

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO	DATE
<i>Myers/Giese/Zenovic</i>	<i>10-15-09</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>1001176</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Cleared 10/22/09, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-20-09</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

	APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.				
2.				
3.				
4.				

SELF REGIONAL

HEALTH CARE

RECEIVED

October 8, 2009

OCT 15 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Felicity Myers, Ph.D.
Deputy Director, Medical Services
South Carolina Department of Health & Human Services
1801 Main Street
PO Box 8206
Columbia, South Carolina 29202-8206

Dear Dr. Myers:

Thank you for your time on the afternoon of October 7th to meet with us. We appreciated the opportunity to share some specific concerns with you and your staff and look forward to working towards resolution of those issues. As a recap of our meeting, below are a few of the key items we discussed:

- Prior to the meeting we received notification that our representative would be changed from Mary Thomas to Lucretia Buchanan. We look forward to working with Ms. Buchanan and establishing a professional and effective relationship with her.
- Your staff had been advised to handle five inquiries per day from each provider. This presented significant limitations in our ability to receive timely responses to claims. Although we are able to attempt contact Ms. Buchanan or Mr. Yarrell at anytime during business hours, you have established the time from 2pm to 2:30pm each business day for Ms. Buchanan to be specifically devoted to handle Self Regional Healthcare inquiries.
- Several specific claims were reviewed where the response time extended beyond reasonable expectations. For future issues of this kind, we will promptly notify Mr. Yarrell of the claims and he has agreed to look into them personally. Brian Case and Kearsin Timmerman will be in touch within two weeks to follow up on the list of claims presented during the meeting.
- We discussed concerns related to the red-lining issue and notified you that we have already automated the removal of an initial set of V-codes within our billing system which should resolve this issue.
- Recently there have been some concerns related to cancer/radiation claims where there are multiple treatments on the same day. Once you complete your review this issue, please advise us on how to properly handle these claims for accurate billing and payment.

- Authorizations related to detox and infusion claims were reviewed because according to the manual, these claims are supposed to list alcohol detox with only specific DRGs, but we are having all claims being rejected. You were going to review this issue in more detail and provide us with additional details on how to properly handle these claims
- Related to moms and babies we spoke about a couple issues:
 - We would like to know how Medicaid views situations where the baby's insurance is different than the mothers, or where the mother is employed yet is pursuing Medicaid coverage for their children. This will help us better advise our patients and educate our staff on how to handle these instances.
 - Effective October 1, 2009, you told us there is no longer a carve-out for babies with the Medicaid managed care organizations. We had not yet seen any communication from DHHS on this issue and were concerned that proper notification be provided so that we can educate our staff and properly bill these to the Medicaid MCOs instead of Medicaid starting with October 1, 2009 claims. Please provide us with the notification as soon as it is available.

- There was confusion about eligibility determinations for prisoners, specifically, how do we know who is covering them on the front-end of our processes so that we can properly bill for services provided to these patients? Please advise us on how your findings related to this issue.

Medicaid is a very important payor to our hospital and we value our relationship with you and your staff. We very much appreciate the opportunity to establish revised processes that will enhance and improve our working relationship and allow us to better advise the patients we serve.

Sincerely,



Camie Patterson, CPA, FHFMA, FACHE
Senior Vice President & Chief Financial Officer
Self Regional Healthcare



Log #1714

October 22, 2009

Ms. Camie Patterson
Senior Vice President and Chief Financial Officer
Self Regional Healthcare
1325 Spring Street
Greenwood, South Carolina 29646

Dear Ms. Patterson:

Thank you for your letter of October 8, 2009. We appreciate that you and your staff were willing to come to Columbia. We value our relationship with your organization as well and were happy to assist with resolving the issues presented during our meeting.

As follow-up to the concerns pending a resolution, we have made contact with each of the program areas involved and have provided the responses below:

Recently there have been some concerns related to cancer/radiation claims where there are multiple treatments on the same day. Once you complete your review of this issue, please advise us on how to properly handle these claims for accurate billing and payment.

Mr. Yarrell and his staff reviewed claims and discussed with Brian Case the proper way to submit these charges. Even though the patient may be seen for the same treatment multiple times in one day, the Revenue Code that is billed requires number of units. Instead of listing the same Revenue Code for each treatment, enter the Revenue Code and the number of treatments as units of service in field 46. Unless there are frequency indicators on the code, for example (allow one unit per day), our system will then reimburse by the number of units indicated on the claim and will not edit out because you have entered the same revenue code on multiple lines.

Authorizations related to detox and infusion claims were reviewed because according to the manual, these claims are supposed to list alcohol detox with only specific DRGs, but we are having all claims being rejected. You were going to review this issue in more detail and provide us with additional details on how to properly handle these claims.

Each of the examples that were sent to Mr. Yarrell rejected appropriately. They each grouped to one of the designated Detox DRGs that required prior authorization.

Issues related to moms and babies. How does Medicaid view situations where the baby's insurance is different than the mothers, or where the mother is employed yet is pursuing Medicaid coverage for their children.

Effective October 1, 2009, you told us there is no longer a carve-out for babies with the Medicaid managed care organization.

Medical Services

P. O. Box 8206 • Columbia, South Carolina 29202-8206
(803) 898-2501 • Fax (803) 255-8235

In response to the first issue, a baby is deemed eligible through the mother's Medicaid coverage for the first 60 days. Thereafter, the applicable insurance carrier is billed accordingly. Based on conversations with Brian, a number of issues discussed will be addressed in a conference call with our Managed Care Staff. Mr. Yarrell will coordinate the call and inform all parties involved.

On the second issue – we are in the process of issuing a Medicaid Bulletin describing the changes to the Managed Care contracts that went into effect October 1, 2009. It should be available within the next two weeks.

There was confusion about eligibility determinations for prisoners, specifically how do we know who is covering them on the front-end of our processes so that we can properly bill for services provided to these patients?

If the patient is a prisoner and has Medicaid with no other insurance, Medicaid is responsible for inpatient stays only. Programs that are secondary to Medicaid are listed in our program manual.

If you have any additional questions or concerns, please contact Ms. Zenovia Vaughn, Director for Hospital Services, at (803) 898-2665. Thank you for your continued support.

Sincerely,



Felicity Myers, Ph.D.
Deputy Director

FM/gvrb