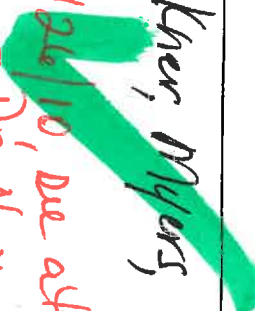


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Wells</i>	DATE <i>8-18-09</i>
---------------------------	-------------------------------

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>101089</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ <input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>8-27-09</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action		
2. DATE SIGNED BY DIRECTOR <i>cc: Mrs. Farkner, Myers, Quinton</i>  <i>Cleared 11/26/10, see attached</i> <i>Response from Dr. Neumann</i>			

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



MUSC Health

WOMEN'S SERVICES

RECEIVED
AUG 18 2009

Office of Fiscal Management
& Information Systems
GRAB

Obstetrics & Gynecology
96 Jonathan Lucas St, CSB 634
MSC 619
Charleston SC 29425
Tel 843 792 4500
Fax 843 792 0533
www.muschealth.com/women

August 6, 2009

William Wells, Deputy Director
Finance and Administration
South Carolina Department of Health and Human Services Post Office 8206 Columbia,
South Carolina 29202

Dear Mr. Wells:

Pursuant to Proviso 17.4 of the SFY 2009-2010 Appropriations Act, we are requesting funding for the implementation of a preterm birth prevention program in the 8 county region that comprises the Low Country Perinatal Region. The proviso states that, "for fiscal year 2009-2010, the Medical University of South Carolina shall implement a preterm prevention case management program utilizing a disease management coordination network for the Medicaid fee for service population in the Low Country Perinatal Region. The purpose of the program is to reduce premature births, neonatal morbidity and mortality, and the attendant costs for neonatal intensive care. The Department of Health and Human Services shall provide administrative funding to the Medical University of South Carolina for the cost of this program."

Based on the demonstrated successful outcomes of our pilot preterm birth prevention program entitled "South Carolina Partners for Preterm Birth Prevention" implemented in 2006 pursuant to a DHHS Prevention Partnership Grant. It is our intent to replicate that model with the funding appropriated. We will make contact with each of the obstetrical practices in our region for purposes of identifying all pregnant women receiving fee-for-service Medicaid. With Medicaid currently in transition it is difficult to estimate this number of patients but we believe that it is at least 1000 women in the low country each year. We will identify those women with a history of prior preterm birth, multiple gestation, cervical insufficiency and teen age pregnancy. We believe that there will be at least 200 such women / year. These women will be offered intensive case management coordinated and supervised by the Maternal - Fetal Medicine service at MUSC. We will track the outcomes of these women and compare them to other high risk fee for service Medicaid recipients in other regions of the state and to similar women enrolled in Medicaid Managed Care Organizations here in the low country. We are requesting \$406,500.80 for the administration of this program and a detailed budget is included with this letter.

RECEIVED

AUG 18 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR



MUSC Health

WOMEN'S SERVICES

Obstetrics & Gynecology
96 Jonathan Lucas St., CSB 634
MSC 619
Charleston SC 29425
Tel 843 792 4500
Fax 843 792 0533
www.muschealth.com/women

Please remit funds to:

Medical University of South Carolina
Department of OB/GYN
96 Jonathan Lucas Street
634 CSB, MSC 619
Charleston, SC 29425
Attention: Nora Futrell

Thank you for your assistance. Please do not hesitate to contact me if you have any questions.

Sincerely,

Roger Newman, MD
Vice-Chair of Research and Academic Affairs
Department of Obstetrics and Gynecology

LOW COUNTRY PARTNERS FOR PRETERM BIRTH PREVENTION

Personnel			
Name	Title	Effort	Requested Funding
Roger Newman, MD	Clinical Director	10%	\$ 45,360.00
Scott Sullivan, MD	Co-Clinical Director	10%	\$ 25,920.00
Charles Rittenberg, MD	OB Outreach Director	15%	\$ 35,380.80
Amelia Rowland, CNW	Program Coordinator	50%	\$ 42,120.00
TBA	Case Manager	100%	\$ 64,800.00
TBA	Case Manager	100%	\$ 64,800.00
Jeffery Korte, PhD	Statistical Consultant	5%	\$ 6,156.00
Total Personnel			\$ 284,536.80
Non-Personnel Expenses			
DMCN Support			\$ 65,254.00
DMCN (3 year software license (DDI) and South Carolina Annual DMNC Maintenance Support			\$ 47,250.00
Installation/Configuration of SMCN Hosted Server			\$ 9,504.00
			\$ 8,500.00
Travel			\$ 9,060.00
Travel (Meetings & Scientific Conferences)			\$ 3,000.00
Mileage (average 120 miles per week for both case managers x 50 weeksx\$.505 cents per mile			\$ 6,060.00
In-service and Education Materials			\$ 13,000.00
General Study Materials			\$ 2,000.00
In-service and Outreach Education Materials			\$ 5,000.00
Physicians Office In-service (20 offices x 2 visits x \$150)			\$ 6,000.00
Equipment			\$ 2,600.00
2 Laptops for case managers			\$ 1,400.00
LCD Projector			\$ 1,200.00
Miscellaneous			\$ 32,050.00
Peter Bailey (Data Coordinator-SC Budget and Control Board)			\$ 1,500.00
Telephone Costs (\$200 per month x 12 mths x 2 cm)			\$ 4,800.00
Patient Incentives (200 pts/yr x \$50)			\$ 10,000.00
17-P patients (\$210 -17P shots x 75 women)			\$ 15,750.00
Total Non-Personnel Expenses			\$ 121,964.00
Total Project Budget			\$ 406,500.80



MUSC Health

WOMEN'S SERVICES

RECEIVED

AUG 17 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Obstetrics & Gynecology

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Charleston SC 29425
Tel 843 792 4500
Fax 843 792 0533
www.muschealth.com/women

August 13, 2009

Emma Forkner
Executive Director
South Carolina Department of Health and Human Services
Post Office 8206
Columbia, South Carolina 29202

Dear Ms. Forkner,

I am writing today to provide you with an update of our current progress on the Lowcountry Partners for Preterm Birth Prevention program. The purpose of the program is to reduce premature births, neonatal morbidity and mortality, and the attendant costs for neonatal intensive care for the Lowcountry population. In previous years we have demonstrated successful outcomes of our pilot preterm birth prevention program entitled "South Carolina Partners for Preterm Birth Prevention" implemented in 2006 pursuant to a DHHS Prevention Partnership Grant. It is our intent to replicate that model for the 2009-2010 fiscal year. We will make contact with each of the obstetrical practices in our region for purposes of identifying all pregnant women receiving fee-for-service Medicaid. With Medicaid currently in transition it is difficult to estimate this number of patients but we believe that it is at least 1000 women in the low country each year. We will identify those women with a history of prior preterm birth, multiple gestation, cervical insufficiency and teen age pregnancy. We believe that there will be at least 200 such women / year. These women will be offered intensive case management coordinated and supervised by the Maternal - Fetal Medicine service at MUSC. We will track the outcomes of these women and compare them to other high risk fee for service Medicaid recipients in other regions of the state and to similar women enrolled in Medicaid Managed Care Organizations here in the low country. We have found that this program has been extremely successful and has helped numerous women and children in the Lowcountry area. We look forward to continuing to provide this valuable service to the community.

We appreciate the continued collaboration between the Department of Health and Human Services and Medical University of South Carolina as we tirelessly strive to find innovative ways to decrease the preterm birth rate for the South Carolina population. Enclosed you will the letter and budget sent to Mr. Wells on August 6, 2009. Please feel free to contact me if you have any questions about the program. I can be reached at 843-792-7100 or by email newmanr@musc.edu.

Sincerely,

Roger Newman, MD
Vice-Chair of Research and Academic Affairs
Department of Obstetrics and Gynecology



Obstetrics/Gynecology
36 Jonathan Lucas St., CSR 634
MAYC 619
Columbia SC 29125
Tel 843 792 4500
Fax 843 792 0531
www.muschealth.com/womens

August 6, 2009

William Wells, Deputy Director
Finance and Administration
South Carolina Department of Health and Human Services Post Office 8206 Columbia,
South Carolina 29202

Dear Mr. Wells:

Pursuant to Proviso 17.4 of the SFY 2009-2010 Appropriations Act, we are requesting funding for the implementation of a preterm birth prevention program in the 8 county region that comprises the Low Country Perinatal Region. The proviso states that, "for fiscal year 2009-2010, the Medical University of South Carolina shall implement a preterm prevention case management program utilizing a disease management coordination network for the Medicaid fee for service population in the Low Country Perinatal Region. The purpose of the program is to reduce premature births, neonatal morbidity and mortality, and the attendant costs for neonatal intensive care. The Department of Health and Human Services shall provide administrative funding to the Medical University of South Carolina for the cost of this program."

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Please remit funds to:

Medical University of South Carolina
Department of OB/GYN
96 Jonathan Lucas Street
634 CSB, MSC 619
Charleston, SC 29425
Attention: Nora Furell

Thank you for your assistance. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "R Newman". The signature is fluid and cursive, with the first name "R" being a large, stylized capital letter.

Roger Newman, MD
Vice-Chair of Research and Academic Affairs
Department of Obstetrics and Gynecology

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Total Project Budget			\$ 406,500.80

Log # 89

From: "Purvis, Dara" <purvisd@musc.edu>
To: "Sheila Platts" <PLATTS@scdhs.gov>
CC: Felicity Myers <MYERSFC@scdhs.gov>, "glenn.thames@dditechnology.com" <g...
Date: 1/26/2010 1:33 PM
Subject: MUSC OB GYN - Preterm Birth Prevention Program
Attachments: PreTermResponse012010.pdf

Ms. Platts,

Please see the letter attached from Dr. Newman regarding MUSC's participation in the Preterm Birth Program.

We are happy to answer questions at your convenience.

Regards,
Dara Purvis, MHA
Vice Chair of Administrative Affairs
MUSC - Dept of ObGyn, MUSC
purvisd@musc.edu
tel: (843) 792-5071
cell: (843) 364-9919



JSB #89

Obstetrics & Gynecology
96 Jonathan Lucas St, CSB 634
MNC, 619
Charleston SC 29425
Tel 843 792 4500
Fax 843 792 0533
www.muschealth.com/women

January 26, 2010

Sheila B. Platts
Division Director for Medical Support Services
SC Department of Health & Human Services
P.O. Box 8206
Columbia, SC 29202

Dear Ms. Platts:

We are writing this letter to thank you for working to help us serve the high risk fee-for-service Medicaid population in the LowCountry to reduce preterm births with the Preterm Prevention Case Management Program and Administrative Services contract. We must respectfully decline participation at this time. The current economic climate has impacted our department just as it has the rest of the nation and South Carolina. While you have worked to help us cover the costs of providing this program and responded to move the 17P costs into the administrative budget, we have determined that we cannot make this work without a significant loss. The risk we would be required to undertake to hire the necessary staff and to initiate the program is more than we can absorb at this time.

We have provided some details below as further explanation of the reasons this is not doable for us at this time:

Case Managers

- We have analyzed the potential reimbursement based on the feedback from the similar program you noted with the MUSC Pediatric Department. In addition, we used the volume information from our own fee-for-service population and the experience from our original LowCountry Partner for Preterm Birth Prevention Program grant. In both cases, we find that there is not enough reimbursement to cover 1 case manager. The original contract budgeted 2. While we understand we can submit costs above and beyond reimbursement for you to provide at the semi-annual reporting periods, there is no guarantee we will receive those funds. As we noted in the beginning, our department budget will not allow us to absorb this cost. The number of visits is not guaranteed and posts too much risk for us.

- In addition to the salary costs associated with the case managers, we are also being asked to absorb the costs associated with their travel and phone usage which further magnifies the risk and increases the differential between costs and reimbursement.
- The budget was modified to require the OB GYN Department to pay DMCN ½ of their incurred cost based on the reimbursement for the case managers. As the case manager reimbursement does not currently cover even salary costs, we cannot absorb this extra cost either.
- To ensure we will be able to reconcile billing, reimbursement and reporting, we would need to budget an additional resource simply to manage this process for us.

Confidential

Page 1

"An equal opportunity employer, promoting workplace diversity."

1/26/2010

Quality Assurance Time

- The draft contract we received contains an additional section relative to Quality Assurance (QA). While we currently ensure all billing and reimbursement follows the required rules and have a compliance team in place to help with this process, the additional QA required is not something we are staffed to do.

Contract

In addition to the QA time noted above, there are several sections in the contract that prohibit our ability to maintain the supporting systems needed to manage this effort.

- The management of the administrative time – the contract requires the administrative time be monitored, tracked and reported. Again, this is more administrative time than we can absorb. Additionally, this monitoring and tracking of “administrative time” is, in our opinion unreasonable burdensome. This administrative time activity will actually be primarily clinical interactions with the Case Managers and referring physicians. These interactions can occur anytime 24/7. To monitor, track and report these activities would require a major increase in allotted administrative time itself.
- Article V – no services can be reimbursed under any other contract between the provider and DHHS – how does this impact our ability to bill for the costs of the case managers above the reimbursements from billing?
- There is no guarantee that our administrative time will be reimbursed in the event that the patient interaction is not high enough to support 2 case managers.
- Telephonic visits are not noted as being billable or reimbursable – these types of visits are critical to our ability to support the patients.

Again, thank you for the work and effort you and your team have made to facilitate this contract. We do regret that we cannot participate without significant risk and loss to our department.

We still believe that the outreach program we developed has substantive value with improved patient outcomes and significant cost savings for a very high risk population. Unfortunately, this contract places the department at significant financial risk that we are not prepared to accept.

We look forward to working together in the future.

Respectfully,



Roger Newman, MD
Vice Chair of Academic Affairs, Director of Research

Cc: Felicity Meyers, Ph.D., Deputy Director of Medical Services, DHHS
Hobart O. Trotter, Jr, Government Relations, Decision Dynamics, Inc.
Glenn Thames, President/CEO, Decision Dynamics, Inc.
Susan Bowling, Kerr & Company