

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Bowling</i>	DATE <i>9-11-06</i>
<b>DIRECTOR'S USE ONLY</b>	
1. LOG NUMBER <i>600235</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Cleaved 10/15/06, &amp; the attached ✓</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-20-06</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.			



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*General Counsel*  
Denise C. Yaborough

ALLERGY PARTNERS, P.A.

RECEIVED

AUG 31 2006

MEDICAL SERVICES  
DHHS

August 23, 2006

*Susan Bowling*  
*Approp. Sign*

RECEIVED

Susan Bowling  
Deputy Director, South Carolina Medicaid  
PO Box 8206  
Columbia, SC 29202

SEP 11 2006

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Ms. Bowling,

Our practice, Allergy Partners, P.A., has several locations in South Carolina including Charleston, Anderson, Greenville, Simpsonville, Spartanburg, Union, Moore, Clemson, Gaffney, Columbia and Camden. We have practices in several other states as well. We are a traditional, physician-owned group, with a goal of providing the best, most cost-effective care we can for asthma and allergic disease.

I understand that Medicaid in South Carolina offers the potential for improved reimbursement for pediatric subspecialist. While our practice sees both adults and children, we would like to work with you to see if there is a way we could qualify for the improved reimbursement which would then allow us to make our services available to increased numbers of children, hopefully improving their health and decreasing state Medicaid expense.

Our specialty, allergy and immunology, requires a minimum of two-years additional training following the completion of a residency in either pediatrics, internal medicine, or both. While we can enter the field of allergy from these residencies, we are a recognized pediatric subspecialty. Much of our training deals with allergen immunotherapy, putting us in an ideal position to appropriately utilize this preventative and cost effective therapy.

I'm sure that asthma makes up a big part of Medicaid's expense in South Carolina. In children, around 90% of asthma has a significant allergic contribution. Immunotherapy has been studied thoroughly. In one recent study, children with allergic rhinitis but without asthma were divided into an immunotherapy treatment group and a control group. These children were followed along for three years. At the end of that time over 40% of the children without immunotherapy had developed asthma. In contrast, only slightly over 20% of the immunotherapy treated children developed asthma. Clearly this represents an improvement in the health of these children. Also, you can see the implication for controlling expense and avoiding the need for asthma medications, emergency room visits, and hospitalizations.

Another study, published in the Journal of Allergy and Clinical Immunology just this year looked at immunotherapy in active asthmatics. This was a placebo controlled trial. The patients on active immunotherapy had a symptom-medication score that was reduced by half compared to the placebo group. This, compared with the medication trials we ordinarily see, demonstrates a very pronounced affect.

Many of our allergic asthmatic patients take a combination of medications, as you are well aware. A typical combination would be Singular, Advair and Zyrtec. I recently checked a local pharmacy for prices. To be maintained on those medications for a year costs over \$4,700. By contrast, in our practice our charge which would include extract and injections for the build-up year is somewhere between \$1,000 - \$1,800 depending on the number of extracts needed. Once a patient has reached the maintenance dosing schedule, that cost, including both extract and injections, drops to somewhere between \$500-\$800 per year. If we can reduce the use of any medications, this would clearly represent a cost effective approach to the treatment of asthmatics.

As allergists, we are very interested in both the prevention and optimal treatment of asthma. I feel certain that, in your position, you share those interests. As well, I understand the need to allocate resources so that as many children as possible can receive optimal therapy for a variety of conditions.

We would appreciate the opportunity to meet with you to further this effort.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,



David A. Brown, M.D.

DAB/srw



State of South Carolina  
Department of Health and Human Services

Mark Sanford  
Governor

Robert M. Kerr  
Director

October 13, 2006

David A. Brown, M.D.  
306 Summit Street  
Asheville, North Carolina 28803

Dear Dr. Brown:

Thank you for the letter requesting that pediatric allergy be considered for inclusion in the Medicaid Pediatric Subspecialty Program for enhanced reimbursement. We have reviewed your request with our Senior Physician Advisory Committee and determined that that pediatric allergy is a recognized subspecialty that should be added to our program.

Medicaid policy will be revised to include pediatric allergy in the Pediatric Subspecialty Program for enhanced Medicaid reimbursement. A Medicaid Bulletin will be issued to announce the effective date of this policy change and to outline the criteria for participation. To be approved as a pediatric subspecialist, a physician must:

- be a member in good standing on the medical staff of a hospital,
- be qualified in and practice in the pediatric specialty for which they are applying, and
- certify that at least 85% of the total practice, including after-hours patients, is dedicated to children 18 years of age and younger.

A copy of an attestation statement to be submitted to the Department of Health and Human Services will be included with the Medicaid Bulletin. Enhanced reimbursement will be available once the attestation form is approved.

Again, thank you for your continued support and participation in the South Carolina Medicaid program. If you have questions, please do not hesitate to contact me directly or Ms. Valeria Williams, Division Director for Physician Services, at (803) 898-3477.

Sincerely,

*Susan B. Bowling*  
Susan B. Bowling  
Deputy Director

SBB/gwd

Log # 235  
✓