective July 1, 2017, lead agency responsibilities for the South Carolina system of early intervention known as "BabyNet" transitioned from South Carolina First Steps to School Readiness (SCFSSR) to the South Carolina Department of Health and Human Services (SCDHHS) pursuant to Executive Order 2016-20, issued by Governor Nikki R. Haley Sept. 14, 2016.

On Dec. 31, 2017, SCDHHS issued its first report on compliance efforts as the IDEA Part C lead agency for South Carolina, detailing the Department's efforts and plans to reach compliance. This report is designed to serve as an update to that report and is not as comprehensive a review as the initial report issued in 2017. Readers are encouraged to reference that report, which is available at www.scstatehouse.gov/reports/.

Calendar Year 2018 Efforts and Progress

Leadership and Culture

In February 2018, Jennifer Buster was appointed South Carolina's IDEA Part C Coordinator and Program Manager for the BabyNet program. Jennifer's wealth of experience with the program and reputation within South Carolina's early childhood community makes her a natural fit for the program. Under Jennifer's leadership, South Carolina negotiated a voluntary detailed corrective action plan that mirrors the strategies and tasks mentioned in the Department's 2017 compliance report to the General Assembly and has proven adept at navigating the different languages and cultures of the Medicaid and IDEA programs.

In addition to Jennifer's addition to the team, SCDHHS reassigned a health programs specialist operating the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) authority to assist the IDEA Part C team with the development of federally compliant policies that align with Medicaid, specifically EPSDT, policies and processes. To date, over half of the Department's IDEA policies and procedures have been revised and submitted to the OSEP for review and approval. Upon approval and certification of the new policy set, it will be released for public comment and submission with the state's FY 2019-2020 IDEA Part C grant.

Finally, the Department has realigned personnel to match the various ongoing improvement processes, including the elimination of the Assistant Part C Coordinator and organization of the program around, training, policy, provider oversight and finance.

Referral, Intake and Assessment

The Department is moving forward with centralizing intake as noted in the December 2017 compliance report and has completed the following activities:

- Created a central web referral system, allowing parents, providers, and community organizations to make electronic referrals. The webform will go live February 2019 and be available at msp.scdhhs.gov/babynet.
- Hired four central referral intake staff to process and staff IDEA Part C referrals.
- Piloted centralized scheduling in Horry County for evaluation of the process. Richland County will be added to the pilot in January 2019.

The Department is still on schedule for the following activities to be completed in 2019:

- Full centralization of referrals via all intake channels.
- Statewide expansion of centralized scheduling, allowing program staff more insight into and better management of referral and eligibility workflows.
- Implementation of an electronic document management system, allowing IDEA Part C to engage in paperless storage of records.

System Point of Entry Staffing, Education and Performance Monitoring

The Department is maintaining a strategy for System Point of Entry (SPOE) staff that focuses on education and training of existing resources and externalizing high-volume referral work from

SPOE eligibility staff to the central referral team or administrative specialists. As previously mentioned, the Department's rewrite of policies and procedures for SPOE staff are in-process and, once federally approved, those documents will form the basis of a front-line focused training curricula and work aids that are more intuitive and user-friendly. The Department anticipates federal approval no later than June 2019 and full implementation of work aids by October 2019. In addition to updated policy and procedure materials, the Department retrained all SPOE staff on the Battelle Developmental Inventory over two sessions in May and August 2018.

Improved communication, morale and training have also improved staff retention and hiring. Although the transition did see approximately 20 percent loss of SPOE eligibility staff (which equates to seven full-time equivalents), SCDHHS successfully replaced those individuals in real-time and added an additional six regional eligibility workers. In addition, four Central Referral Team members were hired and trained, allowing regional offices to shift some of their responsibilities to the main office beginning November 2018.

Payment System Integration

Integration of the IDEA Part C case management system, BabyNet Reporting & Intervention Data Gathering Electronic System (BRIDGES), with the Medicaid Management Information System (MMIS) for the purpose of complying with federal coordination of benefits requirements is ongoing, with development underway. In 2018, the Department:

- Ended the fiscal agency contract with the Jasper Board of Disabilities and Special Needs, bringing payment systems in-house.
- Completed development of identifiers for IDEA Part C participants in the MMIS system, as well as funding logic to correctly coordinate benefits.
- Successfully created the programs necessary to transmit beneficiary information from the MMIS to BRIDGES, to ensure that beneficiary identities are consistent in each system. Testing is underway for the BRIDGES operator to receive and use this data.

Efforts are still underway to complete the systems development for the remainder of functions necessary to integrate IDEA Part C and Medicaid payment environment, including:

- Generating an electronic claims file from BRIDGES for submission to the MMIS for payment.
- Sending claims results information from the MMIS to BRIDGES to close-out payment requests made by providers.
- Requiring claims services authorized pursuant to an IDEA Part C Individualized Family Service Plan (IFSP) to originate from the BRIDGES system to prevent double-billing and ensure compliance with service note entry into the case management system.
- Executing a strategy developed in conjunction with the Centers for Medicare and Medicaid Services (CMS) to include IDEA Part C services in Medicaid managed care contracts, to prevent the double and triple submission of service claims currently necessary to effectively coordinate benefits (projected July 1, 2019).

Other Compliance Efforts

Family Outcomes. In April 2018, SCDHHS shifted the scope of the State’s Systemic Improvement Plan (SSIP)—a federally required performance improvement plan targeted at a single indicator—to the gathering and analysis of self-reported family outcomes data. The revised Phase I SSIP was approved for use by OSEP Aug. 20, 2018, and SCDHHS will submit the Phase II plan of operations to OSEP spring 2019.

Reimbursement. Along with the coordination of payment systems, SCDHHS seeks to mitigate reimbursement policies that might incentivize individual service providers or groups of service providers to prefer participation in either Medicaid or IDEA Part C as opposed to equal incentive to participate in both in a coordinated manner. SCDHHS is conducting a review of reimbursement rates for common therapies and will bring IDEA Part C rates in line with Medicaid rates, as well as implement common procedural coding by July 1, 2019.

Intermediate or Contingent Performance Improvements (FY 2019-2021)

With substantial progress made in 2018 with respect to program leadership, staff morale and training and systems development necessary to fully implement payment coordination in 2019, IDEA Part C program staff are shifting focus in 2019 and 2020 away from information technology development to five initiatives designed to improve personnel processes and service quality.

General Supervision

Before 2019, South Carolina’s IDEA Part C program had not implemented a system of general supervision of the provider network or the performance of individual providers. Further, the BRIDGES case management system allows some providers to self-report reasons for delays in treatment or non-compliance with provisions of a family’s IFSP. These self-reported reasons are left largely unexamined and unchallenged, with no formal issuance of findings related to inappropriate outcomes or root cause analysis of the episodic or systemic issues leading to poor outcomes. As part of the corrective action plan negotiated with OSEP in 2018, SCDHHS will implement a system of general supervision and provider oversight to include reporting, desk audits, field reviews and technical assistance to improve the quality of the program’s provider network and ultimately outcomes for children.

Auditing Coordination of Benefits

Sampled reviews of payment requests indicate that a substantial portion of claims rejected by private insurance, Medicaid managed care organizations (MCOs) or Medicaid fee-for-service that are ultimately paid with IDEA Part C funds were disallowed for administrative, and not clinical reasons. Accordingly, SCDHHS intends in 2019 to clarify antiquated coordination of benefits policies and perform random field audits of providers that are not complying IDEA Part C payor of last resort provisions.

Further, SCDHHS has performed reviews of Medicaid MCOs' patterns in the approval and payment of children's therapy services and has identified variability in this behavior among the plans. SCDHHS is currently reviewing the clinical guidelines and practices of the plans to ensure that they are clinically appropriate and consistent with the objectives and standards of the Medicaid program. The resulting expected realignment of clinical practices is expected to improve benefits coordination with the IDEA Part C program.

Integrated Case Management

In 2019, SCDHHS will pursue a project to replace its various care and case management systems and consolidate them into a single integrated case management information system (ICMIS) as part of the ongoing Replacement Medicaid Management Information System (RMMIS) project. Once established within the Medicaid program, SCDHHS intends to leverage the ICMIS to replace the BRIDGES system. The advantage will be improved coordination of benefits, simultaneous review of Medicaid and IDEA Part C services and a common, or Citizen 360, view of a beneficiaries needs and services.

Expanded Use of Natural Environment Settings for Evaluation and Service Delivery

It is among SCDHHS's goals to support provision of early intervention services in a child's natural environment. Once the agency believes that SPOE capacity is at a sustainable and compliant level, it intends to expand the use of in-home and natural environment eligibility determinations and will issue common policies across the agency, both in BabyNet and Medicaid, that incentivize early intervention services provided in a child's natural environment.

Combined Eligibility and Case Management

Several members of the provider community have expressed interest in piloting a model where ongoing service coordination begins at referral, and not in the middle of the 45-day eligibility process as it is today. This model is in practice in other states and could be a successful way to hold providers accountable for timely and accurate eligibility determinations, IFSP development and ongoing service coordination. An analysis of the barriers to such a pilot in 2018 uncovered a barrier in the combined billing processes for IDEA Part C and Medicaid. SCDHHS' Early Intervention (EI) manual only contemplates a single billing code for service coordinators inclusive of special education, family training, case management and IFSP development. SCDHHS is currently revising the EI manual to provide for more precise billing practices that will allow providers to engage in eligibility practices, and better allow SCDHHS to monitor administrative and care management activities separately from clinical and therapeutic activities.

Conclusion

South Carolina's implementation of the IDEA Part C system has historically been fragmented, resourced asymmetrically and poorly managed. As a result, it has a poor reputation nationally and among the referring provider community. Performance improvement efforts have been focused at minor, low-return or already reasonably well-functioning components of the system instead of the foundational infrastructure the program needs to succeed. SCDHHS intends to reverse this trend with aggressive actions related to personnel assignment, staff development, financial and systems process improvement, contracts with partner agencies and an unwavering commitment to treat programmatic failure as an unacceptable outcome among program leadership. BabyNet will not be fixed overnight, or even in a single year, and the agency cannot provide such an assurance. Rather, the agency commits to sustained improvement over the next two fiscal years, with specific targets designed to improve both overall performance and specific compliance ratings.