

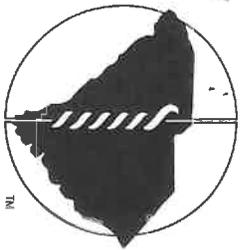
**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Mylers</i>	DATE <i>9-5-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER <i>100129</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mrs. Farkner Closed 9/15/08, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-16-08</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.			



South Carolina Medical Association

Voice of One. Power of Many.

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www.scmamet.org

September 3, 2008

Col. Emma Forkner, Director
Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202

RECEIVED

SEP 05 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Director Forkner,

I write to you during this time of budgetary hardship for our entire state to request your sincere consideration of a potential outcome of the fiscal decisions you have been forced to make as a result of the additional mid-year reductions to your agency coffers.

The difficult choices you are faced with on a daily basis as head of such a vital organization to our state's health care is without question a daunting task. In light of the Budget and Control Board's mandated three percent state budget reduction, I understand that Medicaid reimbursement rates for physicians is a target to accommodate this legislative order within the Department.

As you are aware, the South Carolina Medical Association has worked diligently throughout the course of the last two legislative budget cycles to secure additional funding to increase the total reimbursement rate for physicians across the state. Unfortunately, decreasing existing rates will negate the product of those additional funds and only bring us back to where we started. Patient access to care continues to plague health care in our state and I would respectfully ask that you protect the current rate percentage during your challenging deliberations.

Thank you for your commitment to the quality of South Carolina's health care and for your careful consideration of this request. As always, please let me know if I can be of assistance to you in any way.

Sincerely,

Gregory Tarasidis, MD
Chairman
South Carolina Medical Association



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

September 15, 2008

Emma Forkner
Director

Gregory Tarasidis, MD
Chairman, South Carolina Medical Association
Post Office Box 11188
Columbia, South Carolina 29211-1188

Dear Dr. Tarasidis:

Thank you for taking the time to write me about the mid-year budget reductions. The 3% reduction mandated by the state Budget and Control Board translated to \$28.5 million in state funds for our agency alone. As you can imagine, this has been an extremely difficult albeit necessary task. The Medicaid Bulletin detailing the cuts can be viewed at www.scdhhs.gov and a copy is also enclosed.

Our main goal in approaching these reductions was to ensure that we did not disproportionately harm any one segment of the provider community. I believe we have been successful, although I realize some may disagree. The reality is that even minor changes to reimbursements may be enough to cause some providers to reconsider their voluntary participation with the Medicaid program. It is my sincere hope that providers will resist that temptation and continue to serve the large number of South Carolina residents in need.

The South Carolina Medical Association has been a staunch advocate both for its members and the patients they serve. You have also been a vital ally of the Medicaid program and its mission. While I cannot reverse the actions of the Budget and Control Board, I can promise that the agency will join you in advocating for additional funds in the future to restore provider rates. Please feel free to contact me directly if you wish to discuss this issue further. As always, thank you for your support.

Sincerely,

A handwritten signature in blue ink that reads 'Emma Forkner'.

Emma Forkner
Director

EF.jp
Enclosure

Log 129
to close

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES

Post Office Box 8206

Columbia, South Carolina 29202-8206

www.scdhhs.gov

September 10, 2008

MEDICAID BULLETIN

To: Medicaid Providers

Subject: Budget Reductions

On August 12, 2008, the South Carolina Department of Health and Human Services (SCDHHS) received notification from the South Carolina Budget and Control Board that the agency's base budget of recurring General Funds must be reduced by 3%, which equates to more than \$28.5 million in state funds and \$90 million in total dollars. In order to safeguard the financial viability of the Medicaid program and meet statutory requirements for the operation of Medicaid programs, SCDHHS must take prompt action to contain Medicaid costs. The agency has made an effort to be as equitable as possible within the flexibility it has in distributing the reductions. The intent is to try to limit the impact on any one group of providers or beneficiaries as much as possible.

Below is a list of reductions and policy changes that will take effect on **October 1, 2008**. Additional details on individual items listed below will soon be available at <http://bulletin.scdhhs.gov>

/s/

Emma Forkner
Director

EF:sg

Please note: In an effort to reduce our own administrative expenses, SCDHHS will stop mailing paper bulletins to providers. If you have not already done so, you must visit <http://bulletin.scdhhs.gov> and register to receive e-bulletins.

Fraud & Abuse Hotline 1-888-364-3224