

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO	DATE
<i>Giese</i>	<i>7-11-11</i>

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>1011024</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Jeff Depo, Stenlund Cleared 8/20/11, letter attached</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-20-11</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.			



CHESTERFIELD  
C O U N T Y  
Coordinating Council

**RECEIVED**

July 7, 2011

JUL 11 2011

Mr. Anthony Keck, Director  
SC Dept. of Health & Human Services

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Post Office Box 8206  
Columbia, SC 29202

Dear Sir:

The Chesterfield County Coordinating Council (CCCC) is a private nonprofit with the mission to strengthen the systems that provide services to the citizens of Chesterfield County through improved communication, adequate linkage and collaboration. The CCCC is recognized as the strongest educational, advocacy and cross-system collaboration group for the support of the human service delivery system in the state. Representatives from all governmental agencies, private providers, civic and faith based groups, and others interested in improving human services in Chesterfield County participate in monthly meetings.

It is through these meetings that I have learned of the devastating effects of the attempts to balance the state budget on the backs of our most vulnerable citizens. The reduction in Medicaid reimbursement rates scheduled to begin in July, 2011 is the most recent and pervasive example. These rate reductions will have a negative ripple effect throughout the Chesterfield County economy impacting our middle class citizens not just those who qualify for the services. Additionally, it will impact the availability of care even to those citizens with Medicare or private insurance therefore increasing the costs of the healthcare system.

Chesterfield County is very rural (only 59 people/square mile as compared to 154 for the state as a whole per the Census, 2010) and poor county (over 11% of households do not have a car per Office of Research & Statistics). The median household income in Chesterfield County (\$32,267) is only 75% of the statewide median household income (\$42,580) according to the 2010 Census. More than 30% of our entire population is served by Medicaid (SCDHHS, FY10).

The economy of rural areas like Chesterfield County is largely based on self-employment and small businesses. These folks tend to be uninsured or underinsured (Bailey, Jon, The Top 10 Rural Issues for Health Care Reform, 2/2009). Therefore, Medicaid is the largest payor source for medical services in Chesterfield County. Total federally matched Medicaid expenditures for Chesterfield County in SFY10 was \$42,296,344. Our local healthcare system (and all of its employees) are dependent on Medicaid.

Cutting reimbursement rates to medical providers will exacerbate our shortage of practitioners. Chesterfield County is a Medically Underserved Area as defined by the Federal Bureau of Health Professions. This means that there are not enough medical professionals, particularly dentists and mental health professionals, to serve our citizens ([www.scdhec.gov/health/opc/hpsa.htm](http://www.scdhec.gov/health/opc/hpsa.htm)). Agencies participating in the CCCC already struggle to recruit medical professionals to Chesterfield County for many reasons including the high Medicaid enrollment. Cutting the reimbursement rate will make this process even more difficult.

As this shortage worsens, all citizens will have to travel further for their medical care. This will increase Medicaid transportation costs and will cause workers with private insurance to delay or forgo preventive care. Presenteeism, when an employee goes to work in spite of illness, and absenteeism will increase causing reduced productivity levels and other negative repercussions

on business performance. People will be more ill by the time they do seek treatment further increasing costs in the entire health care system due to the expensive treatment of preventable diseases.

In addition to greater difficulty recruiting, current providers may not be able to maintain their practices. Medical professionals and their employees may have to move out of county forcing them to sell their home and other property. This would negatively impact property values in the community at large and, therefore, collections of state taxes.

Residents in rural areas are already sicker and receiving less care than those in urban areas, for example, rural residents receive fewer regular medical check-ups, blood pressure checks, cholesterol checks, pap tests, and mammograms than they medically and statistically should. The ultimate result of less than adequate care is a worsening of health status and an increase in chronic conditions (Bailey, Jon, The Top 10 Rural Issues for Health Care Reform, 2/2009). The rate cuts will exacerbate these issues because care will be more difficult to locate and take longer to obtain. The eventual result is use of the emergency room for highly preventable conditions and non-emergent reasons.

A higher percentage of the population is elderly in rural areas (Bailey, Jon, The Top 10 Rural Issues for Health Care Reform, 2/2009). Many of these patients depend on Medicaid as their secondary insurance. The impact of cutting Medicaid reimbursement rates in primary care could result in increased hospitalizations and possible institutionalizations for this vulnerable population. The reimbursement rate cuts to skilled nursing facilities coupled with increased demand, the aging of our population, and the moratorium on the number of beds available to serve Medicaid beneficiaries will worsen the already extreme shortage of available beds in skilled nursing facilities.

Education and health services are 11.7% of the Chesterfield County economy ([www.scommerce.com](http://www.scommerce.com)). Long term care facilities are the 18<sup>th</sup> largest employers in Chesterfield County. Since the ratio of licensed staff to patients is regulated, the Medicaid cuts could impact the least skilled employees increasing unemployment claims among the workers that have the most difficulty finding jobs. The proposed Medicaid cuts will increase expenses at the Department of Employment and Workforce, the Department of Social Services and other state agencies. So the cuts do not save money for the taxpayers and reduce the self sufficiency of many of our citizens.

The economic multiplier effect applies equally to government dollars as it does to private funds. Therefore, these rate reductions will take money out of the local private economy - an economy that is already significantly smaller than urban counties and burdened with over 13% unemployment ([www.scdew.gov](http://www.scdew.gov)). Please reconsider the proposed cuts to the Medicaid reimbursement rates before they reduce the quality of life for everyone.

Sincerely,



Margaret Plettinger Mitchell, Director

cc: The Link  
The Progressive Journal  
Cheraw Chronicle/Chesterfield Advertiser

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Grisell Williams</i>	DATE <i>7-11-11</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>101024</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Fect, Depo, Stensland</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>7-20-11</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>7-16-11</i>		
2. <i>[Signature]</i>	<i>7/21</i>	<i>[Signature]</i>	
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July 20, 2011

Ms. Margaret Plettinger Mitchell, Director  
Chesterfield County Coordinating Council  
Post Office Box 648  
Chesterfield, South Carolina 29709

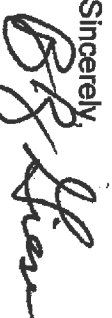
Dear Ms. Mitchell:

Thank you for the letter regarding the state of the South Carolina's health care system and your views on the Medicaid financial crisis. I appreciate your taking the time to write us.

The South Carolina Department of Health and Human Services (SCDHHS) is currently working closely with many providers to gain insight to initiatives that we can implement in partnership that will help take costs out of the system yet maintain an effective and efficient level of care for our recipients. Since Federal regulations prohibit us from altering any eligibility guidelines, SCDHHS has limited avenues in which we can reduce our budgetary expenditures. All decisions regarding service reductions are difficult, but we make every effort to maintain a balance in health needs for our recipients. While we understand your concerns, we will not reverse our policy decision regarding rates to medical providers. We remain open to additional suggestions, and we will be closely monitoring the affects of our reimbursement cuts as well as the initiatives offered by our providers.

We appreciate your bringing these concerns to our attention, and for your continued participation in the South Carolina Medicaid program. If you have any additional questions please feel free to contact Mr. William Feagin, Team Leader in the Division of Physician Services at (803) 898-2660.

Sincerely,



Melanie "BZ" Giese, RN  
Deputy Director

MGWsf