

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Gissel</i>	DATE <i>7-11-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101025</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Fick, Depo, Stenaland Cleared 8/31/11, letter with check.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-20-11</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
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RECEIVED

JUL 07 2011

UNIVERSITY MEDICAL GROUP



Department of Health & Human Services
OFFICE OF THE DIRECTOR

**Female Pelvic
Medicine &
Reconstructive Surgery**

Jeffrey B. Garris, MD
Thomas L. Wheeler II, MD
Karen M. Stewart, MSPAS PA-C

Department of Obstetrics & Gynecology

Donald W. Wiper III, MD
Medical Director/Chairman

Gynecology

Denise A. Broderick, MD
William A. Coleman, MD
Bruce H. Drukker, MD
Kimberly S. Holloway, MD
J. Gregory Johnson, MD
Sabine A. Kelschek, MD
Benjie B. Mills, MD
Cecil L. Quattlebaum, MD
Laura T.H. Wang, MD
Andrea A. Alexander, WHCNP

**Maternal-Fetal
Medicine**

Shelley J. Chapman, MD
John V. Dacus, MD
Eric H. Dellinger, MD
Thompson A. Gailey, Jr., MD
Sharon D. Keiser, MD
Bill C. Mabie, MD
Francis S. Nudhalapaty, MD
Amy H. Picklesimer, MD
Kenneth E. Tofatter, Jr., MD, PhD
Adam B. Tyson, MD

**Reproductive
Endocrinology &
Infertility**

William R. Boone, PhD
David A. Forstein, DO
H. Lee Higdon III, PhD
Bruce A. Lessey, MD, PhD
Creighton E. Likes III, MD
Paul B. Miller, MD

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Spartanburg, SC 29302

2000 E. Greenville Street
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Anderson, SC 29621

June 30, 2011

Anthony Keck

Director, South Carolina Department of Health and Human Services
Bureau of Reimbursement Methodology and Policy
Klondike Bldg, K112

1813 Main St

Columbia, South Carolina 29201-2409

Dear Mr. Keck:

We are writing to you with one voice from three distinct institutions. GHS, MUSC and USC have much in common. We share our commitment to teaching tomorrow's care givers. We are safety nets for our communities. We care for anyone who passes through our doors, regardless of ability to pay. We take care of the sickest patients and take on the most medico-legal risk. We do all this because we are mission driven—we have been for a century or more and will be for another hundred years. It is who we are.

We are well aware of the financial challenges facing South Carolina and DHHS. We are fully committed to being part of the solution to the problems we face. We are committed to high quality care for everyone that needs it and to finding fair and efficient ways to save money. We want to partner with you and DHHS leadership to fulfill our mission—to care for the people of South Carolina, to teach, to do research and to find new and innovative ways to practice medicine.

We do have several concerns regarding the DHHS plans to reduce rates of reimbursement for cesarean deliveries to a level below that for vaginal deliveries and would like to provide some thoughts regarding this proposal:

- Cesarean section rates in South Carolina are NOT out of line with those across the country and yet we deal with an extraordinarily high "at risk" population of women – the factors contributing to high rates are NOT under our direct control (e.g., obesity; diabetes; hypertensive disorders; multiple gestations; teen pregnancy; prematurity; fetal malpresentations; and a host of liability concerns).
- Cesarean sections ARE major operative procedures that carry significant risks, especially, when repeat procedures are warranted and already are not reimbursed at the rates for other major abdominal procedures.
- Cutting reimbursement for cesarean sections across the board will NOT be a disincentive to performing cesarean sections – indeed it is more likely to have the opposite effect. (e.g., why would an OB provider want to sit with any "at risk" patient for 24 hr in labor and then have to perform a cesarean when it could have just been done at the outset!).

- Cutting reimbursement may well drive providers, particularly in rural areas, away from practicing Obstetrics because they are already functioning on a very small margin for the time and liability involved – this will ultimately restrict access to care and INCREASE overall health care costs.
- Truly INDICATED cesarean sections should be reimbursed AT LEAST the same if not more than that for a vaginal delivery – perhaps differentiated from elective cesareans by specific diagnostic codes. (The MFM collaborative group could assist in identifying appropriate diagnostic codes if this is something with which your department would want some assistance).
- OB cases at tertiary care and Regional centers necessarily involve more cesarean sections because of the complexity of patient care involved – we collectively do the majority of VBACs in the state, most of the multi-fetal gestation deliveries, a huge share of the high risk pregnancies—all factors that result in more Cesarean sections. Cutting C/S reimbursement disproportionately hurts our institutions that care for the most difficult cases. We are fully supportive of efforts to decrease elective primary C/S rates. We feel cutting the rates across the board is not the way to accomplish this.
- Such large reimbursement cuts will have profound negative impacts on our departments and the complex patients we care for who often need Cesarean sections and often need MFM expertise to guide them safely through pregnancy. It is very possible that we may have to downsize our MFM practices and make these services less available which would ultimately drive up health care costs. MFM driven regional perinatal programs and networks have clearly proven their financial worth over the years. Hurting that infrastructure would be a mistake.

As DHHS moves ahead with addressing budgetary issues, we hope you would take these thoughts into consideration. If there is anything we can do to assist in the current and future planning of the agency, we are more than willing to participate as we have done in the past. We fully support the efforts to improve the efficiency of care, but this must not be done without maintaining and improving the quality of Obstetrical care in South Carolina or the results in the long run will be even more costly.

Sincerely yours,

Donald W. Wiper MD, Chairman Ob-Gyn Greenville Hospital System

J. Peter Vandorsten MD, Chairman Ob-Gyn Medical University of South Carolina

Judy Burgis, MD, Chairman Ob-Gyn University of South Carolina

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

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cc: CST
cc: 2016-
cc: 4H
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TO	DATE
Gise Williams	7-11-11

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APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer)	COMMENT
1.	8-24-11		
2.	8-24-11		
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Log #25

August 31, 2011

Donald W. Wiper, M.D.
J. Peter VanDorsten, M.D.
Judy Burgis, M.D.
890 West Faris Road, Suite 470
Greenville, South Carolina 29605

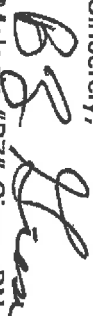
Dear Drs' Wiper, VanDorsten and Burgis:

Thank you for your letter regarding reductions of Cesarean Sections verses vaginal deliveries for Medicaid beneficiaries. We appreciate and value your perspective.

The South Carolina Department of Health and Human Services has met with both the Maternal Fetal Medicine (MFM) Collaborative, and the OB/GYN Association, to discuss possible ways to take money out of the system while maintaining a high level of care for our beneficiaries. During these meetings, we received input on ways to reduce the number of non-emergency cesarean sections being performed throughout the state. As we continue to work with these providers, we will discuss various options for payment reform, which addresses not only a possible global rate for deliveries, but also paying for improved health outcomes.

We appreciate your continued partnership and participation in the South Carolina Medicaid program. If you have any additional questions please feel free to contact Ms. Maureen Ryan, Team Leader in the Division of Physician Services at (803) 898-2551.

Sincerely,


Melanie "BZ" Giese, RN
Deputy Director

MG/ws