

## Case Study Series on Medicaid Cost-Sharing Partnership Development

### *What is South Carolina's cost-sharing partnership with Medicaid?*

South Carolina has both an enhanced tobacco cessation coverage policy and a cost-sharing agreement for Medicaid reimbursement for quitline counseling services provided to Medicaid members. SC Medicaid has covered all 7 FDA approved medications for tobacco cessation since 2004, predating the SC Tobacco Quitline.

Effective July 1, 2017, the SC Department of Health and Human Services (SC DHHS), which administers the Medical Assistance (Medicaid) program in SC under Title XIX of the Social Security Act, and the SC Department of Health and Environmental Control (SC DHEC), which administers the SC Tobacco Quitline, entered into a revenue cost-reimbursement contract based on the Medicaid match, a 50 percent federal match for quitline administrative costs (i.e., counseling services) for Medicaid enrollees who use the quitline. This cost-sharing program was authorized by CMS in 2011 and is also known as Medicaid Match and Federal Financial Participation (FFP). T

Also effective July 1, 2017, SC DHHS enhanced the agency's policy on tobacco cessation coverage for full-benefit Medicaid beneficiaries, removing access barriers by establishing no copayment or out-of-pocket member costs for all 7 FDA approved medications and combination NRT therapy, and removing prior authorization for providers who prescribe these products. The policy strongly encourages providers to utilize quitline services through referral mechanisms, but also provides coverage for tobacco cessation counseling in individual and group settings when billed with Current Procedural Terminology (CPT) codes 99406

and 99407. Reimbursement for counseling is limited to 4 sessions per quit attempt for up to 2 quit attempts annually. Additionally, all Medicaid Managed Care Organization (MCO) health plans and Fee-for-Service (FFS) providers must offer the same level of coverage.

### *What was the impetus for collaborating with Medicaid?*

SC's "cost-sharing partnership" was initially based on the June 24, 2011 letter issued to State Medicaid Directors by the US DHHS Centers for Medicare and Medicaid Services (CMS) which identified telephone cessation quitlines as an "allowable Medicaid administrative activity" under Section 1903(a)(7) of Title XIX of the Social Security Act. SC DHEC reached out to SC DHHS about a possible Quitline/Medicaid partnership. Momentum for collaboration, however, did not build until SC was invited to join the CDC 6I18 initiative. CDC's 6I18 initiative was the main catalyst that helped convene the two agencies and facilitate discussions around these key areas:

- (1) *improving the state's current Medicaid coverage of tobacco cessation, and*
- (2) *entertaining the concept of Medicaid sharing the cost of quitline counseling for their members.*

### *How did South Carolina build a relationship with Medicaid to develop a cost-sharing partnership?*

SC DHEC tobacco program staff had already established relationships with Medicaid leadership through a few collaborations, such as South Carolina's Quitline launch in 2006; patient-centered medical home activities; the SC Birth Outcomes Initiative; and Medicaid Screening, Brief

Intervention and Referral to Treatment (SBIRT) efforts. These connections allowed conversations to ensue about the higher smoking rates among Medicaid beneficiaries and how quitline cost-sharing could benefit this high-risk population.

*How were you able to get agreement on cessation treatment coverage among Medicaid fee-for-service (FFS) and Managed Care Organization (MCO) plans?*

One of the non-negotiable goals from SC DHEC's perspective was to create a uniform policy so all Medicaid providers would offer the same level of coverage for tobacco cessation. Varying coverage among Medicaid plans had been a barrier in the past. Ongoing meetings and discussions with SC DHHS eventually paid off in getting a complete overhaul of the Medicaid policy for tobacco cessation coverage. As a result, SC DHHS began requiring that all contracted MCO health plans and FFS providers offer the same level of coverage across the board.

*What do you believe were the most important factors to SC's success?*

Multiple factors contributed to SC's success with Medicaid: (1) CDC's 6I18 initiative was a main catalyst that facilitated meaningful dialogue between the public health and Medicaid agencies; (2) ROI and cost-savings calculations were undeniable, and resonated with SC DHHS – the actuarial figures from Medicaid utilization and claims data caught their attention; (3) While Medicaid leadership was on board, they also appointed a dedicated staff person to work solely on tobacco cessation policy development with SC DHEC; (4) SC DHEC's tobacco program was willing to do the "heavy lifting" in overseeing the policy change efforts and ushering the cost-sharing agreement all the way to the end.

*What were the challenges you faced in partnering with Medicaid?*

Understanding how Medicaid works in SC and maintaining leadership "buy-in" beyond what is on paper have been the primary challenges. Other than releasing a Medicaid provider bulletin about the policy change, SC DHHS transferred to SC DHEC the primary responsibility for statewide communications, outreach, and promotions. Thus, SC DHEC has worked to raise awareness among Medicaid providers about the enhanced policy and to encourage them to prescribe appropriate medications to their patients and refer them to the quitline. Additionally, SC is still fine tuning the reimbursement process between the agencies to assure sustainability of the cost-sharing agreement as staffing changes occur.

*What words of advice would you give other states interested in developing a cost-sharing partnership with Medicaid?*

Get to know your Medicaid leadership and have them explain how the program works in your state. If you do not already have an established working relationship with your Medicaid agency, begin now to cultivate one and position your tobacco staff to be engaged in as many efforts and meetings that involve addressing issues that Medicaid leadership cares about – which is controlling costs and securing as much federal match funding as they can to support their services. It is all about showing them where they can save money. And there is no better topic that saves millions in publicly-funded medical services and health coverage than helping people quit smoking and conquer nicotine addiction.

**For more information, contact:**

Katy L. Wynne, Ed.D., MSW, Manager, SC Tobacco Quitline  
Policy Coordinator, Tobacco Cessation  
SC DHEC Division of Tobacco Prevention & Control  
Phone: 803-898-2285  
Email: [wynnekl@dhec.sc.gov](mailto:wynnekl@dhec.sc.gov)