

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleron</i>	DATE <i>4-19-07</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER 000667	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Bowling</i> <i>Cleaved 5/17/07, letter</i> <i>attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-30-07</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.			

JAMES H. KOPP, M.D., P.A.
P.O. BOX 769
301 EAST GREENVILLE STREET
ANDERSON, SC 29622-0769

INTERNAL MEDICINE
GASTROENTEROLOGY

CONSULTATION BY REFERRAL
864-224-5689
FAX : 864-225-2349

April 16, 2007

Robert M. Kerr
Director
SC Department of Health and Human Services
P. O. Box 8206
Columbia, SC 29202-8206

RE: Payment Error Rate Measurement

Doc. Swigerton
"Approp. Sign."
CC: Bowling

RECEIVED

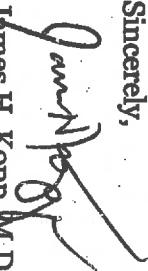
APR 19 2007
Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Mr. Kerr:

I am writing to you in regards to the Medicaid Bulletin dated March 13th. While I applaud all efforts to reduce Medicaid fraud and ensure accuracy of billing for services provided, the claims review process as you have outlined in your letter adds another burden to physicians.

I have never declined referral for a Medicaid patient despite the fact that reimbursement does not even cover my overhead (approximately 70% of gross revenues). Adding the additional burden of supplying medical records without covering the logistical costs, merely adds another financial burden. For me, this may very well be the straw that breaks the camel's back. There comes a time when business decisions need to be made by individual practitioner's as to just how much their financial tolerance can be for Medicaid patients. I would recommend for your consideration that physician practices be reimbursed for supplying medical records as has been set by S.C. state law.

Sincerely,


James H. Kopp, M.D.

JHK:btc

**Post Office Box 8206
Columbia, South Carolina 29202-8206
www.scdhs.gov**

MEDICAID BULLETIN

TO: All Medicaid Providers

The South Carolina Department of Health and Human Services (DHHS) is participating in the PERM program for Federal Fiscal Year 2007 (October 1, 2006 through September 30, 2007). Under PERM, the Centers for Medicare and Medicaid Services (CMS) will measure the accuracy of Medicaid and State Children's Health Insurance Program (SCHIP) payments made by States by choosing a sample of claims for review. CMS is using three national contractors to conduct the PERM reviews:

- SCDHHS and any enrolled providers chosen for the sample are mandated to provide all requested information. Medical records will be needed to support medical reviews in order to determine if the claims were correctly paid. If a claim is selected in the sample for a service that you rendered to a Medicaid recipient, Livanta LLC will contact you for a copy of your medical records supporting the claim.

Understandably, you are concerned with maintaining the privacy of patient information. However, providers are required by Section 1902(a)(27) of the Social Security Act to retain records necessary to disclose the extent of services provided to individuals receiving assistance and to furnish CMS with information regarding any payments claimed by the provider for rendering services. This includes medical records. In addition, the collection and review of protected health information contained in individual-level medical records for payment review purposes is permissible by the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and implementing regulations at 45 CFR, parts 160 and 164.

Generally, to obtain medical records for a claim sampled for review, Livanta LLC will contact you to verify the correct name and address information and to determine how you want to receive the request(s) (by facsimile or U.S. mail) for medical records. Once you receive the request for medical records, federal regulations require that you submit the information electronically or in hard copy within 90 days. Livanta LLC and SCDHHS officials will follow up to ensure that providers submit the documentation before the 90-day timeframe has expired.

It is important that you cooperate with sending in all requested documentation, because lack of response or insufficient documentation will count against SCDHHS as an error. Past studies have shown that the largest cause of errors in the medical reviews was no documentation or insufficient documentation. Therefore, information should be sent in timely and should be complete. If Livanta LLC requests medical records from you and you have questions, please call or email Robin Reed, Livanta's Medical Record Manager, (reed@livanta.com), (301) 957-2317. If you have general questions about PERM, please contact Cindy R. Durrett, Senior Auditor, DCDHHS Division of Audits, (durrett@scdhhs.gov), (803) 898-8881.

Thank you for your continued participation in the Medicaid program

/s/

Robert M. Kerr
Director

RMK/ssm

NOTE: To receive Medicaid bulletins by email, please send an email to bulletin@scdhhs.gov indicating your email address and contact information.

To sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions: <http://www.scdhhs.gov/dhsnew/serviceproviders/efr.asp>

Page # 667



State of South Carolina
Department of Health and Human Services

Merk Sanford
Governor

Susan B. Bowling
Acting Director

May 17, 2007

James H. Kopp, MD
P.O. Box 769
301 East Greenville Street
Anderson, South Carolina 29622-0769

Dear Dr. Kopp:

Thank you for your letter of April 16, 2007, regarding the requirements for the Payment Error Rate Measurement program (PERM) that were the subject of the South Carolina Department of Health and Human Services Medicaid bulletin. Please understand that we do share your concerns, and are trying to ensure that PERM does not present an undue burden on any Medicaid provider. PERM is a requirement of the federal Centers for Medicare and Medicaid (CMS). While CMS has made no provision to reimburse Medicaid providers for the cost of providing medical records, CMS is also working to minimize the burden on any provider asked to supply information for PERM review. Also, only 2,000 claims, out of a total South Carolina Medicaid claims volume of approximately 25 million claims a year, will be chosen for review. Therefore, any individual Medicaid provider has only a small chance of being chosen for the PERM sample. If one of your Medicaid claims does come up in the sample, you would then need to supply only the medical records relevant for that one claim.

If I can answer any more of your questions regarding PERM or assist you in any way, please do not hesitate to call me at (803) 898-8881. Thank you for your continuing support of the Medicaid program.

Kathleen C. Snider

Kathleen C. Snider, Bureau Chief
Compliance and Performance Review

KCS/m

Bureau of Compliance and Performance Review
Division of Audits
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