

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

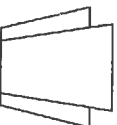
TO <i>Giese</i>	DATE  <i>6-26-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <div style="text-align: center; font-size: 1.2em;"><i>101492</i></div>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <div style="text-align: center;"> <i>cc: Mr. Kuck, Singleton</i>  <i>Cleared 8/2/12, letter attached.</i>  </div>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-6-12</i>  DATE DUE _____  <input type="checkbox"/> Necessary Action

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

**RECEIVED**

JUN 25 2012



Lovelace Family Medicine, P.A.  
*Our Mission since 1988*  
*Compassionate Quality Care to the Glory of God*

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

Highway 76  
600 North Wheeler Avenue  
Prosperity, SC 29127

Address all correspondence to:  
P.O. Box 630  
Prosperity, SC 29127

Office: (803) 364-4852  
Fax: (803) 364-2014  
office@lovelacefamilymedicine.com

06/21/12

Mr. Anthony E. Keck  
Director  
SC Department of Health and Human Services  
PO Box 8206  
Columbia, SC 29202-8206

Dear Mr. Keck:

It has come to my attention that the reimbursement (\$4.54) for intramuscular Bicillin LA (long acting penicillin) does not even cover the cost of the drug (\$30). I now bring this to your attention because of a recent series of cases where mothers have returned with children who have persisting fever or recurring Streptococcal pharyngitis despite oral antibiotic therapy. Having reared 4 children who are now adults and having practiced medicine since 1988, I know that adhering to multiple dose regimens over several days can be difficult.

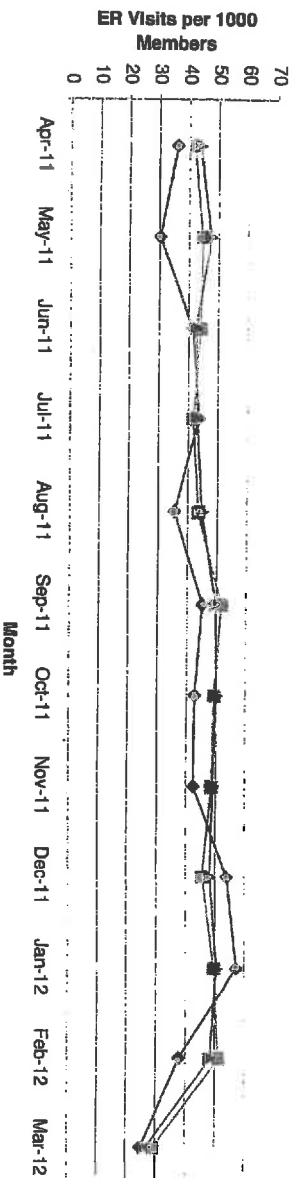
It would seem prudent that insurance companies would at least cover the cost of a physician being able to purchase single dose Bicillin LA for the treatment of Streptococcal Pharyngitis. Intramuscular antibiotic administration has been shown to alleviate symptoms of Strep throat faster than oral medication and once administered both physician and parent can be confident in having an effective treatment on board for a potentially serious illness. Inadequately treated Streptococcal pharyngitis may lead to glomerulonephritis and mitral valve disease both of which can result in end stage kidney and heart disease, respectively. In fact based on data we have received from Medicaid, Strep Pharyngitis is among the top 3 conditions children seek emergent medical treatment for in SC.

Please reconsider your reimbursement rates and provide payment rates at least 20% above cost to cover procurement and stocking costs.

Sincerely,  
  
Oscar F. Lovelace, Jr., MD

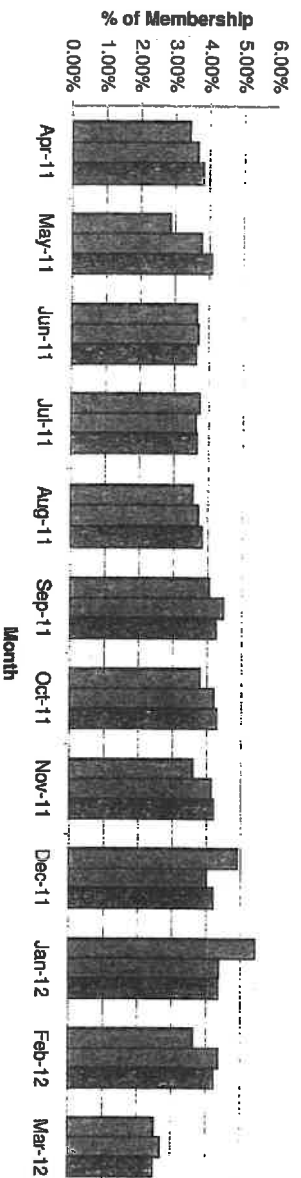
**GP4880 - LOVELACE FAMILY MEDICINE**  
**ER Visits, 2 or More within 60 Days (4/1/2011-3/31/2012)**

**ER VISITS PER 1,000 MEMBERS**  
**2 or More ER Visits within 60 Days During Reporting Period**



◆ GP4880 - LOVELACE FAMILY MEDICINE    ■ DHEC Region 3    ▲ SCS Program

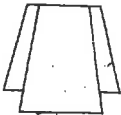
**Percent of Membership with 2 or More ER Visits**  
**within 60 Days during reporting period**



■ GP4880 - LOVELACE FAMILY MEDICINE    ■ DHEC Region 3    ■ SCS Program

**Top 3 DX of All Members w/ ER Visits**

GP4880 - LOVELACE FAMILY MEDICINE	
008.8	INTESTINAL INFECTION DUE TO OTHER ORGANISM NEC
034.0	STREPTOCOCCAL SORE THROAT
052.9	VARICELLA WITHOUT MENTION OF COMPLICATION
DHEC Region 3	
008.45	INTESTINAL INFECTIONS DUE CLOSTRIDIUM DIFFICILE
008.69	INTESTINAL INF ENTERITIS DUE OTH VIRAL ENTERITIS
008.8	INTESTINAL INFECTION DUE TO OTHER ORGANISM NEC
SCS Program	
003.1	SALMONELLA SEPTICEMIA
005.9	UNSPECIFIED FOOD POISONING
008.45	INTESTINAL INFECTIONS DUE CLOSTRIDIUM DIFFICILE



Lovelace Family Medicine, P.A.  
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Prosperity, South Carolina 29127

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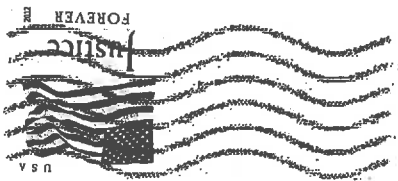
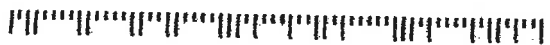
JUN 25 2012

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Mr. Anthony E. Keel  
Director

SC Department of Health & Human Services  
PO Box 8206  
Columbia, SC 29202-8206

29202820606



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL



TO <i>Giese Williams</i>	DATE <i>6-26-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER <i>100492</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Singleton</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-6-12</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. <i>[Signature]</i>	<i>7-25-12</i>		
2. <i>[Signature]</i>		<i>7/12/12</i>	
3.			
4.			

South Carolina Department of  
Health & Human Services



Anthony E. Keel, Director  
Nikki R. Haley, Governor

*Let's make  
it better.*

Oscar F. Lovelace, Jr., MD  
Highway 76  
600 North Wheeler Avenue  
Prosperity, South Carolina 29127

Dear Dr. Lovelace:

Thank you for your letter concerning reimbursement for physician administered drug intramuscular Bicillin LA (long acting penicillin). We welcome the opportunity to be of assistance.

The South Carolina Department of Health and Human Services (SCDHHS) is grateful for the tremendous service and support that you provide to South Carolina Medicaid beneficiaries. As you are aware, SCDHHS instituted fee schedule changes during fiscal years 2011 and 2012 in an effort to address the budget shortfall that the agency was facing. Physician administered J-code drugs sustained an across the board cut of 3% at that time which was less than the 10% that some services received.

The reimbursement for J-code J0561 Bicillin LA is based on the most current ASP pricing +10% which is \$4.54/100,000 units. Based on information provided by our Pharmacy Benefit Manager, Magellan Health, this price is \$4.13. I regret that we will not be able to meet your recommendation to adjust the payment rates at 20% above cost, but you have our commitment to continue to review our policy and make appropriate adjustments as the budget allows. If you have questions please do not hesitate to contact Ms. Valeria Williams, Director of Program Administration and Contracts, at (803) 898-3477.

Sincerely,

Melanie "BZ" Glese, RN  
Deputy Director

MGWmm  
cc: Beverly G. Hamilton, SC Solutions

*last is sent  
question on the  
this one is the  
in (Glese)*

*Our price is Based on ASP, which is the Medicare rate plus 10%,  
the price after ASP was removed. The only state that removed the I-90  
Other state use WAC, ASP or a form of ASP to determine the rate.  
The issue with Dr. Lovelace I think is billing the allowance child will need  
about why are limits of this drug, I think they are billed as a form which is why  
not think the reimbursement is P. O. Box 8206 Columbia South Carolina 29202-8206  
to leave*

Office of Medical Services  
(803) 898-0178 Fax (803) 255-8235

August 2, 2012

Oscar F. Lovelace, Jr., MD  
Highway 76  
600 North Wheeler Avenue  
Prosperity, South Carolina 29127

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Melanie "BZ" Giese, RN  
Deputy Director

MG/wm

cc: Beverly G. Hamilton, SC Solutions