

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

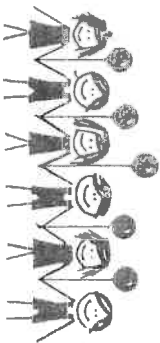
ACTION REFERRAL

TO <i>W. Myers</i>	DATE <i>10/3/08</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER  <i>000192</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>10/16/08</i>	<input type="checkbox"/> FOIA DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>C. Emma Jackson</i>	<input checked="" type="checkbox"/> Necessary Action		

*Cleared 10/16/08, letter attached.*

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



## Southside Pediatrics of Aiken, LLC

September 30, 2008

Val Williams  
Physician Services  
Department of Health and Human Services  
PO Box 8206  
Columbia, SC 29202-8206

RE: Influenza test (CPT code 87804)

Dear Ms. Williams,

As flu season is rapidly approaching, the proper way to manage influenza is initially through immunization with either the live attenuated influenza vaccine (Flu Mist) or the "flu shot" (an inactivated vaccine). Proper diagnosis of influenza requires the use of a confirming test to assure that the antiviral medications are properly used.

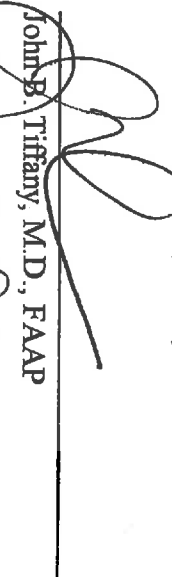

Our office sees about 46% SC Medicaid. We treat all of our patients the same in spite of third party payer. Your reimbursement for the rapid flu test is less than our cost. Our cost is \$ 15.20 per test.

To insure that the patients are appropriately diagnosed and treated please reconsider your reimbursement for the Influenza test for rapid detection of Influenza A and B virus. (CPT Code 87804)

We look forward to hearing a response.

Sincerely,

  
Jonathan C. Collins, M.D., FAAP

  
John B. Tiffany, M.D., FAAP  
  
Paula A. Luther, M.D., FAAP

Jonathan C. Collins, M.D., FAAP  
John B. Tiffany, M.D., FAAP  
Paula A. Luther, M.D.

**RECEIVED**  
UCI 03 2008  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR



# State of South Carolina

## Department of Health and Human Services

Log # 192  
✓

Mark Sanford  
Governor

Emma Forkner  
Director

October 16, 2008

Jonathan C. Collins, M.D., FAAP  
John B. Tiffany, M.D. FAAP  
Paula A. Luther, M.D.  
206 Centre South Boulevard  
Aiken, South Carolina 29803

Dear Drs. Collins, Tiffany, and Luther:


Thank you for your letter regarding reimbursement for the rapid flu test, Current Procedural Terminology (CPT) code 87804. We appreciate your taking the time to share your concerns.

As you are aware, the South Carolina Department of Health and Human Services (SCDHHS) recently sustained a \$28.5 million dollar budget cut as a result of the Board of Economic Advisors adjusting the revenue projections for the current budget year. Over the past three years, the Agency has increased the reimbursement rates to address the rising costs associated with operating a physician's office. Unfortunately, due to budget reductions and uncertain financial conditions, the SCDHHS has instituted a reduction in the reimbursement for physician rates.

The influenza test, CPT code 87804, is currently priced based on 84 percent of the July 2008 Medicare fee schedule. Due to current financial constraints, the reimbursement for this service will not be adjusted during this fiscal year. We will continue to review our policies and make adjustments as the budget allows.

Again, thank you for taking the time to write and for your continued support and participation in the South Carolina Medicaid program. If you have additional questions, please do not hesitate to contact Ms. Valeria Williams, Division Director in Physician Services, at (803) 898-2660.

Sincerely,

  
Felicity Myers  
Deputy Director

FM/gws

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

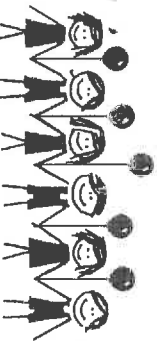
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Log-

ACTION REFERRAL

TO	DATE
<i>W. J. Jones</i>	10/3/08

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11.83 is what we pay

To insure that the patients are appropriately diagnosed and treated please reconsider your reimbursement for the Influenza test for rapid detection of Influenza A and B virus. (CPT Code 87804)

We look forward to hearing a response.

Sincerely,

*Jonathan C. Collins*  
Jonathan C. Collins, M.D., FAAP

*John B. Tiffany*  
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*Paula A. Luther*  
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UCL 03 2008

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- (1) wonder if they could negotiate a better rate
- (2) Does everyone have to have this test?
- (3) the Flu Mist / FluVax are given when you don't have the flu
- (4) Does this make sense?