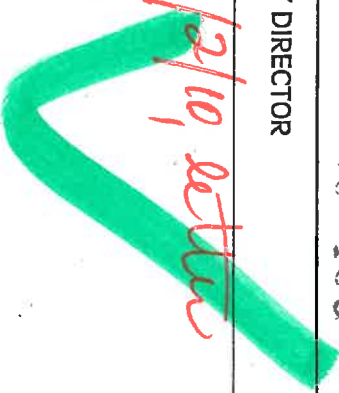


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>5-24-10</i>
--------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101459</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Cleand 6/2/10, letter attached.</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>6-3-10</i> <input type="checkbox"/> FOIA DATE DUE _____ <input 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.			



Palmetto Adult and Children's Urology, P.A.

Frederick J. Goulding, M.D.
Nelson R. Ploch, M.D.
Theodore E. Brisson, M.D.

RECEIVED

MAY 24 2010

Department of Health & Human Services
OFFICE OF THE DIRECTOR

May 20, 2010

Emma Forkner
Director
SC Department of Health and Human Services
P.O. Box 8206
Columbia, SC 29202-8206

Dear Director Forkner,

I am a physician that is part of a urology group of three urologists. Part of the service that we perform for our patients is a male sterilization procedure commonly referred to as a vasectomy. The reason for my letter is that we have had continual problems with Medicaid approvals for vasectomy procedures.

As a way of background, Medicaid has an authorization process for approval to pay for a vasectomy. This process requires a consultation with the physician 30 days prior to the procedure to ensure that the patient understands the procedure and its implications, and has 30 days to make sure that they do not change their mind. We feel that this is a good process with good intentions.

However, this process has historically been a bureaucratic nightmare. We get denied after the procedure is complete for minor issues. We get patients that move on because they are tired of waiting for approvals. And, most recently, we have refused to perform the procedure because we cannot get the approval due to months of bureaucratic stone-walling. In the private sector, we only have one insurance company that requires an authorization for a vasectomy, and we are able to get the approval in one phone call. This is because private insurance companies understand the math between the cost of a vasectomy and the cost of another "covered life".

The State Medicaid program spends \$4.4 billion dollars per year for about 900,000 covered lives (about \$4,800 per year per patient). This means that if an unwanted pregnancy occurs, the State must pay, on average, around \$87,000 for that child until they reach the age of 18. If the child remains under the Medicaid program after that, the costs escalate. The State's cost to pay for a vasectomy is \$515.60. I do not understand the logic to fight patients on a vasectomy approval that clearly saves the State money, and prevents unwanted pregnancies.

I would like to request your assistance to investigate this matter to ascertain why the State makes this process so difficult. It costs the State unnecessary dollars and deprives the patient of a service to which they are entitled. We have met with Medicaid representatives, and they cannot help resolve the issues that we have been experiencing. I am confident that other urologists around the State have a similar experience.

Please feel free to call me if I can help in this process. I look forward to your assistance in helping our patients.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Nelson R. Ploch'.

Nelson R. Ploch, MD
Urologist

cc: Representative Timothy E. Scott, SC District 117

Log # 459 ✓

June 2, 2010

Nelson R. Ploch, M.D.
Palmetto Adult and Children's Urology, P.A.
2890 Tricom Street
North Charleston, South Carolina 29406

Dear Dr. Ploch:

Thank you for the recent letter regarding your concerns with our procedure for approval of male sterilizations at the South Carolina Department of Health and Human Services (SCDHHS). I regret that you have experienced difficulties by receiving denials for payment based on "minor issues", though you do not specify what those issues are. It is always this Agency's intent to maintain policy procedures that are not only Federally mandated, but also that are in the best interest of our Medicaid recipients.

While working to uphold our commitment to providers, we must comply with federal requirements by the Centers for Medicare and Medicaid (CMS) regarding the sterilization of Medicaid beneficiaries. One such requirement is that SCDHHS must verify the individual has given their informed consent to be sterilized before payment is made. This can only be verified through manual review of the Sterilization Consent Form 1723. If the consent form is correctly completed and meets the federal regulations, the claim will be approved for payment. However, when the form is not complete nor does it meet federal regulations, the claim will be rejected, and a letter is sent to physicians explaining the rejection. If the consent form is not submitted with the claim, the claim will be rejected which then delays payment. Perhaps the issues you reference in your letter are related to this form which can easily be corrected and then considered for payment if the claim is still timely.

SCDHHS staff is available on a daily basis to assist you with Form 1723 and billing requirements as needed. In addition, there are complete instructions for each field required on the form in the Physician Services provider manual located on our website at <https://www.scdhhs.gov>. If you would like to speak with me directly, please feel free to call 803-898-2472. I appreciate your continued support of the Medicaid program, and trust that we can continue to work together toward a common goal of providing the best healthcare to our beneficiaries.

Sincerely,



Melanie "BZ" Giese, RN
Bureau Director of Health Services

MG/vb

cc: Representative Timothy E. Scott, SC District 117