

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

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>10-2-08</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>300186</i>	<input type="checkbox"/> I Prepare reply for the Director's signature DATE DUE _____ <input type="checkbox"/> I Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> I FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action
2. DATE SIGNED BY DIRECTOR <i>Cleaved 10/8/08, letter attached.</i>	

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

JAMES B. EDWARDS, III, M.D.
Certified American Board of Obstetrics & Gynecology
Fellow American College of Obstetricians & Gynecologists



W I N Y A H
WOMEN'S CENTER, LLC

HENRY D. SALTER, III, M.D.
Certified American Board of Obstetrics & Gynecology
Fellow American College of Obstetricians & Gynecologists

RECEIVED

UCL 02 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

September 25, 2008

S.C. DHHS

Attn: Emma Forkner, Director
PO Box 8206
Columbia, SC 29202-8206

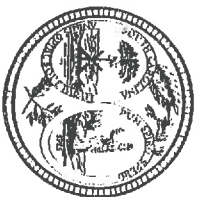
Dear Ms. Forkner:

I have today (September 25, 2008) received a copy of the Medicaid bulletin dated September 10, 2008 informing me that the payment made for obstetric delivery whether vaginal or by cesarean section will as of October 31 be reduced to \$1000.00 from \$1200.00 for Medicaid beneficiaries. I have long been a participant in the Medicaid program as I practice in Georgetown County. As I am sure you understand, the practice overhead for obstetricians has increased almost exponentially over the past eight years. I presently pay \$58,000 a year for professional liability insurance. I have never had a malpractice judgment of any kind in my long career. With this action that South Carolina Department of Health and Human Services must take beginning October 31 I am sad to say that I will probably have to severely curtail the number of pregnant Medicaid patients seen in my obstetric practice or perhaps even eliminate them entirely. We in obstetrics have simply reached a tipping point and a line beyond which we can no longer reduce our fees and remain viable in private practice. I certainly hope that the state will find some means to reverse this policy before it is implemented as I fear that it will impact the care of pregnant Medicaid recipients on a wide scale.

Very truly yours,

James B. Edwards, III, MD

JBE/khc



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

October 8, 2008

Emma Forkner
Director

James B. Edwards, III, M.D.
Winyah Women's Center, LLC
1306 North Fraser Street
Georgetown, South Carolina 29440

Dear Dr. Edwards:

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. We anticipate even more cuts in the near future. As you can imagine, reducing a health care budget is an extremely difficult albeit necessary task.

The points in your letter are well taken, and I am sympathetic to your concerns. I had the opportunity to visit with some of your colleagues recently who shared with me the challenges facing your profession, including disproportionately high liability insurance and issues of compensation related to the treatment of the state's growing Hispanic population.

Since deliveries are a large part of our Medicaid service expenditures, it would not be possible to make these necessary reductions without including them. I have attached a rate schedule to this letter that details the impact of the changes to some of the services you provide. As you can see, while delivery rates have decreased, the percentage of reimbursement is still significantly above the Medicare benchmark (see codes 59409/59514).

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.

I am confident the General Assembly will consider these and other issues affecting providers when they begin budget deliberations. If additional funds are made available, I can assure you we will advocate for restoring rates to their former levels. Thank you again for your input and your service to Medicaid recipients.

Sincerely,

Emma Forkner
Director

EF:jip

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to 61078
✓

JAMES B. EDWARDS, III, M.D.
Certified American Board of Obstetrics & Gynecology
Fellow American College of Obstetricians & Gynecologists



HENRY D. SALTER, III, M.D.
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OCT 16 2008

Department of Health & Human Services
OFFICE OF THE DIRECTOR

October 9, 2008

Ms. Emma Forkner, Director
Dept. Of Health & Human Services
State of South Carolina
PO Box 8206
Columbia, SC 29202-8206

Dear Ms. Forkner:

In your response to my letter you stated that you were enclosing some type of rate schedule that you wanted me to see. Unfortunately that enclosure did not make it into the envelope with this letter. I would be interested in seeing that information. Due to the fact that our overhead continues to increase at a rapid rate I will be forced to reduce the number of Medicaid OB patients that I see so that I can accept more private patients.

Thank you for your letter of October 8th, 2008.

Very truly yours,

James B. Edwards, III, MD

JBE/khc



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

FAX COVER SHEET

“CONFIDENTIAL INFORMATION ENCLOSED”

DATE: 10-16-08

TO: Dr. Edwards

Telephone #: _____

Fax #: _____

FROM: Jan Polatty - 898 2504

Total Number of Pages Transmitted: 2 (Including Cover Sheet)

COMMENTS:

Dr. Edwards - Here is the rate schedule
omitted from your correspondence from us. I do
apologize for the oversight.
Thanks, Jan

Confidentiality Note

This message is intended for the use of the person or entity to which it is addressed and may contain information, including health information, that is privileged, confidential, and the disclosure of which is governed by applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this information is STRICTLY PROHIBITED. If you have received this in error, please notify us immediately and destroy the related message. Thank you.

Medical Labor and Delivery		SC Medicaid						2007 Medicare		2008 Medicare	
		Before 10/1/2008			After 10/1/2008			Vaginal	C-Sect	Vaginal	C-Sect
		Rate		Percentage	Rate		Percentage				
99203	Initial OB Exam	\$73.50	\$73.50	86.01%	\$71.16	\$71.16	83.99%	\$85.46	\$85.46	\$84.72	\$84.71
99213	OB Visits Unlimited (10 visits on a normal preg.)	\$48.12	\$481.20	86.01%	\$47.31	\$470.31	83.51%	\$559.50	\$559.50	\$563.20	\$563.20
59000	Amniocentesis	\$99.74	\$99.74	86.00%	\$95.54	\$95.54	84.00%	\$115.98	\$115.98	\$113.74	\$113.74
76946	Ultrasound Guidance of Amnio	\$51.94	\$51.94	86.01%	\$42.36	\$42.36	84.00%	\$60.39	\$60.39	\$50.43	\$50.43
59412	External Version	\$77.68	\$77.68	86.00%	\$74.36	\$74.36	84.00%	\$90.33	\$90.33	\$88.52	\$88.52
59430	Post Partum Visit 1 Only	\$103.57	\$103.57	86.00%	\$99.89	\$99.89	84.00%	\$120.43	\$120.43	\$118.92	\$118.92
76801	Ultrasound <14 weeks	\$101.83	\$101.83	86.00%	\$100.44	\$100.44	84.00%	\$118.41	\$118.41	\$119.57	\$119.57
76805	Ultrasound >14 weeks	\$105.63	\$105.63	86.00%	\$108.20	\$108.20	84.00%	\$122.82	\$122.82	\$128.81	\$128.81
76818	Biophysical Profile	\$91.98	\$91.98	86.00%	\$92.12	\$92.12	84.00%	\$106.95	\$106.95	\$109.67	\$109.67
59025	Fetal Non stress test (unlimited) average 3 if normal pregnancy	\$31.82	\$95.46	86.00%	\$32.57	\$97.91	84.18%	\$111.00	\$111.00	\$116.31	\$116.31
59409/59514	Vaginal Delivery/C-Section	\$1,200.00	\$1,200.00	178.30% / 150.84%	\$1,000.00	\$1,000.00	152.05% / 128.60%	\$673.02	\$795.53	\$657.66	777.63
Total Per Pregnancy			\$2,482.53	114.70% / 108.56%		\$2,252.29	104.68% / 99.15%	\$2,164.29	\$2,286.80	\$2,151.55	\$2,271.51

TRANSMISSION VERIFICATION REPORT

TIME : 10/16/2008 11:01

DATE, TIME
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