

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Stensland</i>	DATE <i>8/1/08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000066</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>8/7/08</i>
2. DATE SIGNED BY DIRECTOR <i>Emma Forkner</i> <i>Dep.</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
<i>Re: Transparency Website</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>Cleared 8/5/08, attached.</i>			
2.			
3.			
4.			



## HUGH K. LEATHERMAN, SR.

SOUTH CAROLINA STATE SENATE  
DISTRICT 31, FLORENCE  
AND DARLINGTON COUNTIES

COMMITTEES  
Chairman, Finance  
Chairman, Operations and Management  
Ethics  
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Transportation

111 GRESSETTE SENATE OFFICE BUILDING  
COLUMBIA, SOUTH CAROLINA 29202

(803) 212-6640

July 30, 2008

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

Emma Forkner, Director  
Department of Health & Human Services  
1801 Main Street  
Columbia, South Carolina 29201

Dear Ms. Forkner:

I am enclosing herewith a copy of an e-mail that I recently received from my constituent, Dr. Charles Trant, relative to South Carolina's new Medicaid policy. Dr. Trant certainly makes some compelling arguments against this new list, and I would very much appreciate it if you would address his concerns.

As always, thank you for your assistance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "HKL", followed by a horizontal line.

Hugh K. Leatherman, Sr.  
HKL:dsm

Enclosure  
cc: Charles Trant, M.D.

13-TR/1

**RECEIVED**

AUG 01 2008

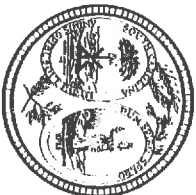
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

**From:** <CTrant@mcleodhealth.org>  
**To:** <SFI@scsenate.org>  
**Date:** 7/23/2008 2:40 PM

As you may know, I am the pediatric cardiologist at McLeod Children's Hospital and I am writing about a new Medicaid policy. According to a recent Medicaid bulletin, the government is going to publish the names of all doctors who have received Medicaid funds along with the amounts paid.

This list is a mistake and will cause irreparable damage. For example, I provide a service to the community where we give a drug called Synagis to protect premature infants and other chronically ill children from a deadly virus called RSV. This service generates about 2 million dollars in Medicaid payments every year in my name. What you won't see on the Medicaid payment list is that the Synagis program costs about 2 million dollars per year and the profits (if any) go to defer losses at McLeod Children's Hospital, but everyone will think I'm getting filthy rich on public funds. Publishing such misleading data will not help the public make health care decisions, will not solve the chronic funding problem, and will make me the target of every watchdog organization in the state. If the Governor wants to make doctors into social pariah's, then tell him congratulations and thank him for the character assassination. With these kind of friends...

Charles Trant MD



State of South Carolina  
Department of Health and Human Services

Mark Sanford  
Governor

August 5, 2008

Emma Forkner  
Director

The Honorable Hugh K. Leatherman, Sr.  
South Carolina Senate  
Post Office Box 142  
Gressette Senate Building  
Columbia, South Carolina 29202

Dear Senator Leatherman:

Thank you for your letter regarding the South Carolina Department of Health and Human Services' (SCDHHS) new Medicaid Provider Transparency Tool and the concerns of Dr. Charles Trant. I am familiar with his complaint and I want to assure you that the intent of this site is not to embarrass physicians nor dissuade them from administering life-saving drugs. The site was developed in conjunction with Gov. Mark Sanford's office and features overall Medicaid payments to health care providers, the number of patients they served and the average cost per patient. The site is a companion to one launched several months ago that provides a detailed look at the agency's administrative expenditures. I believe these sites offer the public useful insight into how their tax dollars are used in support of South Carolinians in need.

Dr. Trant is correct that Synagis is a very expensive drug. In fact, the agency spent more than \$4.4 million for 842 patients on Synagis last year alone. Synagis is classified as a "J Code" drug under Medicaid. J Code drugs include certain injectables that cannot be self-administered by patients. Medicaid reimbursement for these drugs is based on AWP (average wholesale price)-15%. When appropriate, Medicaid also will pay an injection fee, which is billed as a separate code. Dr. Trant's email alludes to issues related to the delivery and billing of Synagis and their impact on McLeod Children's Hospital. SCDHHS is unclear about those specific arrangements, but we would be happy to explore them further.

The agency recognizes the transparency site, while useful, does have limitations. The data presented may require further explanations to get a more a precise picture of the array of services individual providers deliver. We hope it will prompt discussion and motivate the public to learn more about Medicaid. I have instructed our staff to consider feedback from Dr. Trant and others as we work to refine the site in the future. In the meantime, we have added language that helps describe what the site shows, and what it does not. Thank you for your support of the Medicaid program and do not hesitate to contact me about this or any other issue.

Sincerely,

Emma Forkner  
Director

EF:jip

00062  
to close  
✓