

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Basking</i>	<i>7-13-06</i>

DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER	000076	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	
2. DATE SIGNED BY DIRECTOR	<i>Cleared 12/8/06, letter attached.</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-24-06</i> 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.			



Select Health

of South Carolina, Inc.

RECEIVED

JUL 1 2 2006

**MEDICAL SERVICES
DHHS**

J. Michael Jernigan
President and CEO

July 5, 2006

Susan B. Bowling
Deputy Director
Department of Health and Human Services
PO Box 82036
Columbia, SC 29202

Log for

Susan

RECEIVED

JUL 1 3 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms. *Bowling* *Susan*

We received your letter dated June 26, 2006 denying our request for approval of the network in Kershaw County. The reason for the denial was based on the fact that Select Health does not have OBGYN and Hospital coverage.

Based on the trend report provided by DHHS, over 50% of the OBGYN services are performed outside Kershaw County. The report from the Office of Research and Statistics (ORS) indicates that over 50% of the hospitalization services are performed outside the county.

We have been in favorable negotiations with Kershaw Hospital and on several occasions paid claims for services performed that had not been authorized. We have also had meetings with a large multi-specialty group who has advised us that they will recommend that the OBGYN office contract with Select Health. In our experience, once marketing begins in a county, providers have a more urgent need to move forward with contracting.

Is this y

Precedent has been established for approving networks without hospital or OB-GYN services for Unison Health Plan in Darlington and Marion Counties. We would ask that the same consideration be extended to Select Health of South Carolina and respectfully request that we be permitted to market in Kershaw County with the network recently submitted.

Sincerely yours,

Mike

J. Michael Jernigan
President and CEO

PO Box 40849

Charleston, SC 29423

(843) 569-4600

FAX (843) 569-7228

mike.jernigan@selecthealthofsc.com

www.selecthealthofsc.com



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Robert M. Kerr
Director

December 8, 2006

Mr. J. Michael Jernigan
President & CEO
Select Health of South Carolina, Inc.
Post Office Box 40849
Charleston, South Carolina 29423

Dear Mr. Jernigan:

Thank you for your inquiry regarding the network for Kershaw County. I apologize for the delay in responding.

According to the local trend analysis utilized by the agency and sent to Select Health in September 2006, 60.6% of Obstetrical and Gynecological (OB/GYN) services provided to Kershaw County residents are performed within the county. Based upon this data, the network of care for Kershaw must include the local hospital and local coverage for OB/GYN services in order for it to be approved.

Regarding your concern that precedent has been set in Darlington and Marion Counties, no exceptions were made for Unison. Local trend analysis was used to establish network requirements before either county was approved. Each county has unique needs that must be satisfied to ensure that high quality, accessible health care is available to the Medicaid beneficiaries.

Please contact Mr. Mark McKenna, Department Manager for Managed Care, at (803) 898-2818, should you need further information related to Kershaw County and network requirements.

Sincerely,

A handwritten signature in blue ink that reads "BZ Giese".

Melanie "BZ" Giese, RN
Bureau Director

MG/ghm

Log # 76
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