

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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>9-29-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000183</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Ms. ForKner</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-8-08</i>
<i>Close - Emma & Dr. Burston comp. called.</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.			
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TO Emma Fulkerson Atter's Jan - J called this can be webged	DATE 9-29-08
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MUSC

WOMEN'S HEALTH

Gynecology & Obstetrics
96 Jonathan Lucas St • Ste 634
PO Box 250619
Charleston • SC 29425

(843) 792-4500
FAX (843) 792-0533

September 22, 2008

Emma Forkner
Director, SC DHHS
PO Box 8206
Columbia, SC 29202-8206

Dear Ms. Forkner,

I am writing about the recent Medicaid Bulletin dated September 10, 2008; wherein, you outline significant cuts in reimbursement for services related to obstetrical care.

Following are a number of points that are particularly concerning:

1. The reduction in delivery reimbursement from \$1,200 to \$1,000. This translates directly into a 17% cut, which is excessive by any standard and especially relative to the other decreases.
2. The adjustment of overall fees to 84% of the 2008 Medicare Fee Schedule. Given that each obstetrical patient will need to be seen 10-13 times on average with two to three ultrasounds, this change results in an additional (approximate) 7% cut in reimbursement. Since we also care for a majority of the high-risk obstetrical patients in the Low Country Perinatal Region and the number of visits and ultrasounds for these patients can be substantially higher than the average, the impact on maternal fetal medicine (MFM) is even more pronounced.
3. The October 1, 2008 effective date. Clearly, you must realize that two weeks notice is far less than optimal.

While I very well understand the need to reduce expenditures, I worry that your decision will have a devastating effect on mothers and babies across South Carolina. The Medicaid population is already fragile, and the proposed changes will not only negatively impact access to care, but also outcomes. This would be tragic since we already rank 46th in preterm births and 47th in infant mortality. Clearly, the perceived 'savings' with these changes will be negated as providers may well refuse to see Medicaid patients, which, in turn, will affect outcomes as mothers will not get their much needed prenatal care, thus

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delaying or even impeding efforts towards early intervention for problems for mothers and/ or babies. As you well know, the investment in prenatal care improves outcomes and ultimately helps reduce overall expenses.

Undoubtedly, the reductions are crushing to a group like ours at MUSC. We see a large proportion of Medicaid patients and our patients tend to be more complicated and resource-intensive, so the cutbacks impact us disproportionately. In fact, since inflation is typically 3 – 5%, the overall real effect will be more like a 25 – 30% decrease in reimbursement. While we obviously want to continue to care for the Medicaid population, the changes, as you have outlined, make it more and more difficult to do so.

We have come so far since 1989 when DHHS and the obstetrical community worked collaboratively to expand Medicaid eligibility, ease the process of becoming Medicaid eligible, and improve the reimbursement for deliveries from an unconscionable \$200. These watershed changes led to improved access to care and better outcomes as more providers were willing to see patients with Medicaid and they were willing to do so in a more timely fashion. The recent policy changes seem counterproductive however, and the decision to further reduce payments will only reverse our progress.

Please, I urge you to reconsider the \$200 reduction in delivery fee. Though this will not remedy the situation entirely, it will go a long way in the perinatal community. If you will, please contact me at (843) 792-4509 as I would appreciate the opportunity to meet with you on this matter.

Respectfully,



J. Peter Van Dorsten
Professor and Chair
Department of Obstetrics and Gynecology

cc: Governor Mark Sanford

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1.			<i>Good copy</i>
2.	<i>Brown</i>	<i>ok</i>	<i>go to state</i>
3.	<i>PD</i>	<i>& Dr</i>	<i>Parsons</i>
4.			<i>at.</i>



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