DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
Myers	1-30-08

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 000100	[ ] Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR Cleared 2/7/08, letter attached.	[X] Prepare reply for appropriate signature DATE DUE 2-8-08
	[ ] FOIA DATE DUE _____
	[ ] 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.			

Respiratory Products, Inc
PO Box 12448
Florence, SC 29504

We have a situation in which we feel we are being treated unjustly. In June of 2006 we were approached for wheelchair by Audrey L. Johnson, ID # 5218762701. Ms. Johnson required a CUSTOM power wheelchair with tilt. This is NOT an off the shelf, sit and go wheelchair. We verified Ms. Johnson's insurance to be Medicaid ONLY.

We obtained the documentation which Medicaid requires for this equipment. We obtained doctor's notes, certificate of medical necessity, and prior authorizations (8/2006 for power wheelchair and 10/2006 for tilt and electronics). We then ordered the wheelchair specially customized for Ms. Johnson. The wheelchair came and we delivered it on 11/07/2006. At the time of delivery, Ms. Johnson still had ONLY Medicaid for insurance coverage.

Now, in January of 2008, we receive a letter from Medicaid stating they are recouping the money they paid for the wheelchair which they authorized. The letter said that they are recouping the money because Ms. Johnson obtained Medicare insurance AFTER we delivered the chair and was made retroactive to before we delivered the chair.

We followed all rules and guides that were in effect at the time we obtained authorization and payment for this wheelchair. The rules and guides for Medicaid at the time and Medicare are not the same. Medicare requires a face-to-face evaluation be performed by the physician. This is usually after a PT/OT evaluation has been performed. Detailed documentation from the patients chart supporting the need for the equipment along with an order for the equipment must be obtained within 45 days of the face-to-face evaluation. Another detailed order listing all equipment and allowable amounts must then be obtained from the physician. The wheelchair must then be delivered within 120 days of the face-to-face.

The wheelchair is a custom ordered wheelchair. This is NOT a chair we can just send back for credit, especially after over a year.

This is over $11,000.00 being taken from our company. This WILL cause the loss of jobs. The jobs lost will be by people who followed all rules and regulations that were in effect at the time.

Log. Myers
Appro. Sign

Billy Sell
Operations Manager
Provider ID 548223

#400

State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

February 7, 2008

Mr. Billy Sell
Operations Manager
Respiratory Products, Inc
Post Office Box 12448
Florence, South Carolina 29504

Dear Mr. Sell:

Thank you for your letter regarding Medicaid's recoupment of payment for products and services provided to Ms. Audrey L. Johnson, IDC#5218762701. The recoupment became necessary due to Ms. Johnson's becoming retroactively eligible for Medicare and, as you know, Medicaid is the payer of last resort.

In the Medicaid Provider Manual, in the TPL (Third Party Liability) Supplement section, page 16 under Retro Medicare, you will find detailed instructions on what to do when you receive a retro Medicare letter for Medicaid. You are expected to file the affected claims to Medicare within the quarter of the Medicaid invoice. After filing to Medicare, you have the option of filing a claim to Medicaid for consideration of additional payments toward the coinsurance and deductible. Requests for reconsideration of the debit must be received with 90 days of the debit. If Medicare denies reimbursement, you may submit a claim to Medicaid for payment.

I hope this information is of assistance to you. Should you have any questions please contact Ms. Michelle Abney at (803) 898-4577. Your continued support of the Medicaid program and the citizens we serve is appreciated.

Sincerely,

James M. Assey, R. Ph.
Division Director

JMA/s

Division of Pharmacy and Durable Medical Equipment Services
P. O. Box 8206 • Columbia, South Carolina 29202-8206
(803) 898-2876 • Fax (803) 255-8353