

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Hess</i>	DATE <i>5-16-11</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <i>1011493</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>5-16-11</i>
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Tacket, Waldrop</i> <i>Cleared, see attached</i> <i>note</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <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.			



FLORENCE ADDRESS  
1817 Pineland Avenue  
Florence, South Carolina 29501  
(843) 667-1152

HUGH K. LEATHERMAN, SR.  
SOUTH CAROLINA STATE SENATE  
DISTRICT 31, FLORENCE  
AND DARLINGTON COUNTIES

111 GRESSETTE SENATE OFFICE BUILDING  
COLUMBIA, SOUTH CAROLINA 29202  
(803) 212-6640

COMMITTEES  
Chairman, Finance  
Chairman, Operations and Management  
Ethics  
Interstate Cooperation  
Labor, Commerce and Industry  
Rules  
State House  
Transportation

May 4, 2011

**RECEIVED**

MAY 04 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, South Carolina 29201

Dear Dr. Keck:

I am enclosing herewith a copy of a letter that I recently received from my constituent, Richard C. Cooke of Florence Rehab and Nursing Center, LLC. As you can see, Mr. Cooke fears that if an additional cut is made in the Medicaid reimbursement rate his facilities will be forced to close as they cannot operate with a reimbursement that is less than their actual costs.

I would very much appreciate it if you would respond to Mr. Cooke's concerns.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "H. K. Leatherman, Sr." with a stylized flourish at the end.

Hugh K. Leatherman, Sr.  
HKL:dsm

Enclosure  
cc: Mr. Richard C. Cooke

Florence Rehab & Nursing Center, LLC  
DBA Clark Nursing Home  
133 W. Clark Road  
Florence, South Carolina 29501

**RECEIVED**

MAY 06 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

April 22, 2011

Senator Hugh K. Leatherman  
PO Box 142  
Columbia, South Carolina 29201

Dear Senator Leatherman;

As a result of proposed Medicaid cuts by SCDHHS we desperately need your help. Our current Medicaid reimbursement rate is based on our cost report filed for the year ended September 30, 2009. Therefore, our reimbursement is based on costs that are over 18 months old. As of April 1, 2011 our reimbursement rate is being cut three percent which will cut facility revenue by \$136,000 per year. Our understanding is that SCDHHS is proposing a ten percent cut effective July 1, 2011. If this goes into effect our annual revenue will be cut by \$450,000 per year at our Florence facility. This would bring the total cut at Florence to \$586,000. In all six of our facilities our annual revenue will be cut by \$3,500,000.

In our facilities seventy five cents of every dollar goes to cover staff salaries and fringe benefits. With federally mandated staffing requirements we are unable to cut staffing without being in violation of federal regulations. In fact we could literally be shut down for not meeting staffing requirements.

Our facilities cannot operate with a reimbursement rate that is less than our actual costs in the year ended September 30, 2009. Please help us get the funds we need to take care of the elderly in the Florence area and at the same time provide over 100 jobs for the community.

Thank you in advance for your help,



Richard C. Cooke



HUGH K. LEATHERMAN, SR.  
SENATOR, DISTRICT 31  
P. O. BOX 142  
COLUMBIA, SOUTH CAROLINA 29202

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

MAY 06 2011

**RECEIVED**

Anthony E. Keck, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, South Carolina 29201

IWS



Mr. Richard C. Cooke  
Florence Rehab & Nursing Center, LLC  
DBA Clark Nursing Home  
133 W. Clark Road  
Florence, South Carolina 29501

Dear Mr. Cooke:

Thank you for your recent letter to Senator Leatherman regarding your concerns over proposed Medicaid budget cuts. He has forwarded your letter to my attention in order for me to respond to your concerns.

The South Carolina Department of Health and Human Services (SCDHHS) is faced with the enormous challenge of fixing the largest budget deficit in the history of this department. We are working with multiple stakeholders on Medicaid payment reform and other initiatives that can make South Carolina a model for reshaping our healthcare delivery system.

Over the past couple of months, we have reached out to the provider community and asked for their assistance in helping us identify costs that can be eliminated from the Medicaid Program in order to reduce state funding for the upcoming state fiscal year (SFY 2011-2012). With regard to the nursing home community, we have held multiple meetings with numerous associations and state nursing home providers, and they suggested that we reduce the number of Medicaid nursing facility patient days that are reimbursed by the department. In order to assure access to care for Medicaid enrollees awaiting placement into a nursing facility who may be impacted by this reduction in available Medicaid nursing facility days, we will be expanding our current number of authorized Community Long Term Care slots by over five hundred during SFY 2011-2012. We have removed our initial request for a further reduction in reimbursement rates effective July 1, 2011.

I understand and appreciate your concerns regarding the changes that will be implemented by the agency beginning July 1, 2011, but we have very few options available to address the reduced state funding level that the department expects to receive during SFY 2011/2012. Thank you for your continued support of the South Carolina Medicaid Program.

Sincerely,

Anthony E. Keck  
Director

AEK/hsh

C. The Honorable Hugh K. Leatherman, Sr.

*log #493*

*Ray had letter rewritten do not have a copy -*

*493  
\*see note*

Anthony E. Keck, Director  
Nikki R. Haley, Governor