

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>1-3-08</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOC NUMBER <i>000324</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>1-14-08</i>	<input type="checkbox"/> Necessary Action DATE DUE _____
<p>2. DATE SIGNED BY DIRECTOR</p> <p><i>Clear per Dr. Burtson on 1/4/08, will use same response from log #290. Attached are 1/22/07, are attached letter.</i></p>			

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



December 10, 2007

Stan Watson
Vice President of Government Affairs

1850 Parkway Place
6th Floor
Marietta, GA 30067
www.matria.com
(770) 761-8047 (Office)
(800) 759-1612 Ext. 8047 (Voice Mail)
(770) 761-7809 (Fax)
stan_watson@matria.com

THE HEALTH ENHANCEMENT COMPANY

O. Marion Burton, MD
Medical Director
South Carolina Dept. of DHHS
P.O. Box 8206
1801 Main Street
Columbia, SC 29202



JAN 03 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Dr. Burton:

Matria Healthcare and South Carolina Medicaid have enjoyed a great collaboration for the past six (6) years.

However, it has come to our attention that the Department of Medicaid is considering reducing the reimbursement for our Terbutaline Pump Service.

It has been discovered that your change is in reference to the amount paid by North Carolina Medicaid. Please be advised that the State of North Carolina reimbursement is based on the therapy being paid as *Infusion Therapy* which under HIPPA and CMS is a significantly lesser amount than *Durable Medicaid Equipment* pays providers.

Matria Healthcare has not had a price increase for this therapy service since the original price of \$210 was established in 2001.

Your reimbursement of \$210 is the lowest DME reimbursement in the Nation. Additionally, at our last visit on June 28, 2007, Dr. Gary Stanziano presented to you a 2006 clinical and cost benefit analysis outcome report that demonstrated a \$5.79 - \$1.00 return on investment (ROI). We do not agree to any decrease in the current reimbursement amount.

We would like to continue to provide great clinical and cost effective outcomes for South Carolina Medicaid. However, decrease in current reimbursement and strict clinical guidelines would inhibit Matria from continuing our progress.

Dr. Burton
December 10, 2007
Page 2 of 2

Please call us if there are any questions about our concern for this Pregnancy Management Option for high-risk Medicaid pregnancies.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Stan', written in a cursive style.

Stan Watson
Vice President of Government Affairs
Matria Healthcare, Inc.

Enclosures

Log #290



State of South Carolina

Department of Health and Human Services

Mark Sanford
Governor

Bonnie Folkner
Director

December 20, 2007

Mr. Stan Watson
Vice President of Government Affairs - Matria
1850 Parkway Place - 6th Floor
Marietta, Georgia 30067

Dear Mr. Watson:

Thank you for your letter regarding coverage of the Human Uterine Activity Monitor (HUAM) by South Carolina Medicaid. As you know, we have recently completed a comprehensive review of HUAM coverage based on our current policy for utilization and reimbursement. Consideration of the clinical criteria for services for pregnancy management of high-risk Medicaid recipients was also factored into our decision making process. Our medical director and staff have solicited information on this matter from obstetricians and gynecologists caring for Medicaid beneficiaries. We have inquired of our sister states' Medicaid programs and have discovered that not all of them cover HUAM services. Additionally, when we looked at coverage by North Carolina Medicaid, we discovered that their reimbursement level was \$180 per day compared with South Carolina Medicaid's \$210 per day for comparable services by Matria.

Although a final decision has not been made, it is our desire to continue coverage of HUAM for those individuals that meet our criteria for high-risk pregnancies but to address the current criteria that allows coverage. We are also evaluating the need to reimburse HUAM services based on the North Carolina rate, even if we have to reimburse HUAM services as Infusion Therapy as North Carolina Medicaid has chosen to do.

Thank you for providing us with information regarding HUAM that we have received from Matria employees. We will communicate any changes in our policy through a Medicaid Bulletin.

Sincerely,


Felicity Myers
Deputy Director

FM/gas

cc: The Honorable Michael L. Fair
The Honorable Harvey S. Peeler
The Honorable Leon Howard

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

ACTION REFERRAL

TO <i>Myers / Burton</i>	DATE <i>1-3-08</i>
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2. DATE SIGNED BY DIRECTOR <i>Close per Dr. Burton on 1/4/08. Myers sent letter from Log # 290 (Giese)</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>1-14-08</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

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December 10, 2007

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O. Marion Burton, MD
Medical Director
South Carolina Dept. of DHHS
P.O. Box 8206
1801 Main Street
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JAN 03 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

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Dr. Burton
December 10, 2007
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Stan Watson
Vice President of Government Affairs
Matria Healthcare, Inc.

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

OK with Mary on close out letter.

ACTION REFER

TO <i>Myers</i>	DATE <i>12-13-07</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER 000290	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-27-07</i>	<input type="checkbox"/> FOIA DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>+ #324</i>	<input type="checkbox"/> Necessary Action		

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December 10, 2007

Log: Myers
app. sig

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THE HEALTH ENHANCEMENT COMPANY

Melanie "BZ" Giese
Bureau Chief
Bureau of Health Services
South Carolina Dept. of DHHS
P.O. Box 8206
1801 Main Street
Columbia, SC 29202



DEC 19 2007

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. Giese:

Matria Healthcare and South Carolina Medicaid have enjoyed a great collaboration for the past six (6) years.

However, it has come to our attention that the Department of Medicaid is considering reducing the reimbursement for our Terbutaline Pump Service.

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Ms. Melanie "BZ" Giese
December 10, 2007
Page 2 of 2

Please call us if there are any questions about our concern for this Pregnancy Management Option for high-risk Medicaid pregnancies.

Sincerely,



Stan Watson
Vice President of Government Affairs
Matria Healthcare, Inc.

Cc: Senator Michael L. Fair
Senator Harvey S. Peeler, Chairman
Representative Leon Howard, Chairman