

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

Relogged from Hess to Giese per Hess on 12/4/12. Due date

TO <i>Giese</i>	DATE <i>Changed to 12-17-12</i> <i>11-29-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100159</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Keck, Singleton</i> <i>Closed 2/21/13, see note</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-17-12</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.			<i>Brenda,</i> <i>Roy would like</i> <i>this relogged to Bz</i> <i>and Yvonia. Thanks.</i> <i>Janet</i> <i>12/4/12</i>
2.			
3.			
4.			

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Hess</i>	DATE <i>11-29-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000159</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: Mr. Heck, Singleton</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-10-12</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.			

McLeod Health

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NOV 29 2012

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Monday, November 19, 2012

Via United States Certified Mail

Mr. Anthony Keck
Director
Department of Health and Human Services
State of South Carolina
P.O. Box 8206
Columbia, SC 29202

Dear Director Keck:

With the implementation of the State of South Carolina Department of Health and Human Services' ("SCDHHS") agreement with the Keystone Peer Review Organization, Inc ("KePRO"), McLeod Health ("McLeod") has noted an increase in the overall administrative burden and costs related to its support for the South Carolina Medicaid program. While the engagement of a Quality Improvement Organization ("QIO") is necessary, it is also necessary to provide that QIO with clear instructions and limited latitude in interpretation of those instructions.

On the morning of Monday, October 8, 2012, three McLeod representatives met with three SCDHHS representatives to discuss the concerns that have accumulated in the last few months. Attending the meeting on behalf of McLeod Health were David Gasque, Director of Business Services, Scott Faulkenberry, Director of Reservations and Scheduling, and Kevin Barron, Director of Managed Care. Attending on behalf of SCDHHS were Zenovia Vaughn, Terry Pugh, and Irving Yarrell. The agenda items and subsequent results of the related conversations, as interpreted by McLeod, are discussed below.

I. Facility Services Delivered to Children Upon Transfer.

It has been McLeod's experience that KePRO will not issue an authorization for services as may be required by SCDHHS until a covered child is issued a Medicaid number. This presents a concern when those services must be delivered upon transfer to/from a facility (i.e. from a normal nursery to a neonatal intensive care unit). When McLeod has attempted to obtain an authorization for admission to transfer a child none is provided. Associated claims for payment are later filed by McLeod and then denied as not authorized KePRO. The solution proposed by SCDHHS at the recent meeting mentioned above, was that McLeod should hold all claims until it has determined that the child has been issued a Medicaid number by SCDHHS. Once that determination has been made, only then should McLeod contact KePRO and request a retroactive authorization for the services delivered. This request for retroactive authorization must be submitted within 6 months of the date of service. If the request for retroactive authorization is not requested within 6 months, the authorization request, as well as the claim, will be denied.

McLeod's concern with this suggested solution is two-fold. First, the burden of checking continually for the issuance of the Medicaid number is placed on the provider, which adds to the administrative burden and cost associated with participation in the traditional Medicaid program. Second, the requirement for authorization of facility services delivered to a child under the child's Medicaid number appears to be an unnecessary step. McLeod respectfully suggests that SCDHHS rescind its requirement that KePRO issue and manage authorizations for services delivered to children until SCDHHS has issued a Medicaid number to that child, or allow the

child's facility services authorization to be issued using the mother of the child's Medicaid number.

II. Documentation of Retroactive Medicaid Eligibility

It has been McLeod's experience that its ability to obtain the appropriate documentation to demonstrate a patient's retroactive eligibility for the Medicaid program has been limited due to lack of cooperation within local SCDSS offices. According to SCDHHS staff during the aforementioned meeting, until recently, SCDHHS Form 945 is what KePRO had been instructed to accept when facility's attempt to demonstrate retroactive eligibility of a patient. Now, it is our understanding that either Form 945 or an official letter from Social Security regarding an approved disability will be accepted.

While this is a positive move toward making that process more efficient, McLeod respectfully suggests that SCDHHS also reiterate to local SCDSS offices that provision of Form 945 to providers is appropriate and that, whenever possible, provision should be expedited. Additionally, McLeod suggests, as it did in the meeting, that a retroactive eligibility indicator be placed on SCDHHS Web Tool.

III. Documentation of KePRO Reconsideration Determinations

It has been McLeod's experience that there is a lack of consistency in the performance of KePRO related to its notices to providers regarding the dispositions of their reconsideration requests. Per SCDHHS staff during the meeting on October 8th, a letter from KePRO should be received by providers when a reconsideration disposition has been achieved. McLeod has not always received those notifications, which leads to additional administrative burden and cost to search out those dispositions and address any related accounts receivable issues.

McLeod would like to request that this requirement be reiterated to KePRO and ultimately receive such notices consistently. At the suggestion of SCDHHS staff during the meeting, McLeod will fax a list of pending reconsiderations to SCDHHS for research and response. That offer of assistance is greatly appreciated by McLeod.

IV. Retroactive Adjustments to Eligibility Status in Web Tool

To date, McLeod has noted several instances where a Medicaid member's eligibility for a given product, whether traditional Medicaid or through managed care, has changed retroactively. This causes great operational concern because McLeod relies on the accuracy of the eligibility and enrollment data in the SCDHHS Web Tool when making contact with the appropriate entity for prior authorizations and when filing claims. If the wrong organization is contacted for the authorization or billed for services, claims will be denied and duplication of effort must take place for the appropriate organization to be contacted and billed. Due to associated delays in that duplicative work, timely notification requirements may be missed and services denied after the fact. In the meeting, it was suggested that McLeod submit a reconsideration request, along with documentation of the SCDHHS retroactive system change in order to have denied services paid. Unfortunately, this requires the application of even more staff time and supply costs for all parties involved.

McLeod respectfully suggests that it and other providers be held harmless when SCDHHS finds that it must make retroactive adjustments to its eligibility and enrollment systems and those

adjustments impact the timeliness of notification and billing for medically necessary services. No request for reconsideration should be necessary, or if it is, that it be expedited.

V. Timeliness of Authorizations and Denials

It is McLeod's understanding from SCDHHS staff that KePRO should be issuing either an authorization or denial of payment for services within twenty four (24) hours after the submission of the necessary clinical documentation to determine medical necessity. This has not always been the case.

McLeod would like to request that this requirement be reiterated to KePRO and ultimately receive such notices consistently.

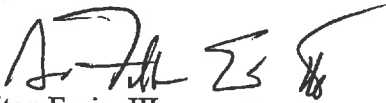
VI. Conflicting Information Regarding Authorization Requirements

While this issue was not discussed in the recent meeting at SCDHHS due to its recency, McLeod is receiving conflicting information from SCDHHS and MedSolutions concerning the necessity for obtaining authorizations to deliver services to patients with Medicare Part B primary. According to SCDHHS via Bulletin, no authorization is needed for procedures when delivered to patients with Medicare Part B primary; however MedSolutions states the contrary to McLeod that such authorizations are required.

McLeod would like to request that SCDHHS clarify its authorization policy regarding all categories of Medicaid members requiring services managed by MedSolutions.

On behalf of McLeod Health, I would like to personally thank you and your staff for their time and assistance in these matters. Should clarifications or additional background be helpful, please contact Kevin Barron at 843-777-4403 or KBarron@McLeodHealth.org.

Sincerely,
McLEOD HEALTH



S. Fulton Ervin, III
Chief Financial Officer

cc: Thornton Kirby, SCHA
Barney Osborne, SCHA
John Bruyere
David Gasque
Scott Faulkenberry
Kevin Barron
File

555 East Cheves Street • P.O. Box 100551 • Florence, SC 29501-0551 • Phone (843)777-2000
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*Mr. Anthony Keck
Director
SCDHHS
State of South Carolina
P.O. Box 8206
Columbia, SC 29202*

Log # 159

Brenda -
Please close
with this

email chain

Thanks!

2/21/13

Annmarie McCanne

From: Melanie Giese
Sent: Friday, January 25, 2013 1:35 PM
To: Zenovia Vaughn
Cc: Annmarie McCanne
Subject: RE: log 159

Thanks. It would have been helpful to know that information upfront, but also to have asked for an extension on the log.

From: Zenovia Vaughn
Sent: Friday, January 25, 2013 1:24 PM
To: Melanie Giese
Cc: Annmarie McCanne
Subject: RE: log 159

I will call him but contact has been made with him. As information, part of the delay involved meetings with John Supra/Mike and I regarding the issues with retroactive eligibility and the problem with KePRO's inability to verify retro coverage. When I told him about this Log, John offered to make contact on the agency's behalf. When John spoke with Mr. Fulton, Mr. Fulton told him that he was not well versed enough on the issues and directed him to yet another staff person. That person, according to John, was not available at the time of his call and upon followed up, John indicated that no one ever called him back.

From: Melanie Giese
Sent: Friday, January 25, 2013 1:02 PM
To: Zenovia Vaughn
Cc: Annmarie McCanne
Subject: log 159

Zenovia

This was addressed to Director Keck from the Chief Financial Officer of McLeod Hospital and logged 11/29/12 for a reply by 12/17/12. Annie tried to clear this log to get an update from you over the past 5 weeks. I received the draft for my signature 1/24/13.

After you have made the changes that I inserted, please call Mr. Fulton personally and apologize for the delay in the Department's response. Also, review each of the answers in the letter with him. I am not going to sign a response letter to a November log. Please contact Annie to close out the log in Brenda's book once you have made the call and documented that in email to me. Let me know if you have any questions. BZ

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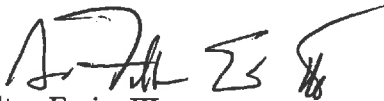
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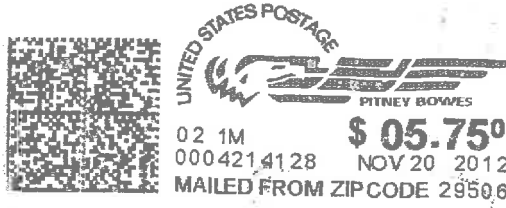
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