

**SENATOR THOMAS
ALEXANDER**

SOUTH CAROLINA STATE SENATOR

GOAL OF WAIVER

- Manage the State's Medicaid program and
- Provide the best healthcare value for South Carolinians – the Medicaid program is faced with unsustainable growth.

PURPOSE OF WAIVER

Improve the health status of beneficiaries and control the program growth:

- Encourage the development of new, innovative health plans;
- Provide a choice of benefit plans to meet individual needs while encouraging medical homes;
- Ensure that plans have incentives to improve member health;
- Structure the environment so that choices are market driven;
- Increase efficiencies through streamlining administration; and,
- Encourage the recipients to take responsibility and ownership to healthcare decisions.

Personal Health Account

Health Plan Options

Alternative Options

<p><u>Choice 1</u> Pre-Paid Plans</p>	<p><u>Choice 2</u> Medical Home Network</p>	<p><u>Choice 3</u> Employer/Group Insurance Assistance</p>	<p><u>Choice 4</u> Self Directed Care</p>
<p><u>Benefits</u></p> <p>Minimum: Mandatory services Pharmacy DME</p>	<p><u>Benefits</u></p> <p>Mandatory and optional services</p>	<p><u>Benefits</u></p> <p>Defined by group health plan</p>	<p><u>Benefits</u></p> <p>Major medical plus preventive services</p>
<p><u>PHA Covers</u></p> <p>Plan premiums Co-pays Non-covered services</p>	<p><u>PHA Covers</u></p> <p>Plan premiums Co-pays Non-covered services</p>	<p><u>PHA Covers</u></p> <p>Plan premiums Co-pays Non-covered services</p>	<p><u>PHA Covers</u></p> <p>Major medical premiums Co-pays Non-covered services</p>

General Plan Design

- Medicaid applicants will be provided a Personal Health Account (PHA).
- The PHA will provide enrollees with buying power and ownership responsibilities.
- The PHA will be funded with an amount that is sufficient to purchase healthcare coverage from approved plans and networks.
- PHA amounts will be actuarially determined and adjusted for age, gender, and eligibility category.

General Plan Design

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- Beneficiaries will be able to choose from primary case management networks and commercial options including managed care organizations and preferred provider networks.
- All plans would include coverage for mandatory Medicaid services, pharmacy and durable medical equipment.
- For children (defined as through 18-years of age), all plans must include all mandatory and optional services including Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT)

General Plan Design

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Opt-Out Alternatives

- **Employee Buy-In** - The PHA would be used to pay the premiums and co-pays for an available group health insurance policy.
- **Choose a self-directed plan** - A major medical insurance plan would be required and paid from PHA and the remainder would be for use as determined by the recipient. This option will be available to a very limited number of recipients.

General Plan Design

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- Co-pays will be required with the exception of children, pregnant women, institutionalized individuals, and individuals in home and community based waiver programs.

Exclusions

Services:

- Nursing Homes Services that exceed 28 days.
- Home and Community Based Waiver Services (Elderly/Disabled; HIV/AIDS; Assisted Living; Ventilator Dependent; Mental Retardation/Related Disabilities; and, Head and Spinal Cord Injury)
- Non-Emergency Transportation Services
- Other State Agencies
- Behavioral Health Services
- Family Planning Waiver
- Disproportionate Share
- Transplant

Exclusions

--Continued--

Eligibility Groups

- Dual Eligibles
- Foster Children
- Family Planning Waiver Recipients

Waiver Process

Five Steps of an 1115 Demonstration Waiver:

Concept Phase: States present a general outline of their proposal and get feedback from CMS.

Proposal Review Phase: A formal proposal is prepared and submitted to CMS for discussion and review. Federal agencies, including CMS, identify issues and discuss them with the State in depth. Negotiations take place. CMS usually develops terms and conditions which outline the operation of the proposed 1115 waiver.

Pre-Implementation Phase: Time between federal approval and actual State start-up of the new program.

Operational Phase: this is the period the demonstration is live and delivering services.

Evaluation Phase: the research and public policy value of the demonstration is evaluated.