

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Medical Services / Giese	3-1-11

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 11011380	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Chand 3/10/11, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <u>3-10-11</u>
	<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.			



CAROLINA HEALTH CARE

506 EAST CHEVES STREET
POST OFFICE BOX 1905 • FLORENCE, SOUTH CAROLINA 29503
TELEPHONE: 843/413-3700

RECEIVED

February 23, 2011

Anthony E. Keck, BSIOE, MPH

MAR 01 2011

Director, South Carolina Department of Health and Human Services

Post Office Box 8206
Columbia, SC 29202

Department of Health & Human Services
OFFICE OF THE DIRECTOR

As you are aware, the South Carolina Department of Health and Human Services (SCDHHS) projects a budget shortfall of \$228 million during the current fiscal year. As a result of this, SCDHHS has taken significant actions in hopes of securing financial viability for operations of its programs. These actions include, but are not limited to, discontinuing coverage of services rendered by Podiatric Physicians for adults covered by Medicaid insurance. This is a shortsighted decision.

The fact that Podiatric Physicians provide services that most other specialists are not trained to perform strikes down the premise that other healthcare providers can perform the same services at the same level of expertise. By cutting Podiatric Physicians services you are merely shifting patients to less qualified foot care providers. A large number of our patients who are benefitted by the Medicaid program suffer from diabetes and many of the co-morbidities associated with the disease. Often Podiatric Physicians are the first and last line of defense against serious problems that affect the feet. These conditions can lead to lower extremity amputations. An average lower extremity amputation costs between \$30k and \$50K. What is not factored into this cost is the emotional and physical stress on the patient who suffered the amputation.

Podiatric Physicians have proven to dramatically reduce lower extremity amputations, thus preserving limbs and lives. We have a attached a review of a study done by the Thomason Reuters Group which proves that Podiatric Physicians decrease amputations by 23% and decrease related hospital admissions by 9% compared to other healthcare providers. These numbers reflect a potential savings of \$105 million annually in the 18-64 year old age group, plus an additional \$86 million in the over 65 years old group.

The bottom line is that eliminating Podiatric Physicians from Medicaid will not create a cost savings as the care of the patients will be shifted to other providers who are not as well trained in diagnosing, preventing and treating foot pathology. This transfer of care will end up costing more money to the Medicaid program. This has been proven in other states that attempted the same types of cuts.

We ask you to eliminate the Podiatry cuts being made to SCDHHS Medicaid program. Our patients and your constituents will be grateful when they can see a foot specialist again. Please contact us anytime to discuss further the benefits of Podiatry and its positive impact on the citizens of South Carolina.

Respectfully Yours,

Jeffrey P. Muha, DPM, FACFAS

DERMATOLOGY
HEATHER F. MCCOWN, M.D.
ANN HARRIOTT ERYIN, M.D.
HUNTER W. BURCH, M.D.

ENDOCRINOLOGY
GERALD B. MIELE, M.D., F.A.C.E.
MEENAKSHI A. PANDE, M.D.
AIMAR P. MACK, M.D.
LINDSAY POWER I, PA

INFECTIOUS DISEASE
KEVIN W. SHEA, M.D., F.A.C.T.P.
RAMESH A. BHARADWAJ, M.D.

PULMONARY MEDICINE
ZOI KHIANGTE, M.D.
ASEM A. ABDELJALIL, M.D.
MARWAN K. ELYA, M.D.

PODIATRIC MEDICINE AND FOOT SURGERY
JEFFREY P. MUHA, D.P.M., F.A.C.F.A.S.
PHILLIP E. WARD, D.P.M., F.A.C.F.A.S.

RHEUMATOLOGY
ROBERT E. TURNER, III, M.D., F.A.C.P.
SUREN R. PATEL, M.D.

An Independent Multi-Specialty Practice

EXECUTIVE SUMMARY

Thomson Reuters Study

“Podiatrist Care and Outcomes for Patients with Diabetes and Foot Ulcer” (Results of study to be submitted to peer-reviewed journals for publication)

Teresa B. Gibson, PhD; Vickie R. Driver, MS, DPM.; James Wrobel, DPM, MS; James R. Christina, DPM; Erin Bagalman, MSW; Roy DeFrancis, DPM.; Matthew G. Garoufalis, DPM; Ginger S. Carls, PhD; Sara S. Wang, PhD

Objective: To examine whether outcomes of care (amputation and hospitalization) differ between patients with diabetes and foot ulcer who received care from podiatrists prior to foot ulcer and those who did not receive care from podiatrists prior to foot ulcer.

Methods: Data Source: *Thomson Reuters MarketScan Research Databases, 2005-2008.*

Analytic Approach: Propensity score matching was utilized with patients receiving care from podiatrists matched one-to-one with patients not receiving care from podiatrists. Propensity score matching was performed separately for commercially insured enrollees and Medicare eligible enrollees.

Statistical Models: Cox proportional hazard models estimated the hazard of each outcome as a function of receipt of podiatry care and the control variables (e.g., demographics, geography, employment status, income, comorbidity, adherence to diabetes prescriptions, health plan characteristics, severity of disease, and foot risk factors) with up to 42 months of follow up time. Sample Size: Starting with over 1.8 million in the non-Medicare data base and 697,000 in the Medicare data base with a diagnosis of diabetes, after all inclusion and exclusion criteria were applied the non-Medicare sample comprised 28,796 patients and the Medicare sample comprised 35,721 patients.

Results: Podiatrists see patients that are sicker and have more comorbidities.

Among non-Medicare patients with foot ulcer, those seen previously by a podiatrist had a **20% lower risk of amputation and a 26% lower risk of hospitalization** compared with patients not previously seen by a podiatrist.

Among Medicare eligible patients with foot ulcer, those seen by a podiatrist had an a **23% lower risk of amputation and a 9% lower risk of hospitalization** compared with patients not previously seen by a podiatrist.

- Podiatry care has a positive return on investment
- In the population aged 18–64, each **\$1 invested in podiatry care results in \$27 to \$51 of savings**
 - In the population aged 65+, each **\$1 invested in podiatry care results in \$9 to \$13 of savings**
- Projected to the entire US population with employer-sponsored insurance, increased use of podiatry care could save millions in direct healthcare expenditures
- In the population aged 18–64, a **20% increase in the rate of podiatry use could save \$105 million annually**
 - In the population aged 65+, a **20% increase in the rate of podiatry use could save \$86 million annually**

Conclusion: Care by podiatrists prior to the first evidence of foot ulcers in patients with diabetes prevents or delays lower extremity amputations and hospitalizations. Increased utilization of care by podiatrists in patients with diabetes can potentially result in significant direct health care cost savings.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR
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Val

TO <i>Medical Services / Giese</i>	DATE 3-1-11
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1. <i>Val Williams</i>	3-2-11		
2. <i>RS Giese</i>	3-10-11 <i>OK</i>		
3.			
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Dept. of Health
& Human Services

MAR 01 2011

Bureau of
Health Services



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Phillip E. Ward, DPM, FACFAS

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Conclusion: Care by podiatrists prior to the first evidence of foot ulcers in patients with diabetes prevents or delays lower extremity amputations and hospitalizations. Increased utilization of care by podiatrists in patients with diabetes can potentially result in significant direct health care cost savings.



March 10, 2011

Jeffrey P. Muha, DPM, FACFAS
506 East Cheves Street
Post Office Box 1905
Florence, South Carolina 29503

Dear Dr. Muha:

Thank you for your letter regarding the Medicaid agency's decision to discontinue the coverage of Podiatry services for adult recipients over the age of 21.

The South Carolina Department of Health and Human Services (SCDHHS) is facing unprecedented budget constraints. Since Federal regulations prohibit us from altering any eligibility guidelines, SCDHHS has limited avenues in which we can reduce our budgetary expenditures. All decisions regarding service reductions are difficult, but we make every effort to maintain a balance in health needs for our recipients. While we understand your concerns, we will not reverse our policy decision as you have requested at this time.

We appreciate your bringing these concerns to our attention and for your continued support and participation in the South Carolina Medicaid program. If you have any additional questions please feel free to contact your Program Manager at (803) 898-2660.

Sincerely,

Melanye "BZ" Giese, RN
Bureau Director

MG/rws