


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

*preparer
to
change
necessary
action*

TO <i>Myers / Hamilton</i>	DATE <i>11/15/09</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>100526</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>E. Forkner</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" 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.			
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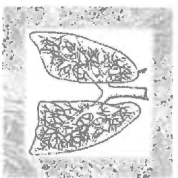
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Myers</i>	DATE <i>5/15/09</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>101626</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>E. Fortner</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____		
<input checked="" type="checkbox"/> FOIA DATE DUE _____			
<input checked="" 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.			
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4.			



Down East
Respiratory
SERVICES INC.

700-B CROMWELL DRIVE • GREENVILLE, NC 27838
TEL 252.830.2094 • FAX 252.355.7358

April 21, 2009

RECEIVED

MAY 05 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

Mr. Brian Kost
Dept. of Health & Human Services
Office of Public Information
P.O. Box 8206
Columbia, S.C. 29202

Dear Mr. Kost:

I had the pleasure of talking with Susan Duncan this morning. After talking with her she expressed interest in our current Asthma Outreach and Chronic Respiratory programs operating in North Carolina.

Ms. Duncan directed me to contact you regarding our program, and forward to you the initial necessary information for your viewing.

I will first introduce myself to you, my name is Pam Kirkland and I am one of the Asthma Outreach Coordinators, and operations manager for Down East Respiratory Service Inc. located in Greenville, North Carolina. Our company represents one of similar respiratory companies in North Carolina that provides respiratory services and education for Asthma and Chronic respiratory care to pediatric patients. We have been in operation in North Carolina since 1995, and a member of the Pitt County Chamber of Commerce.

Several years ago in conjunction with North Carolina Medicaid, we assisted in the development of a respiratory service program which can and continues to save Medicaid a considerable amount of money over the years.

Specifically speaking about asthma problems, programs such as ours will significantly narrow the gap between physicians and caregivers. In North Carolina there are many types of "asthma programs" offered.

Unfortunately, in our opinion these programs alone create a large gap between the physicians and caregivers. I will define the “gap” as being the great majority of the asthma programs offered usually consist of a meeting once a month, and providing written information to caregivers and sometimes young patients. As you well know, after the meeting, there is usually very little if any follow up and in many cases, a non compliance by the caregivers to actually continue the asthma education in the home. These programs help in some cases, but do not attack the solution to the problem. What this creates is the unnecessary and the misuse of emergency rooms rather than a physician office visit. This could possibly have been prevented with the use of a different approach. The use of emergency rooms across the United States is sadly abused, and at a tremendous cost to the insurance carriers, primarily to the Medicaid Programs.

Down East Respiratory Services, Inc. has taken a different and a successful approach to narrowing the “gap” by providing a totally “hands on” service to the pediatric population. Please refer to the Asthma Outreach Services outline on how Down East Respiratory Services implements our program.

I am also providing you with a copy of the N.C. Medicaid Guidelines we follow. I believe you will see how implementing a program similar to the one used in North Carolina may save South Carolinas medical costs as well. The cost of one ER visit alone is a far greater cost to the Medicaid system than the cost of paying a respiratory therapist to provide periodic hands on evaluation and treatment sessions. We have experience that many times an ER visit ends up being an overnight stay which again increases the cost to Medicaid. We have experienced much success in reducing the number of ER visits for our patients.

I am also providing you with a copy of the CPT Codes and reimbursement rates currently used by a company such as Down East Respiratory Services. We are currently working on a proposal that would provide respiratory services with a specific set of codes that only apply to services such as ours.

The hands on services provided by Down East Respiratory Service, Inc. plays a significant role in the decrease of ER visits and hospitalizations, and has reduced the cost to our Medicaid system. It is much more effective to

have a licensed respiratory therapist visit the children in their natural environment than to continue to have our emergency rooms utilized as a primary care provider. Our company has experienced many children in our program that previously were experiencing 4-5 hospital stays and multiple ER visits a year. After participating in our program, some hospital stays were decrease to only 1, and ER visits decreased dramatically. Many of our children have experienced no ER visits and no hospitalizations after participating in our program and receiving the hands on therapies.

Down East Respiratory's program will provide the hands on care to help get asthma under control, and save Medicaid money by decreasing ER visits and unnecessary hospital stays. This program will also create jobs in your State by companies similar to ours opening businesses and hiring respiratory therapists.

We look forward to scheduling a date to come to South Carolina and meeting with your staff to discuss in better detail how our program works. I hope the information we have provided at this time will provide interest to you in the savings to the Medicaid program.

Respectfully,

A handwritten signature in black ink, appearing to read "Pam Kirkland". The signature is fluid and cursive, with the first name "Pam" being more prominent than the last name "Kirkland".

Pam Kirkland

Operations Manager

Asthma Outreach Coordinator

ASTHMA OUTREACH SERVICES

Community Involvement - Rural Areas & Lower Income Families

Down East Respiratory Services, Inc. (DERS) has been working to improve the quality of health for children with respiratory issues for over 17 years. In 1996 we began Asthma Outreach Services, an innovative hands-on venture with proven success.

There is a growing upward trend in asthma diagnoses. DERS has taken an active, aggressive role to help deal with the rising issues of asthma in the pediatric population.

Statistics have risen, but a 2003 study reported the following:

- 6.7 million children are diagnosed with asthma.
- The rate for African Americans is 25% higher.
- 12.8 million days were missed from school due to asthma.
- 3 children out of a class of 30 will have asthma.
- Asthma is the leading cause of school absenteeism, pediatric ER visits, as well as pediatric mortality.

The majority of pediatric asthma programs have a once a month clinic in which it is the responsibility of the parents/caregivers to attend.

Problems with once a month clinics for the target group of rural and lower income families:

- Low turn out rate due to lack of transportation
- Lack of asthma information/education
- Lack of effective daily asthma management due to time lapse
- Increased use of ER due to unmanaged asthma
- Increased cost to Medicaid and private sector insurance

In contrast, the DERS "Hands On" approach model aims to bridge the gap between physicians, schools, and parents/caregivers.

We target public schools and Head Start programs working with children as young as three years old. With this approach we are able to identify and begin to teach the children, school/head start staff and parents the necessary tools to combat and manage this very serious disease.

- Once a child is diagnosed with asthma, a licensed respiratory therapist completes a comprehensive evaluation and assigns a severity level. Orders are sent to the
- patient's physician to determine the plan of care ranging from 1-5 days per week.

- Home environment studies are conducted to identify specific patient triggers and equipment needs.
- Evaluation of medication administration by patient and/or caregiver
- Assistance in parental compliance to bridge the gap between physician/caregivers.
- Education in the proper use of Peak flow meters, aero chambers and other tools to prevent asthma exacerbations.
- Our licensed therapists work under physicians orders in the child's natural environment, such as home, school, day care, Head Start programs, etc.

The children in our program, along with their caregivers and families, have an increased knowledge which improves asthma management and overall health.

- Reduced hospitalizations
- Reduced ER visits
- Reduced school absenteeism
- Reduced or prevent asthma exacerbations

**RESPIRATORY THERAPY FEE SCHEDULE
PROVIDER SPECIALTY 058**

CODE	DESCRIPTION	MEDICAID MAXIMUM ALLOWABLE		
		NON FACILITY FEE	FACILITY FEE	EFFECTIVE DATE
31502	TRACHEOTOMY TUBE CHANGE PRIOR TO ESTABLISHMENT OF FISTULA TRACT	30.96	30.96	1/1/2009
31720	CATHETER ASPIRATION (SEPARATE PROCEDURE); NASOTRACHEAL	47.03	47.03	1/1/2009
94010	SPIROMETRY, INCLUDING GRAPHIC RECORD, TOTAL AND TIMED VITAL CAPACITY,	48.30	29.12	1/1/2009
94060	BRONCHOSPASM EVALUATION: SPIROMETRY AS IN 94010, BEFORE AND AFTER	50.81	50.81	1/1/2009
94150	VITAL CAPACITY TOTAL	33.21	18.63	1/1/2009
94200	MAXIMUM BREATHING CAPACITY	19.63	19.63	1/1/2009
94240	FUNCTIONAL RESIDUAL CAPACITY	34.30	34.30	1/1/2009
94375	RESPIRATORY FLOW VOLUME LOOP	32.82	32.82	1/1/2009
94664	INHALATION THERAPY	23.86	11.25	1/1/2009
94667	MANIPULATION CHEST WALL	36.25	18.47	1/1/2009
94668	MANIPULATION CHEST WALL SUBSEQUENT	32.18	15.45	1/1/2009
94760	NONINVASIVE EAR OR PULSE OXIMETRY FOR OXYGEN SAT.	4.58	1.79	1/1/2009
94798	PULMONARY TEST PROCEDURE	99.87	99.87	1/1/2009
98503	HOME VISIT FOR RESPIRATORY THERAPY CARE	99.87	99.87	1/1/2009
99504	HOME VISIT FOR MECHANICAL VENTILATION CARE	65.56	40.50	1/1/2009

INDEPENDENT

PRACTITIONERS

GUIDELINES

Treatment Planning

The treatment plan is developed in conjunction with client/caregiver and medical provider and considers performance in both clinical and natural environments. Treatment should be culturally appropriate. Short- and long-term functional communication goals and specific objectives are determined from assessment. The amount of time, place(s), and professional or lay person(s) involved must be designated. Generalization of skills and strategies is enhanced by extending practice to the natural environment through collaboration among key professionals. Goals and objectives are reviewed periodically to determine appropriateness and relevance.

Short-term Goals: Improve the overall communication process as defined in functional limitations.

Long-term Goals: Decrease or eliminate functional deficit.

Note: Rate of improvement varies by client, depending on the severity level, compliance with therapy, and the context in which the client lives and performs activities of daily living.

Discharge/Follow-up

Discharge

The therapy will be discontinued when one of the following criteria is met:

- a. Client has achieved functional goals and outcomes.
- b. Client's performance is WNL for chronological age on standardized measures of language, speech, audition, and/or auditory processing (as applicable to the client).
- c. Client/parent are non-compliant with treatment plan.

At discharge, audiologist will identify indicators for potential follow-up care.

Follow-Up

Readmission to audiologic (aural) rehabilitation may result from changes in functional status, living situation, school or child care, caregiver, or personal interests.

3.4 Respiratory Therapy

Medicaid accepts the following medical necessity criteria for respiratory therapy treatment provided through the IP Program to Medicaid recipients ages birth to 21 years.

Asthma Guidelines	
Level I – Assessment	<ul style="list-style-type: none"> Symptoms \leq 2 times a week
Stage 1 (Mild Intermittent)	<ul style="list-style-type: none"> Nighttime symptoms \leq 2 times a month Exacerbations brief (few hours to a few days); intensity may vary PEF \geq 80% predicted, PEF variability $<$ 20%
Level II – Assessment and Treatment	<ul style="list-style-type: none"> Symptoms $>$ 2 times a week but $<$ 1 time a day Nighttime symptoms $>$ 2 times a month Exacerbations may affect activity
Stage 2 (Mild Persistent)	<ul style="list-style-type: none"> PEF \geq 80% predicted, PEF variability 20% to 30%
Level III – Assessment and Treatment	<ul style="list-style-type: none"> Daily symptoms Nighttime symptoms $>$ 2 times a month Daily use of inhaled short-acting beta₂-agonist Exacerbations affect activity Exacerbations \geq 2 times a week; may last days PEF $<$ 80% predicted, PEF variability $>$ 30%
Stage 3 (Moderate Persistent)	
Level IV – Assessment and Treatment	<ul style="list-style-type: none"> Continual symptoms Frequent nighttime symptoms Limited physical activity Frequent exacerbations PEF $<$ 60% predicted; PEF variability $>$ 30%
Stage 4 (Severe Persistent)	

Service delivery requires the following elements:

Evaluation
<p>Evaluate the following through interview, observation, and clinical testing:</p> <ul style="list-style-type: none"> Client's history of episodic symptoms Physical assessment (HR, RR, BBS) Oximetry PEF measurement Medication/treatment compliance Inhaler technique Lifestyle (e.g., days missed from school or day care and limitations to normal activities) Client-provider communication and client satisfaction <p>Evaluation outcomes should include:</p> <ul style="list-style-type: none"> ICD-9-CM code Specific functional limitation(s), which must be measurable and quantified

<p>Examples include but are not limited to:</p> <ul style="list-style-type: none">• Respiratory symptoms ≥ 2 times a week• Reduction in usual activities ≥ 2 times in 1 month due to respiratory symptoms• Respiratory symptoms disturbing sleep ≥ 2 times in one month• More than 5 days missed from school in a six-month period related to respiratory symptoms• More than one hospital or ER admissions due to respiratory symptoms in a six-month period
<p>Care Plan</p>
<p>Characteristics of the Care Plan include:</p> <ul style="list-style-type: none">• Development with the client/family and medical provider to determine severity level and pharmacological treatment• Short-term goals: e.g., improve respiratory status as defined in functional limitations• Long-term goals: e.g., decrease or eliminate functional deficit
<p>Discharge/Follow-up</p>
<p>Discharge</p> <p>Therapy will be discontinued when one of the following criteria is met:</p> <ul style="list-style-type: none">• Client has achieved functional goals and outcomes• Client is able to follow prescribed therapy program independently or with assistance• A physician orders discharge• Client reaches age 21• Client/parent are non-compliant with treatment plan
<p>Follow-up</p> <p>At discharge, the respiratory therapist should identify indicators for potential follow-up care such as changes in functional status, living situation, school or childcare, or caregiver.</p>

Chronic Respiratory Guidelines, excluding Asthma

Level I – Assessment	<ul style="list-style-type: none"> Occasional day and/or night symptoms Ability to clear secretions Ability to clear breath sounds Mildly limited physical activity or bedridden
Level II – Assessment and Treatment	<ul style="list-style-type: none"> Daily and nightly symptoms Ability to clear secretions Ability to clear breath sounds Limited physical activity or bedridden
Level III – Assessment and Treatment	<ul style="list-style-type: none"> Daily and nightly symptoms On-going use of inhaled short-acting beta₂-agonist Exacerbations affect activity Exacerbations ≥ 2 times a week; may last days
Level IV – Assessment and Treatment	<ul style="list-style-type: none"> Continual symptoms Daily and nightly symptoms Limited physical activity/bedridden/house-confined Frequent exacerbations

Service delivery requires the following elements:

Evaluation
<p>Evaluate the following through interview, observation, and clinical testing:</p> <ul style="list-style-type: none"> Client's history Physical assessment (HR, RR, BBS) Pulmonary assessment Oximetry PFT (if applicable) ABG (if applicable) Radiological findings <p>Evaluation outcomes should include:</p> <ul style="list-style-type: none"> ICD-9-CM code Specific functional limitation(s), which must be measurable and quantified <p>Examples include but are not limited to:</p> <ul style="list-style-type: none"> Inability to remove secretions by means of spontaneous cough/ suctioning technique PFTs below acceptable levels for 2 weeks Inability to clean and maintain tracheostomy

<ul style="list-style-type: none"> • Inability to maintain O₂ saturation at 94% or better • Unable to exert without shortness of breath • Unable to perform purse-lip and diaphragmatic breathing • Unable to wean from mechanical life support
Care Plan
<p>Characteristics of the Care Plan include:</p> <ul style="list-style-type: none"> • Development with the client/family and medical provider to determine treatment goals and outcomes • Short-term goals: e.g., improve respiratory status as defined in functional limitations • Long-term goals: e.g., decrease or eliminate functional deficit
<p>Discharge/Follow-up</p> <p>Discharge</p> <p>Therapy will be discontinued when one of the following criteria is met:</p> <ul style="list-style-type: none"> • Client has achieved functional goals and outcomes • Client/family is able to follow prescribed therapy program independently or with assistance • A physician orders discharge • Client reaches age 21 • Client/family are non-compliant with treatment plan <p>Follow-up</p> <p>At discharge, the respiratory therapist should identify indicators for potential follow-up care such as changes in functional status, living situation, school or childcare, or caregiver.</p>

4.0 When the Service Is Not Covered

IMPORTANT NOTE: EPSDT allows a recipient less than 21 years of age to receive services in excess of the limitations or restrictions below and without meeting the specific criteria in this section when such services are **medically necessary health care services** to correct or ameliorate a defect, physical or mental illness, or a condition [health problem]; that is, documentation shows how the service, product, or procedure will correct or improve or maintain the recipient's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

EPSDT DOES NOT ELIMINATE THE REQUIREMENT FOR PRIOR APPROVAL IF PRIOR APPROVAL IS REQUIRED. For additional information about EPSDT and prior approval requirements, see **Section 2.0** of this policy.

OT, PT, ST, and RT are not covered when the following policy guidelines are not met.

Note: There is a required referral process for a recipient who is enrolled through the CA program.

5.0 Requirements for and Limitations on Coverage

IMPORTANT NOTE: EPSDT allows a recipient less than 21 years of age to receive services in excess of the limitations or restrictions below and without meeting the specific criteria in this section when such services are **medically necessary health care services** to correct or ameliorate a defect, physical or mental illness, or a condition [health problem]; that is, documentation shows how the service, product, or procedure will correct or improve or maintain the recipient's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

EPSDT DOES NOT ELIMINATE THE REQUIREMENT FOR PRIOR APPROVAL IF PRIOR APPROVAL IS REQUIRED. For additional information about EPSDT and prior approval requirements, see Section 2.0 of this policy.

5.1 Patient's Location

A patient may receive IP therapy services in the office, home, school, through the Head Start program, and/or child care (i.e., regular and developmental day care) settings.

5.2 Treatment Services

The initial process for providing treatment, regardless of place of service, consists of the following steps and requirements:

- a. All services must be provided according to a written plan.
- b. The written plan for services must include defined goals for each therapeutic discipline.
- c. Each plan must include a specific content, frequency and length of visits for each therapeutic discipline.
- d. A verbal or a written order must be obtained for services* prior to the start of the services. Backdating is not allowed.

*Services are all therapeutic PT/OT/ST/RT activities **beyond** the entry evaluations. This includes recommendations for specific programs, providers, methods, settings, frequency, and length of visits.

- e. Service providers must review and renew or revise plans and goals no less often than every six months, to include obtaining another dated physician signature for the renewed or revised orders. There will be no payment for services rendered more than 6 months **after** the most recent physician order signature date **and before** the following renewal/revision signature date. The signature date must be the date the physician signs the order. Backdating is not allowed.

- f. Up to six unmanaged visits per discipline, per provider type are allowed without prior approval. Evaluations, re-evaluations, and/or multidisciplinary evaluations are **not** counted in the six unmanaged visits. If six therapy visits occur before six months from a physician's order for any specific discipline, and if services need to be continued for additional visits, The Carolinas Center for Medical Excellence (CCME) may approve continued services without an additional physician order under the following conditions:**

- l. The continued services must have a written plan with defined goals for each therapeutic discipline.

2. The written plan must include a specific content, duration, frequency and length of visits for each therapeutic discipline (e.g., PT services to include [list treatment modalities] for six weeks at three visits per week for 30 minutes each visit).
3. The request for continuation of services must be accompanied by the documentation of the plan, goals and outcomes for the previous service interval with progress documented.
4. There will be no payment for services rendered in excess of six visits and before the date of the approval for continuation of services.
- g. If a patient between birth and three years of age has had a CDSA evaluation or a CDSA approved evaluation and has an Individualized Family Service Plan (IFSP) prior approval is not needed for 6 months after the initial physician's order. CDSAs may do evaluations or approve evaluations between the ages of three and four if children are transitioning and those children would have an Individualized Education Plan (IEP). The initial claim and the request for continued services must both include the date of the Physician's order in box 15 on the CMS-1500 (HCFA-1500). If the date is not included, the claim is subject to the same six visit approval requirement as all other claims. Once a Provider starts on the 6 visit path it cannot and will not be changed to the 6 month path.
- h. Faxed orders and faxed signatures are permissible and serve the same purposes for documentation as an original signature on an original form or orders sheet.

5.3 Prior Approval

After six unmanaged visits or 6 months PA exemption, prior approval is required for continued treatment. Prior approval is for medical approval only and does not guarantee payment or ensure recipient eligibility on the date of service. Please refer to the CCME website (http://www.mnnc.org/mnnc_web/mnnc/medicaid.aspx) for information about the electronic process and forms.

A prior approval request form signed by the provider must be faxed or electronically submitted to CCME for treatment to be continued. If appropriate, CCME will authorize services for a specific number of units through a specific length of time. Units should be requested based on the CPT code billed. If the CPT code is billed by event, then one unit should be requested. If the CPT code is billed in 15-minute increments with 15 minutes equaling one unit, then the number of units to be provided should be requested. Once these limits have been reached, prior approval must again be requested for continued treatment.

Medicaid's initial authorization for duration of treatment cannot exceed the lowest of the following ranges with a cap of 52 visits during a 6-month time period.

5.3.1 ~~Physical and Occupational Therapy:~~

- a. ~~the maximum of the usual range of visits for a condition as published in the most recent edition of Physical Therapy: Guide to Physical Therapist Practice, Part Two: Preferred Practice Patterns or Occupational Therapy Practice Guidelines Series, or~~
- b. ~~the number of visits requested by the therapist, not to exceed a time limit of 6 months~~