

South Carolina Department of Health and Human Services

FY 2015-16 – Proviso 117.78 Report – IMD Operations

All funds received by the Department of Education, the Department of Juvenile Justice, the Department of Disabilities and Special Needs, the Department of Mental Health, the Department of Social Services, and the Governor's Office of Executive Policy and Programs-Continuum of Care as State child placing agencies for the Institution for Mental Diseases Transition Plan (IMD) of the discontinued behavioral health services in group homes and child caring institutions, as described in the Children's Behavioral Health Services Manual Section 2, dated 7/01/06, shall be applied only for out of home placement in providers which operate Department of Social Services or Department of Health and Environmental Control licensed institutional, residential, or treatment programs. An annual report by each state child placing agency shall be made on the expenditures of all IMD transition funds and 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. The Department of Health and Human Services shall review the numbers of out of home placements by type and by agency each year and make recommendations to the General Assembly.

Changes to Authorization Process and Agency Match Responsibilities

On July 1, 2014, the South Carolina Department of Health and Human Services (SCDHHS) eliminated prior authorizations for various behavioral health services, including the use of Form 257. Previously, one of several other state agencies had been required to complete this form in order for a youth to be admitted to a private residential treatment facility (PRTF). When the form was eliminated, SCDHHS also 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 treated in PRTFs fell 9% from 2012 to 2015. Conversely, the number of beneficiaries treated in public inpatient psychiatric hospitals increased 17%, while those treated in private inpatient mental health facilities increased by 750% during the same period. These totals have been strongly influenced by the July 1, 2014 policy change. Once the other agencies effectively stopped acting as gatekeepers, many families increased pressure to place children in out-of-home settings, leading to an overflow into emergency departments and inpatient psychiatric facilities.

South Carolina's relatively uncompetitive per-diem rates have led the state's PRTFs to fill a rising share of their beds with other payers' beneficiaries – especially those from out-of-state.

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

PRTFs, Claims by Incurred Year

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid
SPRINGBROOK BEHAVIORAL	\$ 1,338,288.45	\$ 1,469,980.95	\$ 2,770,110.44	\$ 3,671,532.19
YORK PLACE	\$ 2,225,138.91	\$ 1,299,414.36	\$ 509,224.11	
GREENVILLE HEALTH SYSTEM	\$ 2,069,627.24	\$ 1,888,393.69	\$ 1,837,138.45	\$ 1,734,000.36
PALMETTO LOWCOUNTRY BHSLLC	\$ 1,309,923.93	\$ 989,793.58		
COASTAL HARBOR TREATMENT	\$ 75,024.10			
THREE RIVERS BEHAVIORAL CA	\$ 1,669,568.25	\$ 1,160,942.55	\$ 1,221,706.19	\$ 42,097.36
PALMETTO PEE DEE BH LLC	\$ 5,456,503.70	\$ 5,403,152.48	\$ 4,964,890.66	\$ 5,112,760.62
LIGHTHOUSE CARE CENTER OF	\$ 74,205.00			\$ 403,908.00
AVALONIA GROUP HOMES INC	\$ 2,096,946.00	\$ 576,471.00	\$ 498,424.80	\$ 1,292,170.95
NEW HOPE CAROLINAS INC	\$ 52,671.00	\$ 84,390.00	\$ 304,182.30	\$ 798,402.15
EXCALIBUR YOUTH SERVICES	\$ 1,978,800.00	\$ 1,085,721.00	\$ 698,952.90	\$ 1,822,300.20
WILLOWGLEN ACADEMY SC INC	\$ 4,060,032.00	\$ 3,857,787.00	\$ 4,228,841.10	\$ 3,721,599.00
CAROLINA CHILDRENS HOME	\$ 790,230.00	\$ 931,491.00	\$ 484,922.40	
WINDWOOD FARM HOME FOR CHI	\$ 1,074,372.00	\$ 1,175,931.00	\$ 1,169,892.75	\$ 1,295,226.45
PINELANDS RESIDENTIAL TREA	\$ 1,212,888.00	\$ 1,034,214.00	\$ 428,337.45	
GENERATIONS RESIDENTIAL PR	\$ 772,896.00	\$ 1,748,037.00	\$ 1,494,081.30	\$ 1,989,436.05
ABS LINCS SC INC	\$ 4,089,748.35	\$ 3,251,707.62	\$ 2,626,679.49	\$ 5,131,745.26
THREE RIVERS RESIDENTIAL	\$ 3,673,894.70	\$ 4,483,099.00	\$ 4,159,507.38	\$ 5,113,560.78
LIGHTHOUSE CARE CENTER OF	\$ 2,054,695.65	\$ 1,238,787.45	\$ 1,221,062.72	\$ 1,363,094.08
SOUTH CAROLINA DEPT OF MEN	\$ 1,351,800.91	\$ 2,514,347.19	\$ 1,751,773.67	\$ 2,707,137.44
	\$ 37,427,254.19	\$ 34,193,660.87	\$ 30,369,728.11	\$ 36,198,970.89

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

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Patients	Patients	Patients	Patients
SPRINGBROOK BEHAVIORAL	30	40	67	72
YORK PLACE	41	30	14	
GREENVILLE HEALTH SYSTEM	41	42	38	37
PALMETTO LOWCOUNTRY BHSLLC	45	30		
COASTAL HARBOR TREATMENT	2			
THREE RIVERS BEHAVIORAL CA	37	34	20	5
PALMETTO PEE DEE BH LLC	90	78	73	86
LIGHTHOUSE CARE CENTER OF	2			21
AVALONIA GROUP HOMES INC	35	14	10	29
NEW HOPE CAROLINAS INC	1	2	4	11
EXCALIBUR YOUTH SERVICES	39	21	18	38
WILLOWGLEN ACADEMY SC INC	58	62	64	65
CAROLINA CHILDRENS HOME	18	14	11	
WINDWOOD FARM HOME FOR CHI	27	20	20	28
PINELANDS RESIDENTIAL TREA	19	25	11	
GENERATIONS RESIDENTIAL PR	15	24	26	28
ABS LINCS SC INC	67	59	56	73
THREE RIVERS RESIDENTIAL	87	97	89	99
LIGHTHOUSE CARE CENTER OF	43	29	23	30
SOUTH CAROLINA DEPT OF MEN	36	34	28	34
	683	621	527	624

Public Inpatient Psychiatric Hospitals, Claims by Incurred Year

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid
WILLIAM J MCCORD ADOLESCEN	\$ 1,833,208	\$ 2,317,186	\$ 1,640,318	\$ 1,569,755
SC DEPT OF MENTAL HEALTH D (Harris)	\$ 104,055	\$ 106,778	\$ 293,138	\$ 177,357
SOUTH CAROLINA DEPT OF MEN (Hall)	\$ 4,309,062	\$ 8,216,036	\$ 12,116,142	\$ 10,162,096
SOUTH CAROLINA DEPT OF MEN (Bryan)	\$ 170,861	\$ 264,270	\$ 248,525	\$ 143,942
	\$ 6,417,187	\$ 10,904,271	\$ 14,298,123	\$ 12,053,150

Public Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Patients	Patients	Patients	Patients
WILLIAM J MCCORD ADOLESCEN	123	113	104	109
SC DEPT OF MENTAL HEALTH D (Harris)	8	9	19	14
SOUTH CAROLINA DEPT OF MEN (Hall)	323	315	362	402
SOUTH CAROLINA DEPT OF MEN (Bryan)	10	18	13	11
	452	450	492	528

Private Inpatient Psychiatric Hospitals, Claims by Incurred Year

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Amount Paid	Amount Paid	Amount Paid	Amount Paid
PALMETTO LOWCOUNTRY BEHAVI	\$ 226,184	\$ 175,536	\$ 208,800	\$ 1,328,453
THE CAROLINA CENTER FOR BE		\$ 31,374	\$ 28,639	\$ 422,778
THREE RIVERS BEHAVIORAL C	\$ 269,214	\$ 109,951	\$ 200,428	\$ 1,163,014
REBOUND BEHAVIORAL HEALTH				\$ 215,745
LIGHTHOUSE CARE CENTER OF			\$ 11,351	\$ 336,945
	\$ 495,398	\$ 316,862	\$ 449,219	\$ 3,466,934

Private Inpatient Psychiatric Hospitals, Unduplicated Patients by Year

	FY 2012	FY 2013	FY 2014	FY 2015
Provider ID and Name	Patients	Patients	Patients	Patients
PALMETTO LOWCOUNTRY BEHAVI	52	45	61	353
THE CAROLINA CENTER FOR BE		8	8	108
THREE RIVERS BEHAVIORAL C	48	27	57	294
REBOUND BEHAVIORAL HEALTH				71
LIGHTHOUSE CARE CENTER OF			2	70
	100	80	127	854

SC PRTF Waiver Demonstration Project¹

The PRTF Waiver Demonstration Project provides access to intensive home and community based services for children, adolescents, and their families who would otherwise be placed in a PRTF or who are transitioning out of placement in a psychiatric residential treatment facility. As part of the PRTF Waiver Demonstration Project's program evaluation activities, the SCDHHS staff who manage the project requested an assessment of the costs of PRTF Waiver services compared to the costs of PRTF placements.

Using the Cost Neutrality Formula of CMS, annual average costs for PRTF Waiver Services and Other Medicaid services used by the PRTF Waiver participants were calculated for a five-year period beginning January 1, 2009 and ending December 31, 2013. Annual average costs for PRTF Placements and Other Medicaid services used by the population of children and adolescents who were placed in psychiatric treatment facilities were also calculated. The cost savings associated with PRTF Waiver services and Other Medicaid services compared to PRTF Placement and Other Medicaid costs ranged from the lowest savings in Year 5 (\$30,742 less per participant) to the most cost savings in Year 2 (\$48,670 less per participant). Additional detail is provided in the following table.

¹ The following data was provided by the University of South Carolina Center for Health Services and Policy Research

Cost Neutrality Formula									
Timeframe	PRTF Waiver Participants Average Medicaid Paid Claims			Psychiatric Residential Treatment Facility Participant's Average Medicaid Paid Claims				Annual Difference (Placement-Waiver)	
	N	Waiver Services ¹	Other Medicaid ²	Total Average	N	PRTF Placement ³	Other Medicaid ⁴		Total Average
Year 1: January 1, 2009-December 31, 2009	26	\$11,447	\$8,260	\$18,192	768	\$54,459	\$12,059	\$66,518	\$48,326
Year 2: January 1, 2010-December 31, 2010	65	\$14,427	\$7,090	\$21,295	783	\$57,053	\$12,911	\$69,964	\$48,670
Year 3: January 1, 2011-December 31, 2011	63	\$22,585	\$6,119	\$27,435	718	\$53,174	\$12,110	\$65,285	\$37,850
Year 4: January 1, 2012-December 31, 2012	93	\$19,242	\$4,392	\$22,664	644	\$53,250	\$10,663	\$63,914	\$41,249
Year 5: January 1, 2013-December 31, 2013	69	\$27,240	\$6,301	\$33,358	575	\$54,196	\$9,904	\$64,100	\$30,742
¹ Waiver Services is the average per participant annual cost of paid claims for home and community based services specific to the PRTF Waiver program.									
² Other Medicaid is the average per PRTF Waiver participant annual cost of paid claims for outpatient, inpatient hospital, pharmacy, vision, and dental.									
³ PRTF Placement is the average per participant annual cost of paid claims for placement in a psychiatric residential treatment facility. Data was provided by the Office of Research and Statistics in June of 2014									
⁴ Other Medicaid is the average per psychiatric residential placed participant annual cost of paid claims for outpatient, inpatient hospital, pharmacy, vision, and dental. Data was provided by the Office of Research and Statistics in June of 2014									

Treatment Trends

Over the last twenty-five years, behavioral health services have nationally shifted 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

Home and community based services promote successful treatment outcomes for children and have been shown to be cost-effective for South Carolina. 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. To aid in this ongoing effort, SCDHHS is partnering with the Building Bridges Initiative, which supports psychiatric treatment facilities in transforming their treatment and business models into brief intervention facilities as well as providing models for longer-term treatment of the child in his or her community.