

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Wells/Saxon</i>	DATE <i>1-21-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <div style="text-align: center; font-size: 1.2em;">000308</div>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <div style="text-align: center;"> <i>Cleared 4/9/10, e-mail response attached.</i> </div>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>2/11/10</i> <input type="checkbox"/> FOIA DATE DUE _____ 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.			



Carolina Health Centers, Inc.
313 Main Street
Greenwood, SC 29646
Phone: 864-388-0301
FAX: 864-388-0648

January 15, 2010

Colonel Emma Forkner
P.O. Box 8206
Columbia, SC 29202

*My... Shall
We long to find
William, Jeff & Son*

RECEIVED

JAN 20 2010

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Colonel Forkner:


Since you assumed leadership of South Carolina's Medicaid program you have been very responsive to the challenges faced by the state's federally qualified health centers, particularly as it relates to cash flow. I want to thank you for listening to our concerns and implementing some practices that have allowed us to maintain a more even cash flow in the Medicaid managed care environment. Specifically, I want to thank you for implementing quarterly prospective managed care wraps, which have allowed us to anticipate at least a partial payment in a more timely manner. While we greatly appreciate this effort, the process that has been put into practice does not adequately account for the rapid growth in managed care enrollments, particularly in markets such as ours where enrollment in managed care is just beginning to ramp-up. The formula used to compute the estimated wrap payment incorporates an average number of visits from the past four quarters. This seems to be a sound strategy for a health center that has been on managed care for a couple years and has steady, but modest increases in their enrollment numbers. However, it is not so sound for a center that is experiencing very rapid growth each quarter, with as much as 100% increases in enrollment in one MCO alone over the last year.

I respectfully request that you have the Division of Ancillary Reimbursements modify their prospective wrap payment formula to adjust for the rapid growth that is still occurring in managed care plans in a more timely manner.

If you or any of your staff have any questions please don't hesitate to call me.

Sincerely,

Sue Veer, MBA
President/CEO

Log 308


From: Jeff Saxon
To: Debbie Strait, Elizabeth Hutto
Date: 4/9/2010 12:42 PM
Subject: Re: Log Letter #308 (Sue Veer - Carolina Health Centers)

Ms. Hutto:

Please mark this log letter as answered.

Thanks Jeff

-----Original Message-----

From: Debbie Strait
To: Elizabeth Hutto <Huttoe@scdhhs.gov>
Cc: Helen O'Loughlin <OLOUGH@scdhhs.gov>
To: Jeff Saxon <Saxon@scdhhs.gov>

Sent: 4/9/2010 10:25:12 AM
Subject: Log Letter #308 (Sue Veer - Carolina Health Centers)

Jeff and Faye, I spoke with Ms Veer's CFO this morning, Reggie Martin, to explain our position on their request to modify the wrap estimate methodology.

I explained that we did not want to change the methodology for all FQHC providers, but would look at specific provider issues with quarterly wrap estimates on an individual basis. This is based on the fact that Managed Care enrollments seem to be leveling off; also we have used the most recent available quarters (i..e. thru 12/31/09) in the recent June 2010 estimates and our caution to ensure providers do not receive an tentative wrap payment in excess of actual. Reggie appeared to be comfortable with our response and said he would share it with Ms Veer.

Debbie