

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

ACTION REFERRAL

TO <i>Murphy</i>	DATE <i>5/29/09</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100562</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>C: Emma Sweeney</i> <i>Cleared 6/9/09, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>6/9/09</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.			

Advanced Women's Care

Obstetrics * Gynecology * Infertility

B. Edward O'Dell, M.D.
C. Dale Lusk, M.D.

J. Michael Davidson, M.D.
Paul E. Chandler, M.D.

Mark A. Hughes, M.D.

05-13-2009

RECEIVED

Ms Emma Forkner, Director

Department of Health and Human Services

PO Box 8206

Columbia, SC 29202-8206

MAY 29 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Dear Ms Forkner:

I am an OB/GYN physician in Florence, SC and participate in the state Medicaid program. I am very well aware of the current fiscal crisis the state faces due the national economy. However, I thought you might want to know about a problem we are facing in regards to contraception reimbursement.

The Mirena IUD is very popular choice for contraception for many of our Medicaid patients. This device provides contraception for 5 years with minimal compliance on the patient's part. We usually place these devices after a pregnancy. This cost is much less than what it would cost for 5 years of oral contraceptive pills which requires much more compliance from the patient. The device costs our practice \$480.81. Medicaid currently reimburses our practice \$461.21 for the cost of a Mirena IUD. Medicaid pays us \$59.69 to place the IUD. After the shortfall in reimbursement our net payment is \$41.09. This payment barely covers our overhead. The placement is not without risks and extensive counseling is required prior to placement.

We are now forced to discontinue this service to our Medicaid patients. Our patients do have the option to have the device placed at the state health department. I feel compliance would be better having patients have the devices placed in our office especially since we have already established a relationship with the patients. Avoidance of unwanted pregnancies will reduce cost to state and well as reduce pregnancy terminations and unwanted pregnancies.

Please consider at least covering our cost on the devices. Remember, we took a 17% reduction already with our C-Sections and other reimbursements.

Thank you for your consideration of this matter.

Sincerely,

Michael C. W.D.

Paul Chandler MD FACOG



State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Forkner
Director

June 9, 2009

Paul Chandler, M.D.
Advanced Women's Care
901 East Cheves Street, Suite 200
Florence, South Carolina 29506

Dear Dr. Chandler:

Thank you for the recent letter regarding the cost associated with the Mirena IUD and Medicaid's reimbursement.

The South Carolina Department of Health and Human Services (SCDHHS) has been faced with very difficult decisions during this fiscal year in managing unprecedented budget cuts with limited avenues to reach the required reductions. We continue to review our financial position as it relates to all services, but are unable to adjust the reimbursement rate for injectable codes, such as the Mirena IUD, at this time. If circumstances improve, we will reassess our reimbursement for injectables.

We appreciate your continued support of the South Carolina Medicaid program. If you have additional questions, please do not hesitate to contact Ms. Erica Dimes, Team Leader in Physician Services, at (803) 898-2660.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Myers".

Felicity Myers, Ph.D.
Deputy Director

FM/gws

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