

FACT SHEET
South Carolina's State Plan Amendment (SPA) 07-002

Official Program Name: Health Opportunity Account (HOA)

Date SPA Submitted: March 14, 2007

Date SPA Approved: June 12, 2007

Date SPA to be implemented: April 1, 2007

Date SPA Expires: Not Applicable

SUMMARY

On March 14, 2007 the State of South Carolina submitted a Health Opportunity Account (HOA) Demonstration SPA to offer beneficiaries the option of enrolling in a High Deductible Health plan. The demonstration program provides annual coverage for medical expenses for items and services which would otherwise be provided under Medicaid, after an annual deductible has been met and contributions into a HOA account as defined under section 1938 of the Social Security Act. This plan will be beneficial for Medicaid beneficiaries for the following reasons:

- Enrollment will create patient awareness of the high cost of medical care;
- Provides incentives to seek preventive care services;
- Reduces inappropriate use of health care service;
- Engages in a more proactive role in their health care;
- Provides enrollment counselors and ongoing education activities;
- Provides transactions involving HOAs to be conducted electronically and without cash;
- Provides access to negotiated provider payments rates; and
- Allows for continued use of account balance after loss of eligibility.

BENEFITS AND ELIGIBILITY

- Enrollment in this program is voluntary and limited generally to Medicaid children and parents.
- Eligible individuals will be given the opportunity to voluntarily opt out of traditional Medicaid coverage and into the HOA plan.
- Enrollment will be effective for a period of 12 months and may be extended for an additional periods of 12 months each with the consent of the individual.
- Beneficiaries receive coverage of preventive care without regard to an annual deductible.

- State Contribution. The State will deposit \$2500 per eligible adult and \$1000 per eligible child into the HOA. The maximum yearly deposit amount is \$2500 per person.
- Beneficiaries are subject to a 10% cost sharing obligation once the HOA account has been exhausted and prior to returning to traditional State plan cost sharing requirements. There are no cost sharing obligations while using the HOA.
- Beneficiaries may use Medicaid providers or other providers outside of the traditional Medicaid program. Rates to these providers are limited to no more than 125% of the payment rate that would be paid to Medicaid participating providers.
- Initial implementation will be limited to 1000 beneficiaries who are Richland County residents.
- Beneficiary counselors will assist client selection of appropriate delivery models and will provide a comparison of the alternative plan to the regular Medicaid plan.
- After loss of Medicaid eligibility, the account balance (less 25%) will remain available to the individual for 3 years to purchase health insurance or for tuition expenses and job training.
- Enrollees in the HOA will receive incentives to obtain appropriate preventive care including:
 - o Periodic health evaluations including annual physicals;
 - o Routine prenatal and well-child care; and
 - o Child and adult immunizations.
- All services are the traditional Medicaid benefits and will be provided as fee for service.
- South Carolina expects to implement this HOA on April 1, 2007.