

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>3-1-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000363</i>	I I Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Cc. Ms. Forkner</i>	I I Prepare reply for appropriate signature DATE DUE _____
	I I FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

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



**GREENVILLE HOSPITAL SYSTEM
UNIVERSITY MEDICAL CENTER**

RECEIVED

MAR 01 2010

**Department of Health & Human Services
OFFICE OF THE DIRECTOR**

February 25, 2010

J. Michael Jernigan
President and CEO
Select Health of South Carolina
P.O. Box 40849
Charleston, SC 29423-0849

Dear Mr. Jernigan:

I am in receipt of your letter to Polly Miller dated February 5, 2010 regarding the Continuity of Care of Select Health members.

As noted in your letter, the Agreements between Select Health and the Greenville Hospital System and its employed physicians address the continuation of care for Select Health members under active treatment. Specifically, Section 7.5.1 of the Hospital Services Agreement states "Hospital Shall continue to be responsible for providing Hospital Services to Members under active treatment as of the effective date of termination, until the earlier of: (i) completion of active treatment, or (ii) Plan's orderly transition of the Member's care to another Participating Hospital" and continues "Payment for a continued Hospital Services as described in this Section shall be at the rates set forth in Exhibit A of this Agreement." This was discussed with Cindy Helling, Rob Aubrey and Peggy Vickery in our phone conversation of January 26, 2010. During that conversation we specifically addressed the continuation of care for pregnant members in their third trimester. It is my understanding that your claims processing system does not track this type of information and as such will be manually tracked and analyzed by the Greenville Hospital System staff.

For those Select Health members not under active treatment as of the effective date of termination, January 31, 2010, and seeking services from the Greenville Hospital System as an out of network provider, the Greenville Hospital System is entitled to and will seek payment consistent with the obligations owed an out of network provider. This position is consistent with our communication to you on October 13, 2009 and October 26, 2009. However, in an effort to facilitate quality care and minimize patient hardship, the Greenville Hospital System is willing to extend to Select Health reimbursement terms of 38% of charges for Inpatient Services and 33% of charges for Outpatient Services. Additionally, we would honor our previous proposal for physician services at 120% of the January 1, 2010 SC Medicaid Fee Schedule and 105% of the January 1, 2010 Enhanced SC Medicaid Fee Schedule for Pediatric Sub-specialists. This is consistent with our prior proposals to you and our current rate

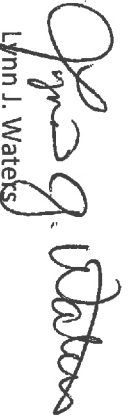
J. Michael Jernigan
February 25, 2010
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structure for all Medicaid Managed Care. This rate would be allowed for all out of network services provided during an encounter until such time as Select Health could appropriately transfer the member and their care to another in network provider.

As you are aware, the Greenville Hospital System has expressed its concern regarding the Select Health network in the Upstate and its ability to meet the medical needs of its membership. As such, the Greenville Hospital System will continue to work diligently with Select Health and the Department of Health and Human Services to transition Select Health members to an alternate plan accepted by the Greenville Hospital System. For those members electing to remain with Select Health, we will work with Select Health and the member to transition their care to the Select Health identified provider. Noting however that the in network providers identified by Select Health may not be located in the surrounding counties or in the State of South Carolina.

The Greenville Hospital System regrets that the relationship with Select Health could not continue, however, the Greenville Hospital System's long history and ongoing commitment to serve patients in need of care continues during this time of transition.

Respectfully,

A handwritten signature in dark ink, appearing to read "Lynn J. Waters". The signature is fluid and cursive, with the first name "Lynn" and last name "Waters" clearly distinguishable.

Lynn J. Waters

Executive Director, Revenue Cycle

cc:

Emma Forkner

Susan Bichel

Jerry R. Youkey, MD

William Schmidt, MD

Donald W. Wiper III, MD

Tom Gailey, MD

Angelo Sinopoli, MD

Spence M. Taylor, MD

Pat Marshall, MD

Edward W. Bray, MD

C. David Williams, MD

Kenneth M. Rogers, MD