SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

South Carolina Medicaid Update

Bryan Amick
Deputy Director for Health Programs

Medicaid in South Carolina

- FY 2018 Appropriation: **$7.6 billion**
- Full benefit Membership: **1.04 million**

Children	**663,000**
Disabled Adults	**127,000**
Other Adults	**180,000**
Elderly	**68,000**
Limited Benefits	213,000

- **64%** of Medicaid members are age 0 to 18
- Roughly **65%** of all children in SC are on Medicaid
- Medicaid pays for **60%** of all births in SC
- **74%** of our Medicaid members are enrolled in Managed Care

Topics

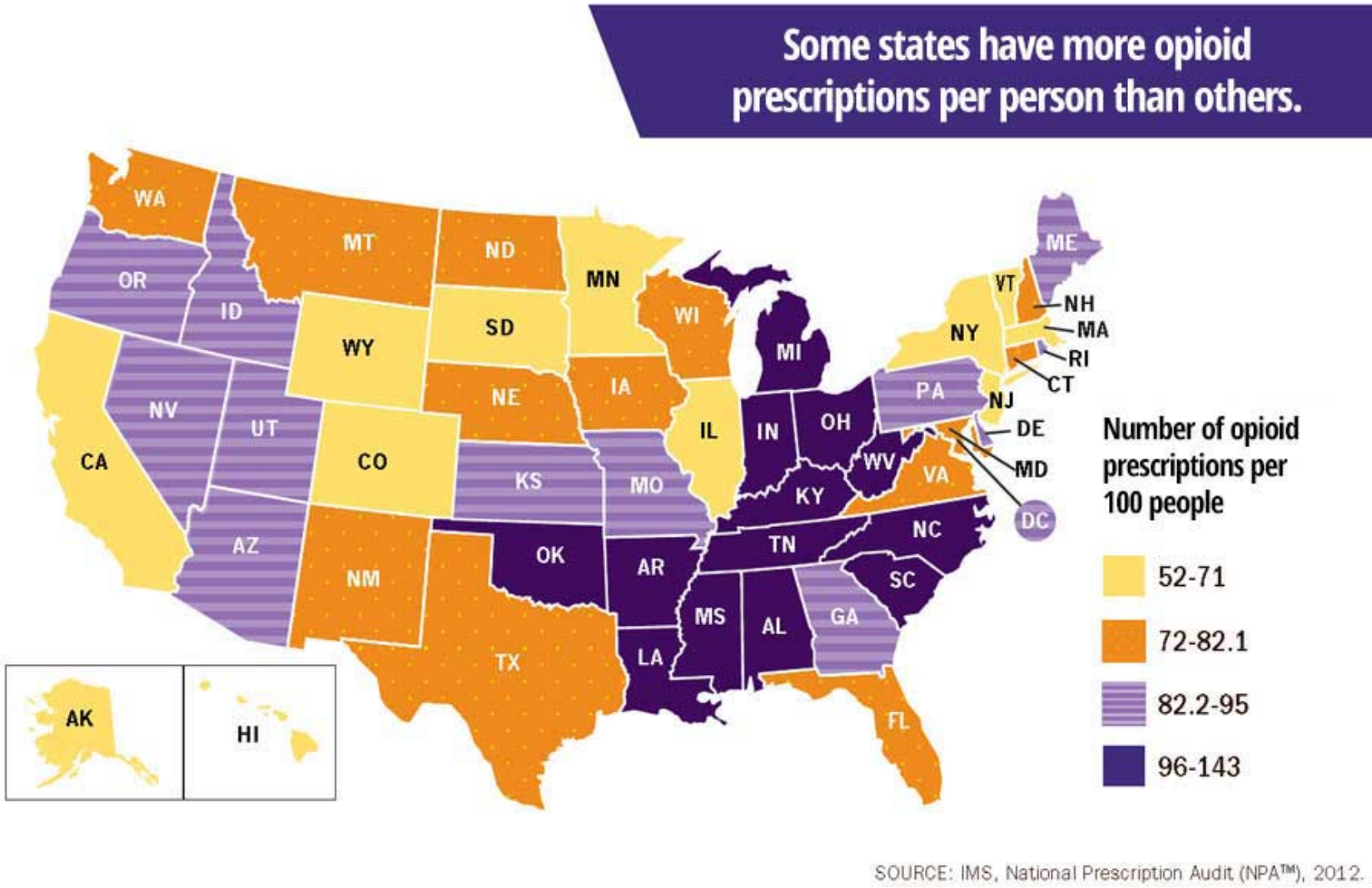
1. The Opioid Problem
2. Shifts in Reimbursement
3. Delivery through Managed Care
4. Incenting High Quality Care

The Opioid Problem

History

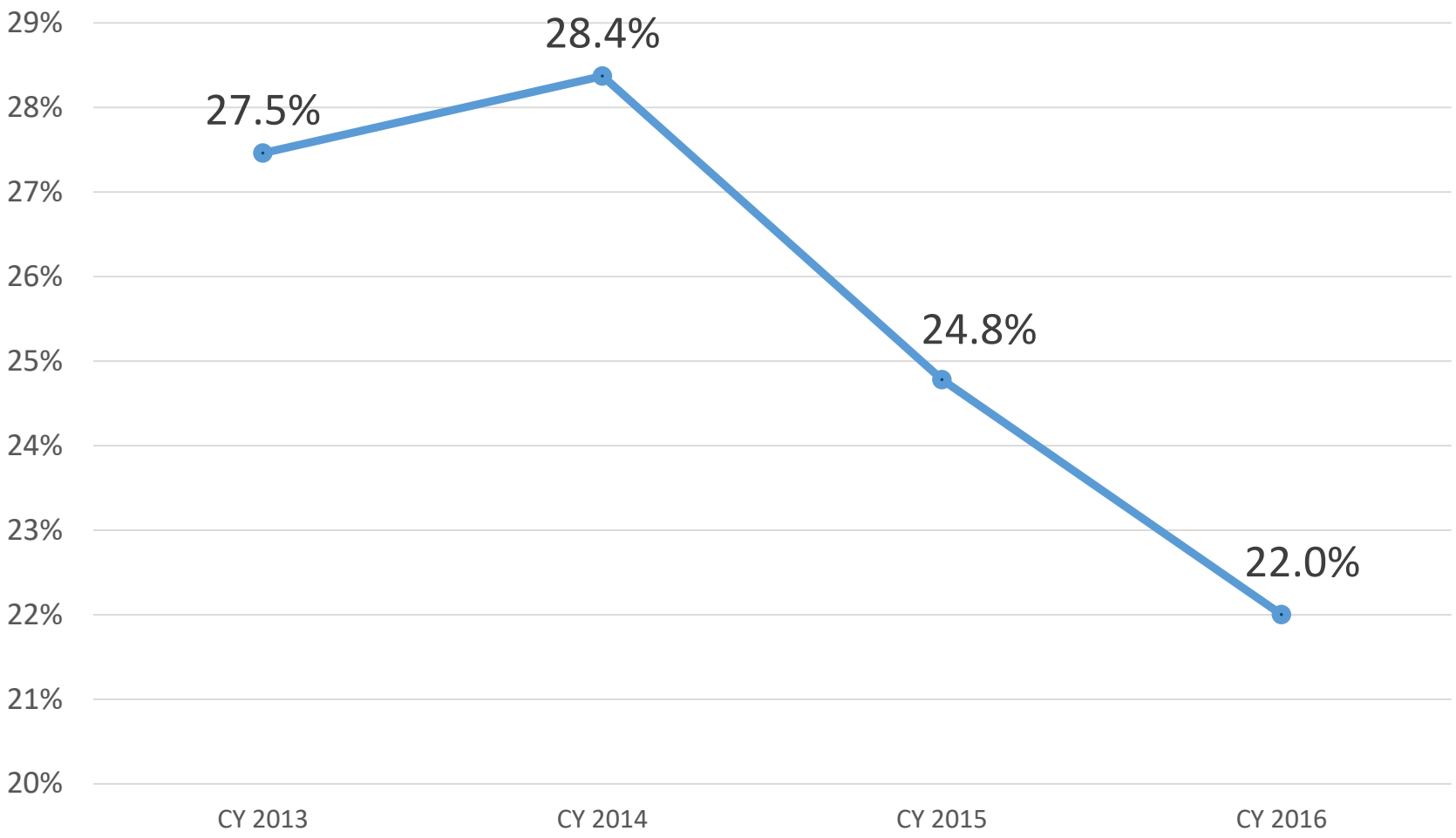
- Opioid prescribing has increased drastically over the last couple of decades
  - "Pain as the Fifth Vital Sign"
  - Joint Commission pain management standards
  - Marketing by pharmaceutical companies
- So has the ill-effects of opioids
  - Since 1999, the number of overdose deaths involving opioids (including prescription opioids and heroin) quadrupled
  - From 2000 to 2015 more than half a million people died from drug overdoses
  - 91 Americans die every day from an opioid overdose

Source: CDC Website



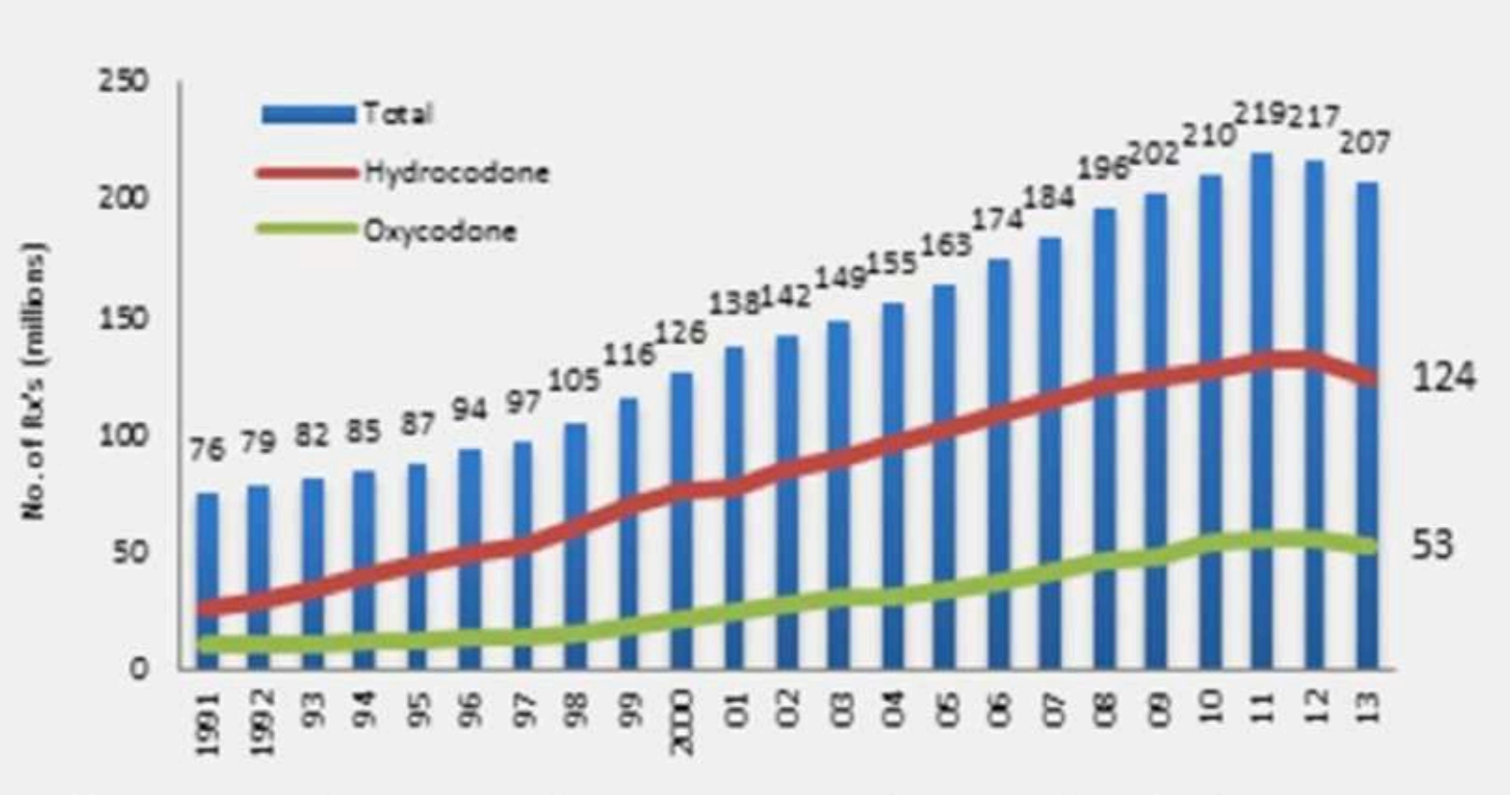
SOURCE: IMS, National Prescription Audit (NPA™), 2012.

Medicaid Adults with an Opioid Prescription



*Excludes members with cancer and those in hospice care

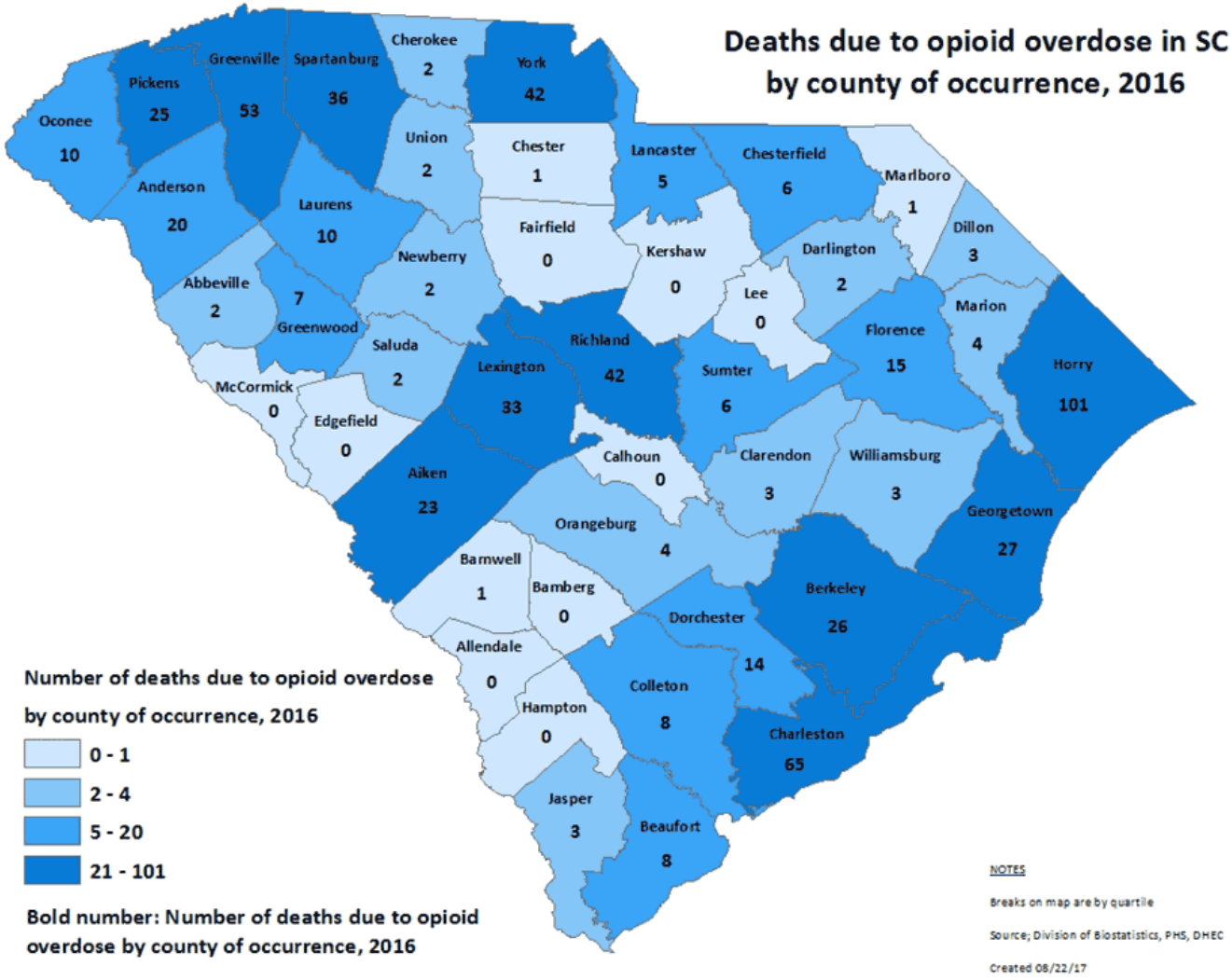
NIDA Data


Total
Hydrocodone
Oxycodone
No. of Rx's (millions)
250
200
150
100
50
0
76 79 82 85 87 94 97 105 116 126 138 142 149 155 163 174 184 196 202 210 219 217 207
124
53
1991 1992 93 94 95 96 97 98 99 2000 01 02 03 04 05 06 07 08 09 10 11 12 13

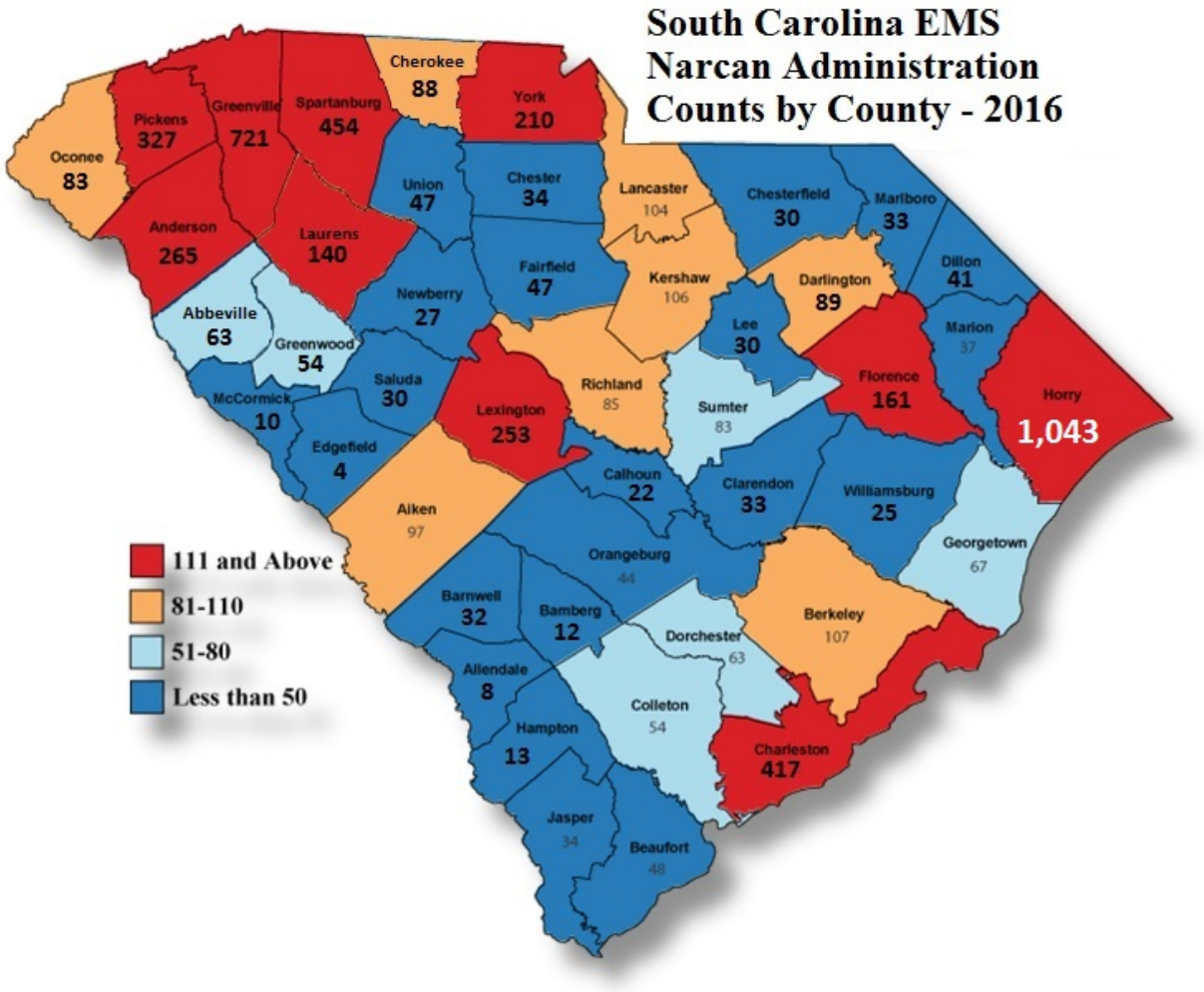
In South Carolina

- **Prescription Opioid Overdose Deaths:**
  - 550 SC deaths in 2016 (7% increase from 2015)
- **Heroin Overdose Deaths:**
  - Fatal overdoses increased by 14% from 2015 to 2016
  - Increased by 67% from 2014 to 2015
- **Opioid Overdose Deaths Surpass Homicides:**
  - In 2015, the number of deaths from heroin and opioid overdoses in South Carolina surpassed the number of homicides.

Source: SCDHEC Website



Source: SCDHEC Website



Source: SCDHEC Website

Medicaid Strategy

SCDHHS aims to deploy a set of **payer-centric** measures to address the opioid crisis by:

- limiting inappropriate payment for opioids.
- ensuring access to treatment services for opioid use disorder.
- partnering with stakeholders to decrease the incidence of opioid related overdose and death.

Limiting Inappropriate Payment

- Redesigning the pain management pharmacy benefit
  - Pharmacy benefits are designed to push adherence and persistence to therapy
  - Changes to benefit design
  - Limits to the duration, dose, and intensity of initial therapy
- Ensuring adequate coverage for opioid alternatives

Aim toward uniform adoption across SC Medicaid and across South Carolina

Executive Orders

- **2017-42** - Proclamation of a Statewide Public Health Emergency and Establishment of the Opioid Emergency Response Team

- **2017-43** - Directing the Department of Health and Human Services to Develop a Policy for Prescribing, Dispensing, and Administering Controlled Substances

Medicaid 5 Day Limit

Initial execution through payer policy

- Not pharmacy benefit

Clinical exemptions

Public comment period

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

Henry McMaster GOVERNOR
Joshua D. Baker DIRECTOR
P.O. Box 8206 > Columbia, SC 29202
www.scdhhs.gov

March 1, 2018

PUBLIC NOTICE

SUBJECT: Opioid Prescribing Limits

The South Carolina Department of Health and Human Services (SCDHHS) gives notice of the following actions regarding opioid prescription limitations paid pursuant to Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective with dates of service on or after May 1, 2018, prescribers must limit the initial prescribing of opioid medications for the treatment of acute or post-operative pain to the lowest effective dose and for a quantity no more than necessary for the expected duration of pain. Providers must not exceed a five-day supply or 90 morphine milligram equivalents (MMEs) daily, except in the cases of chronic pain, cancer pain, pain related to sickle cell disease, hospice care, palliative care or medication-assisted treatment for substance use disorder. If, in a prescriber's clinical judgement, an initial supply of more than five days or 90 MMEs is medically necessary, the prescriber must document that need in the patient's medical record.

Failure to adhere to these requirements is a violation of SCDHHS coverage policy and shall result in the recoupment of Medicaid funds for the service during which the prescription was issued. SCDHHS intends to initiate necessary recoupments beginning with claims for dates of service on or after July 1, 2018.

Copies of this notice are available at each SCDHHS Healthy Connections Medicaid county office and at www.scdhhs.gov for public review. Additional information regarding this proposed action is available upon request at the address cited below.

Written comments may be sent to:
Office of Health Programs
SCDHHS
Post Office Box 8206
Columbia, South Carolina 29202-8206

Comments may also be submitted by sending an email to comments@scdhhs.gov.

All comments must be received by close of business March 30, 2018.

SUD Treatment

- Broadening coverage for Medication Assisted Therapy (MAT)
  - "State Managed Class" approach through MCOs
  - All MCOs must have one MAT option available without PA effective August 1, 2017
  - Standard criteria across the class in mid-2018
  - New, long-acting products expected on the market in the next few months
- Outpatient Treatment Programs as a Medicaid benefit?
  - Historically not a Medicaid covered service
  - Unique place in therapy, especially for pregnant women

SUD Treatment

- Innovative delivery models
  - Emergency room initiation of MAT
  - Provision of MAT via telehealth
- More aggressive screening
  - Building on SBIRT model
  - Screening, Brief Intervention, and Referral to Treatment current covered for pregnant women when provided by an obstetrician

IMD Exclusion

Historical IMD Exclusion

Two pathways to (limited) IMD coverage:

- Managed Care Final Rule
  - Limited to 15 days during a month
  - Costs cannot be specifically considered in MCO rate setting
- SUD Waiver
  - More state-level flexibility
  - Aimed at substance use treatment

Shifts in Reimbursement

Pricing Categories

Shifts in Reimbursement: 340B

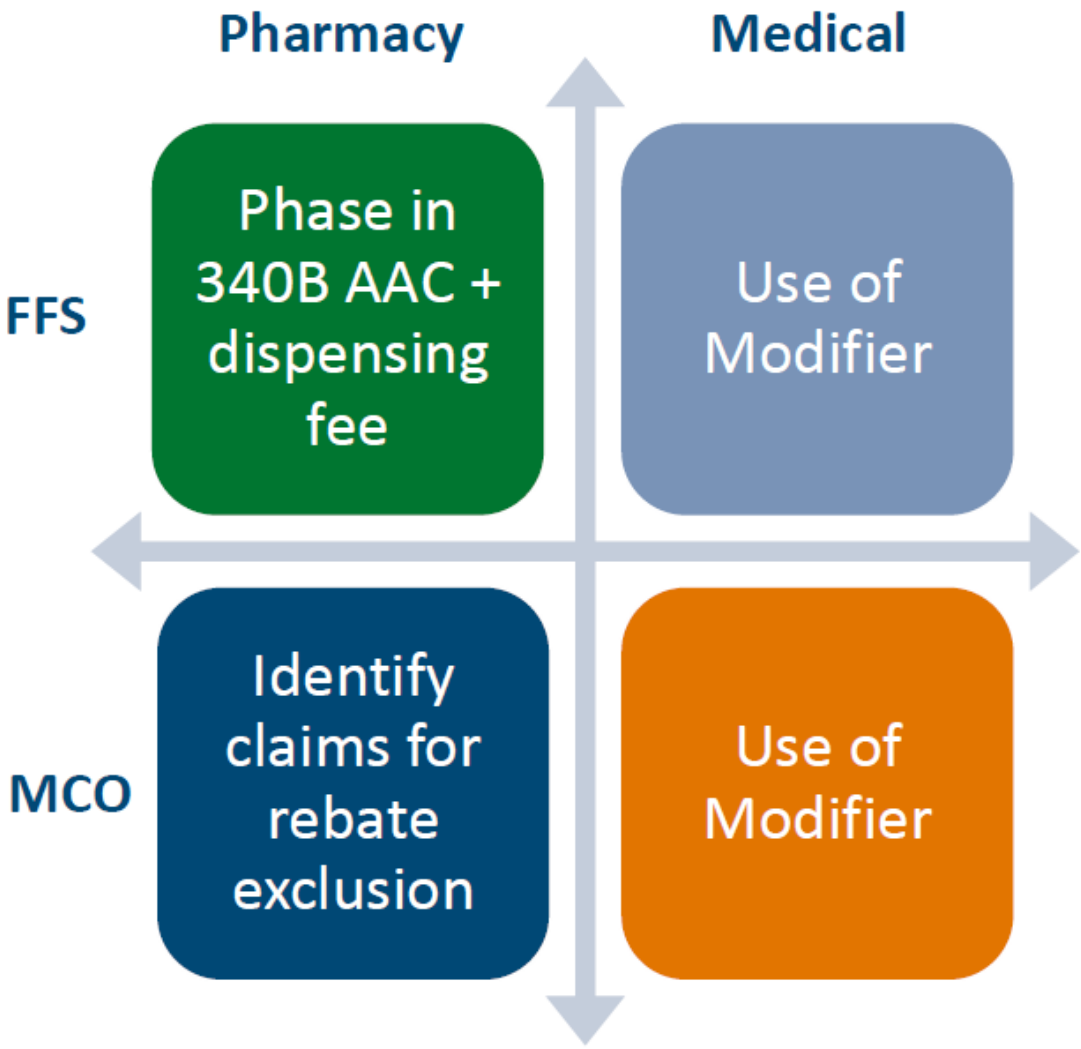
340B: Current Challenges

- Requirement to avoid “double dipping”
- Current model is operationally cumbersome and misaligns incentives
- Lack of transparency for both Medicaid rebates and 340B prices
- Provider-level designation is ineffective
- Need to address concerns on both the pharmacy & medical benefits

Managing across benefit and platform

Benefit = Pharmacy or Medical

Platform = Fee-for-service or MCO



The 340B Plan: FFS Pharmacy

Phase 1:

- Claim level identification of 340B status
- Reimbursement based on U&C
- Increase to “professional dispensing fee”
- Address contract pharmacies

Phase 2:

- Set reimbursement based on ceiling price
- Adjust dispensing fee, as necessary

Beyond FFS Pharmacy

Medical Benefit

- Use of claim-level modifier
- Modifier will determine appropriate fee-schedule and rebate invoicing
- Consistent across FFS and MCO platforms

MCO Pharmacy Benefit

- To be determined

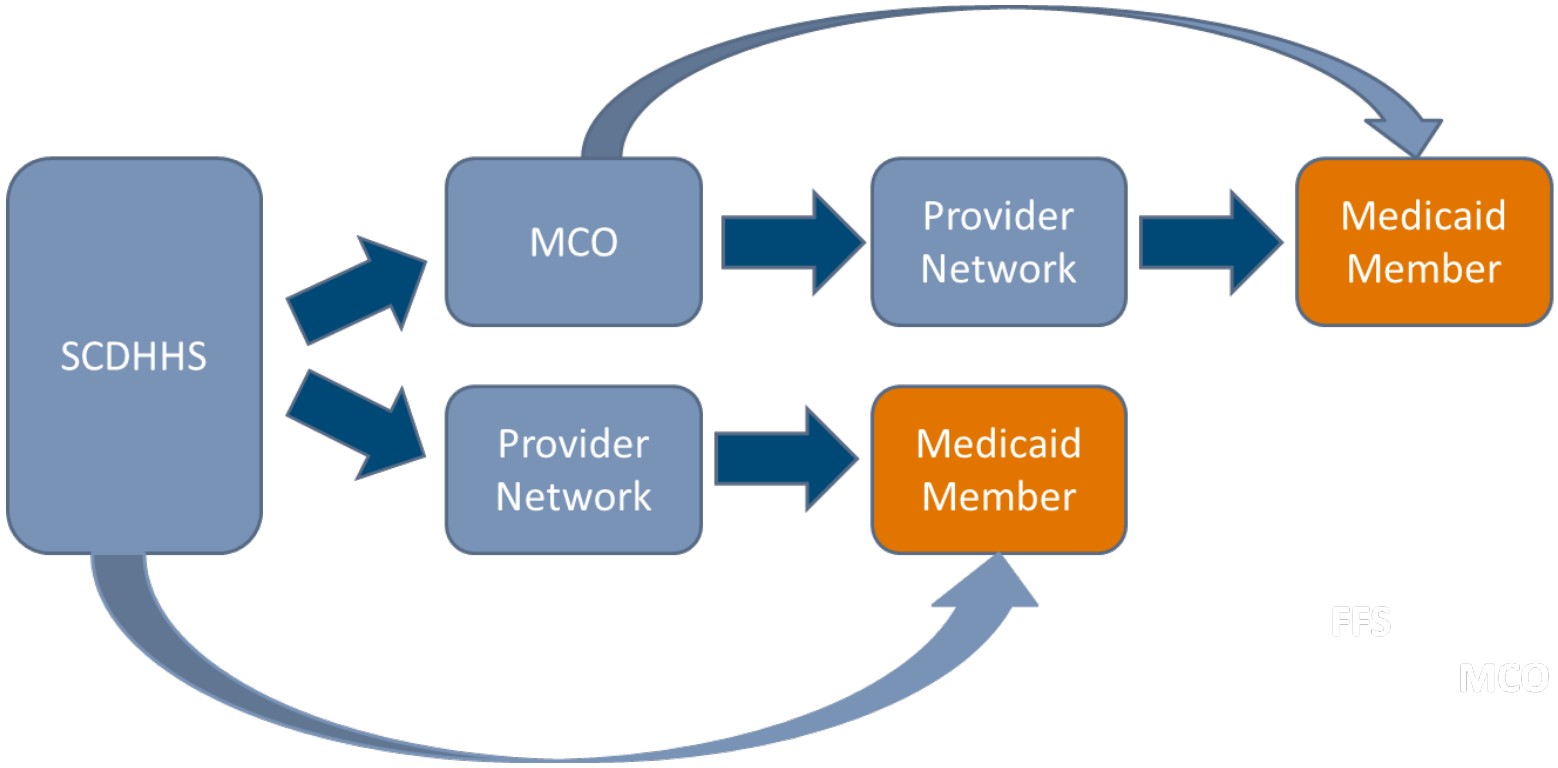
Shifts in Reimbursement: Professional Services

Current Deficiencies

- Aged benchmark (2009 Medicare)
- Billing code selection and incompleteness
- Too many levels and iterations
- Uncertainty for codes not on the Medicare fee schedule
- Medicare benchmark exceptions
  - DME- appropriateness of competitive bid basis
- System independence of fees across provider types

Delivery through Managed Care

Care Delivery in Medicaid

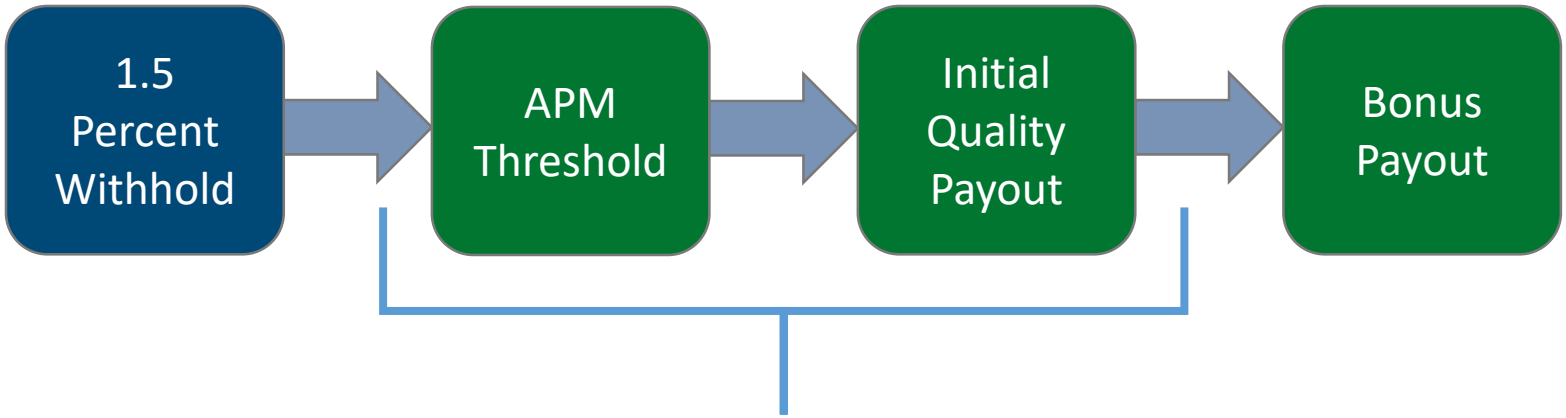


Managed Care Changes

- Incorporation of medical loss ratio (MLR) with rebate requirements
  - 86 percent target MLR
- Carve-in "pause" (compared to previous years)
- The role of managed care for dually eligible and special populations
  - Status of Financial Alignment Demonstration
  - Potential future state: MLTSS, link to D-SNP (?)
  - Models for transition

Incenting High Quality Care

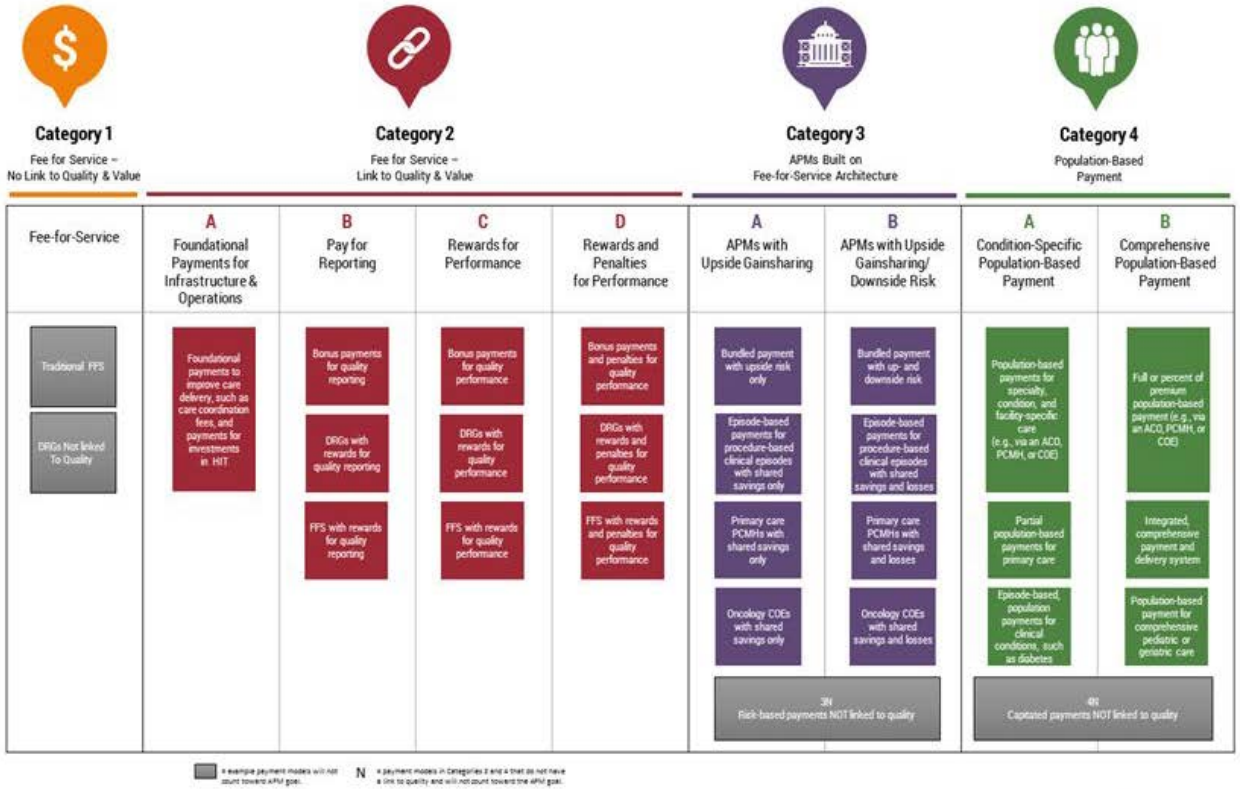
Withhold Model



Blending Quality and Payment Reform

Alternative Payment Models

APM Framework



For Public Release

HCP LAN
Health Care Payment Learning & Action Network

Quality Withholds

SC Medicaid MCO Quality Indices, Measurement Years 2016 and 2017

HEDIS Measure	Weight	HEDIS Abbreviation
Index 1: Diabetes		
Hemoglobin A1c (HbA1c) Testing	45%	CDC
HbA1c Poor Control (>9.0%)	15%	CDC
Eye Exam (Retinal) Performed	20%	CDC
Medical Attention for Nephropathy	20%	CDC
Index 2: Women's Health		
Prenatal Care, *Timeliness of Prenatal Care*	40%	PPC
Breast Cancer Screening	20%	BCS
Cervical Cancer Screening	20%	CCS
Chlamydia Screening in Women, *Total*	20%	CHL
Index 3: Pediatric Preventative Care		
Well-Child Visits in the First 15 Months of Life (w15), *6+ Visits*	30%	W15
Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life (w34)	30%	W34
Adolescent Well-Care Visits (AWC)	30%	AWC
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents: *BMI Percentile, Total*	10%	WCC

Selection Criteria for Index Measures

Current Performance:

- Interstate Performance: Current plan performance below national and regional benchmarks
- Intrastate Performance: Variability suggests potential for improvement

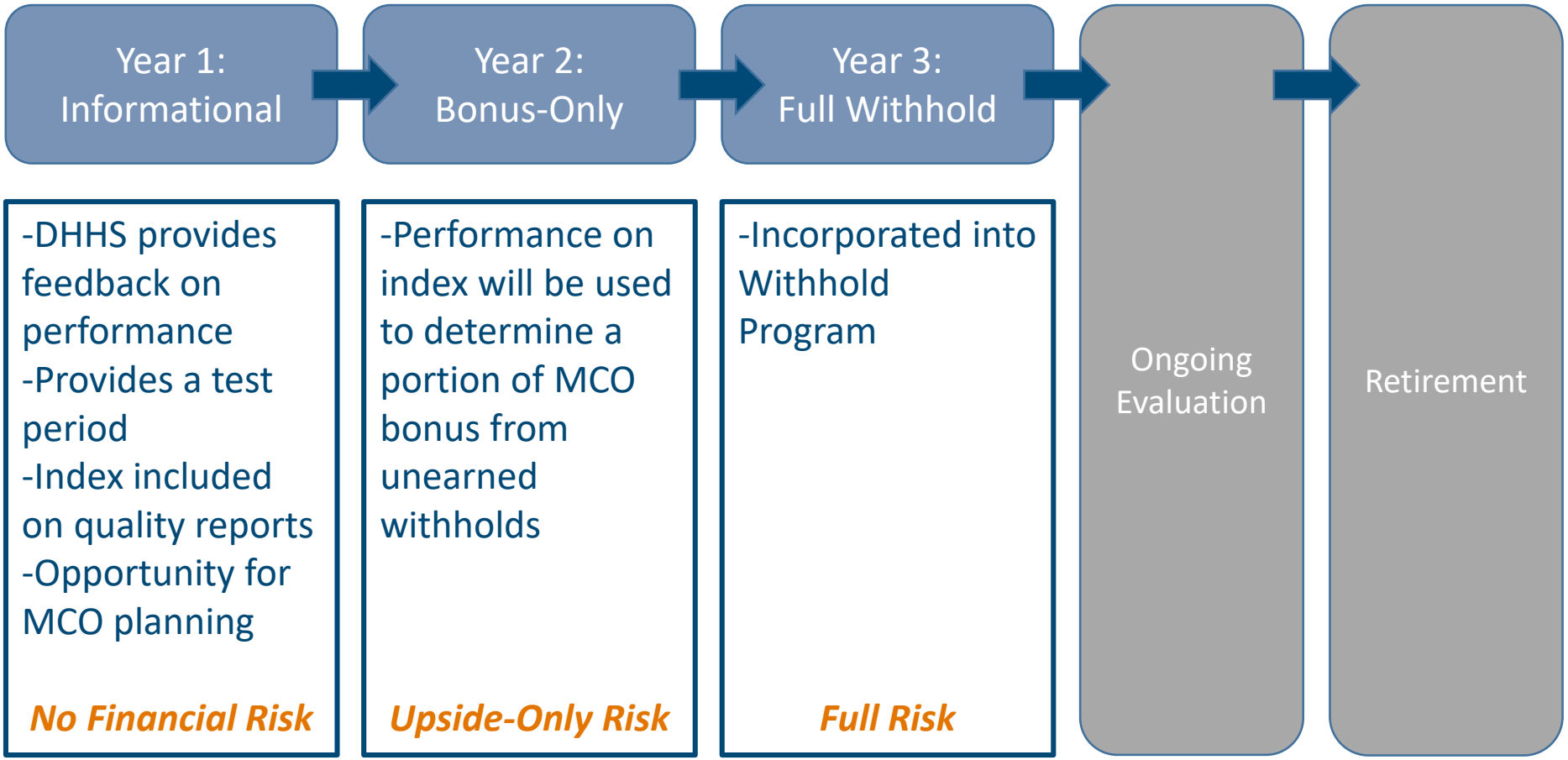
Alignment:

- NCQA Accreditation Measures
- CMS Core Measures
- NQF Endorsement
- SCDHHS

Relevance:

- Population: Affects a significant number of Medicaid members
- Financial: Influences a significant level of Medicaid spend

Quality Index Life Cycle



BH Index Measures

1. Antidepressant medicalization management- *Continuation phase* (AMM)
2. Follow-up care for children prescribed ADHD medication- *Initiation phase* (ADD)
3. Follow-up after hospitalization for mental illness- *7 Day* (FUH)
4. Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics- *Total* (APP)
5. Metabolic monitoring for children and adolescents on antipsychotics- *Total* (APM)
6. Initiation and engagement of alcohol and other drug dependence treatment- *Initiation, Total* (IET)


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
SPES
1776