

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO	DATE
<i>W. Myers</i>	<i>11/30/07</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER 000266	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>12-11-07</i>
2. DATE SIGNED BY DIRECTOR <i>L. M. Jackson</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
<i>Cleared 1/16/08, letter attached.</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.			

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2. DATE SIGNED BY DIRECTOR	<i>L: Mr. Feldman</i>	<input type="checkbox"/> Prepare reply for appropriate signature	DATE DUE _____
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Sumter Hearing Associates

Virginia M. Corley, Ph.D., CCC-A, FAAA
Audiologist

1116-F Alice Drive
Sumter, South Carolina 29150
Phone: (803) 469-7770
Fax: (803) 469-7701
E-mail: sha3@ffc-i.net

Kimberly L. Kelly, M. Aud., CCC-A
Audiologist

RECEIVED

NOV 30 2007

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Ms Emma Forkner, Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

11/27/2007

Dear Ms Forkner,

It is with profound regret that Sumter Hearing Associates will phase out the fitting of hearing aids on children with Medicaid. I have served these children to the best of my ability in Sumter County for 25 years, and it is satisfying and rewarding work. As providers we at Sumter Hearing Associates have always sought to extend the highest standards of care for children in line with national standards. To do this takes training, time, expertise and sophisticated equipment.

Since 2003, the number of audiologists willing to continue to provide services to children needing hearing aids in South Carolina has increasingly dwindled. This is directly related to the fact that Medicaid reimbursement does not come close to breaking even with the cost to provide those services. I have served on a committee for the past 4 years working with representatives of DHHS to address the critical nature of the situation. After countless hours spent on research and written proposals for justification of updating reimbursement for audiologists, I received the final product from DHHS this week in the new Medicaid bulletin.

Much to my dismay, it would appear that all the efforts of the committee were completely ignored. The committee explained that the most critical target reimbursement rates were for codes related to infant diagnostics and pediatric hearing aid services. While there was a slight increase in the diagnostic code, ALI codes related to hearing aid services were cut significantly. For example, it was explained to DHHS that the previous reimbursement rate of \$8.00 for a dispensing fee was not only insufficient for the time involved with fitting a child with hearing aids, it was insulting. The new rate is now \$4.38 for a procedure that takes a minimum of 2 hours of the audiologist's time and requires the use of expensive equipment.

The results of these decisions is that while South Carolina does an exemplary job in identifying infants with permanent hearing loss we are not committed to provide the care and follow up that they need. Children with hearing loss from this area (and in other areas of the state as well) will have to travel to get services, if there is anyone left to travel to. There will be a tremendous increase in the cost of providing transportation when there is a one to two hour drive or more for each appointment. During infancy the frequency of visits may be as often as every two weeks, and this creates a barrier that is insurmountable for some families.

South Carolina has been a model state for newborn hearing screening in many ways and has identified more than 450 babies with hearing loss since 2001. It is inexcusable that South Carolina's Medicaid system will leave families hanging with nowhere to go for rehabilitation once they are informed that their newborn has a hearing loss.

Thank you for taking the time to read this letter, and I sincerely hope that a solution can be found.

Sincerely,

A handwritten signature in dark ink, appearing to read "Virginia Corley".

Virginia Corley, Ph.D., CCC-A, FAAA
Audiologist

Senator Joel Lourie
Senator Phil Leventis
Senator John Land
DHEC Commissioner C. Earl Hunter
AG Bell
South Carolina Academy of Audiology
Tara Carroll, Director of First Sound.
Cynthia Higgins, DHHS

From: Felicity Myers
To: Brenda James
Date: 12/11/2007 7:38 am
Subject: Fwd: LOG 266

need one week extension

>>> Cynthia Higgins 12/10/2007 3:36 PM >>>
LOG 266 is due to J-11 on tomorrow, 12-11-07:
Sumter Hearing Associates
Virginia Corley, Ph.D., CCC-A, FAA

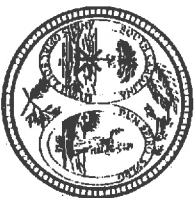
I know that our meeting about this particular Log Letter had to be canceled on Friday (12-7-07). How do you want me to proceed? You probably want to reschedule our meeting, so I may need an extension on the Log Letter's due date. Please advise.

Thanks,

Cynthia W. Higgins, R.N., Division Director
DHHS / Division of Preventive and Ancillary Health Services
1801 Main Street, J-8 Room: 841
P.O. Box 8206
Columbia, South Carolina 29202-8206

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Fax = (803) 255-8222
higgins@scdhhs.gov

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State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

January 16, 2008

Dr. Virginia M. Corley
c/o Sumter Hearing and Associates
1116-F Alice Drive
Sumter, South Carolina 29150

Dear Dr. Corley:

Thank you for your correspondence dated November 27, 2007, regarding Medicaid reimbursement rates for infant diagnostics and pediatric hearing aid services. I appreciate you bringing your concerns to my attention.

Prior to my appointment as the Director of the Department of Health and Human Services (DHHS), the agency worked with the First Sounds Advisory Council under the Department of Health and Environmental Control (DEEC), Division of Children with Special Health Care Needs to address improved access to pediatric audiology services for Medicaid eligible children. As you are keenly aware, this effort took several years, but resulted in the release of a Medicaid bulletin dated November 14, 2007 announcing the Medicaid payment rate changes for the rehabilitative therapy services.

DHHS must base fiscal decisions on multiple factors, including Medicare and market-based rates for services, reimbursement levels in other states, and state appropriated dollars from the South Carolina General Assembly. These state dollars allow us the flexibility to utilize matching federal dollars to run many of our programs. Rate changes involving federal funding require approval from the Centers for Medicare and Medicaid Services (CMS) within the US Department of Health and Human Services. Staff members have been working with the CMS Regional Office in Atlanta regarding our state's proposed rate increases for quite some time and CMS recently approved these rates. Each state's rates are based on population, demographics, socioeconomic needs and the state's ability to pay the match; therefore, rates and services vary from state to state.

During this time period, not only have comparisons been done among the seven southeastern states in Region IV, but also rates from other states that were provided to us from the First Sounds Advisory Council. A deliberate effort was made to address all of the concerns brought forth by the First Sounds Advisory Council; however, not all of the recommendations were met. As stated in the bulletin, these rates were based on a market-based analysis of the reimbursement of our Audiological services or priced at 100% of the 2006 Medicare fee schedule.

Dr. Virginia M. Corley
January 16, 2008
Page 2

A deliberate effort was made to address all of the concerns brought forth by the First Sounds Advisory Council. However, given our limited resources not all of the recommendations were met. As stated in the bulletin, these rates were based on a market-based analysis of the reimbursement of our Audiological services or priced at 100% of the 2006 Medicare fee schedule. Given the reimbursement changes with your historical billing pattern, you will actually see an increase in future billings over past year's billings.

As you are aware, in addition to directly reimbursing Audiologists enrolled with South Carolina Medicaid, South Carolina Medicaid contracts with the DHEC to provide pediatric hearing aids through the Children's Rehabilitative Services (CRS). We reimburse them \$1,000 per hearing aid for children under 21-years of age, including beneficiaries on the Mental Retardation/Related Disabilities (MR/RD) and Head and Spinal Cord Injury (HASCI) Waivers. It is my understanding that DHEC, in turn, contracts with Audiologists across the state. The reimbursement rates to Audiologists would be established by DHEC in these cases.

While access to care for our beneficiaries is always a primary concern for DHHS, it is thought that there is a sufficient number of Audiologists to treat South Carolina Medicaid recipients. Currently, there are 76 Audiologists located in 19 South Carolina counties and 12 Audiologists located within 25 miles of South Carolina state borders who are enrolled with Medicaid. While this distribution is not ideal, this current number of 88 enrolled Audiologist represents the largest number of Audiologists enrolled in South Carolina Medicaid in many years. To assist in access, Medicaid transportation is available to recipients to the nearest Audiologist.

Should you have additional questions, please contact Ms. Cynthia Higgins, Division Director of the Division of Preventive and Ancillary Health Services at (803) 898-2655 to discuss your concerns. Again, thank you for your continued support and participation in the South Carolina Medicaid program.

Sincerely,



Emma Forkner
Director

EF/mhw

cc: Senator Phil Leventis
Senator John Land
DHEC Commissioner C. Earl Hunter
AG Bell
South Carolina Academy of Audiology
Tara Carroll, Director of First Sound