

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

**ACTION REFERRAL**

<b>TO</b> <i>Wells</i>	<b>DATE</b> <i>3-24-09</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <i>1010521</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Fortner Cleared 3/24/09, letter attached</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-2-09</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

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

Elizabeth Hutto - State Appropriations for FQHCs - Reimbursement Methodology

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**From:** "Carlo Victoriano" <carlovs@scphca.org>  
**To:** <forkner@scdhhs.gov>  
**Date:** 3/17/2009 11:46 AM  
**Subject:** State Appropriations for FQHCs - Reimbursement Methodology  
**CC:** "Lathran Woodard" <lathran@scphca.org>, <wells@scdhhs.gov>, <saxon@scdhhs.gov>  
**Attachments:** LTR to Ms. Forkner (3-17-09).pdf

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Dear Ms. Forkner:

This message is being sent on behalf of our CEO, Lathran J. Woodard.

Attached please find the following documents:

- 1) Letter detailing the reimbursement methodology
- 2) Spreadsheet utilizing the reimbursement methodology
- 3) "Ask Paper" to the General Assembly
- 4) Language re: appropriations from the Legislature.

Sincerely,

*Carlo J. Victoriano*

Carlo Jose Victoriano, Department Head  
Programs/Health Policy Department  
South Carolina Primary Health Care Association  
803-788-2778 (P) / 803-788-8233 (F)  
carlovs@scphca.org / [www.scphca.org](http://www.scphca.org)

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“Access to Quality Health Care for All South Carolina.”

March 17, 2009

Emma Forkner, Director  
S.C. Department of Health and Human Services  
P.O. Box 8206  
1801 Main Street  
Columbia, SC 29202-8206

Dear Ms. Forkner:

On behalf of our member community health centers, I am requesting that the reimbursement methodology as described herein be utilized to distribute the state appropriation of \$700,000. The allocation methodology is based on the percentage derived from the total number of uninsured patients served by each health center compared to the total number of uninsured patients served by all centers in calendar year 2008.

Enclosed for your reference is the spreadsheet, which was previously sent to Mr. Saxon, that uses the allocation formula. Also enclosed are the appropriation request to the General Assembly and corresponding language from the Legislature.

If further clarification or information is needed, please let me know. I would also like to provide health center directors an estimate date when they can expect disbursement of these funds along with the process in requesting them. Please advise.

Sincerely,

Lathran J. Woodard  
Chief Executive Officer

Cc: Jeff Saxon  
William Wells

Enclosures

**South Carolina Department of Health and Human Services**  
**Bureau of Reimbursement Methodology and Policy**  
**Division of Ancillary Reimbursements**  
**Uninsured Patients - Per UDS**  
**Calendar Year 2008**  
**Distribution of \$7 Million Applicable to SFY 2008**

Center	Provider #	CY 2008	Allocation %		Amount
Beaufort-Jasper-Hampton Comprehensive Health Services, Inc.	FQC008	7,868	7%	\$	48,366.56
Black River Health Care, Inc.	FQC011	4,862	4%	\$	29,900.29
CareSouth Carolina, Inc.	FQC003	16,074	12%	\$	98,661.75
Carolina Health Centers, Inc.	FQC002	5,521	5%	\$	33,993.00
North Central Family Medical Center, Inc.	FQC025	3,691	3%	\$	22,698.88
Eau Claire Cooperative Health Centers, Inc.	FQC031	9,009	8%	\$	55,403.47
Family Health Centers, Inc.	FQC006	9,435	8%	\$	58,023.28
Franklin C. Fetter Family Health Center, Inc.	FQC004	11,302	10%	\$	69,504.94
Health Care Partners of South Carolina, Inc.	FQC010	2,940	3%	\$	18,080.39
HopeHealth, Inc.		941	1%	\$	5,766.95
Little River Medical Center, Inc.	FQC024	10,770	9%	\$	66,733.25
Low Country Health Care System, Inc.	FQC044	4,411	4%	\$	27,126.73
Margaret J. Weston Medical Center, Inc. (Rural Health Services)	FQC007	3,752	3%	\$	23,874.02
New Horizon Family Health Services, Inc.	FQC029	8,830	8%	\$	54,302.66
ReGenesis Community Health Care, Inc.	FQC057	2,620	2%	\$	16,112.45
Richland Community Health Care Association, Inc.	FQC030	2,936	3%	\$	18,095.79
Sandhills Medical Foundation, Inc.	FQC005	2,441	2%	\$	15,014.64
St. James-Santee Family Health Center, Inc.	FQC012	2,928	3%	\$	18,066.39
Sumter Family Health Center, Inc.	FQC048	3,494	3%	\$	21,487.37
<b>Total</b>		<b>113,825</b>	<b>100%</b>	<b>\$</b>	<b>700,000.00</b>

Distribution Amount: \$700,000.00



**SOUTH CAROLINA  
PRIMARY CARE HEALTH CARE  
ASSOCIATION**

1000 W. BROADWAY, SUITE 1000  
COLUMBIA, SC 29201

MEMBER STATEMENT

The South Carolina Primary Care Association (SCPCA), on behalf of the Members of Executive Qualified Health Centers (EQHCs) that serve medically underserved patients, respectfully requests that the General Assembly take appropriate action to allow for the current fiscal year

for the upcoming fiscal year the SCPCA respectfully requests a \$2 million recurring budget appropriation to DHHS for the purpose of formula-determined allocations to EQHCs to improve access to preventive and primary health care services for uninsured patients.

Of the total, \$2 million shall be allocated by DHHS to EQHCs based on the proportion of uninsured patients served during the prior reporting period by each EQHC relative to the total uninsured patients served by all EQHCs.

\$1 million shall be divided and allocated by DHHS in equal amounts to each EQHC for capital or operational expenditures that build capacity to treat uninsured patients.

90.12. (SR: Health and Human Services Funding) The source of funds appropriated in this provision is \$98,467,983 of Department of Health and Human Services general fund appropriations, carry forward funds and earmarked and restricted special revenue fund accounts.

Of these funds, the department is directed to disburse the following Department of Health and Human Services appropriations for the purposes stated:

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F. Federally Qualified Community Health Centers \$ 700,000. \*\*\*



*State of South Carolina*  
*Department of Health and Human Services*

Mark Sanford  
Governor

March 23, 2009

Emma Forkner  
Director

Ms. Lathran J. Woodard  
Chief Executive Officer  
South Carolina Primary Care Association  
2211 Alpine Road Extension  
Columbia, SC 29223

Dear Ms. Woodard:

Thank you for your letter of March 17, 2009 regarding a proposed change in methodology for the distribution of the \$700,000 appropriation for Federally Qualified Community Health Centers (FQHC) in Proviso 90.12 in the FY 2008-2009 Appropriations Act.

It is our understanding that you have proposed that the funding be allocated based on the total number of uninsured patients served by each FQHC rather than the current methodology which is based on the increase in the number of uninsured patients served by each FQHC. As you know, the current methodology was communicated to DHHS by Senate Finance Committee staff in previous years. Therefore, since there is no instructive language in the proviso that directs DHHS to change the methodology for FY 2009, we had to inquire as to whether the legislative intent had changed.

Based on our discussion with Senate Finance Committee staff, it is our understanding that the legislative intent has not changed and that we are expected to allocate the funds for FY 2009 based on the current methodology. Therefore we cannot approve your request to change the allocation methodology at this time, and we will be calculating the allocations to FQHC's using the current methodology, based on the increase in uninsured patients.

We appreciate the services that FQHC's provide to both Medicaid and uninsured patients. If you have any questions about the allocations please contact Jeff Saxon or Debbie Strait.

Sincerely,

A handwritten signature in cursive script that reads "Emma".

Emma Forkner  
Director

EF/wh