

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

**ACTION REFERRAL**

<b>TO</b> <i>Myus</i>	<b>DATE</b> <i>6-2-08</i>
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<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER  <i>000627</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <i>6-18-08</i>
2. DATE SIGNED BY DIRECTOR  <i>C: ET cleared 6/17/08, letters attached.</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA 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.			
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TECHNOLOGIES

Technology for human expression.

*Logi Meyer*

**RECEIVED**

MAY 28 2008

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

May 22, 2008

Mr. Robert Kerr, Director  
Department of Health & Human Services  
P. O. Box 8206  
1801 Main Street  
Columbia, SC 29202-8206

Dear Mr. Kerr,

I am writing to address the letter sent to you on April 21, 2008. I have not received a response, so I am following up with a second letter to address the urgent need for increased reimbursement related to AAC.

DynaVox has already taken steps to reduce the burden on Medicaid agencies by establishing contracts with commercial insurers. DynaVox currently holds contracts with Highmark BCBS, Aetna, Cigna, Tricare West and South, as well as many others. We have a department devoted to payer relations and contracting set up to ensure that State Medicaid agencies remain the payer of last resort. Several insurance companies, including BCBS Federal Employee Program and United Health Care, have specifically excluded AAC devices from their benefit coverage, which has the impact of increasing the financial burden on state Medicaid agencies. DynaVox is committed to challenging these exclusions and in fact has already begun extensive lobbying efforts through multiple avenues. With assistance from South Carolina Medicaid, we would like to continue pursuing these commercial insurances and drive coverage for medically necessary clients in need of AAC.

DynaVox would like to propose that all AAC device reimbursement rates are modified to reflect Medicare Allowable. We feel that this modification will establish a consistency with payment for all AAC manufacturers and eliminate future requests for increased reimbursement.

I appreciate your time and consideration in reviewing the attached proposal. DynaVox is also willing to set up a demonstration of all devices, if you deem this appropriate. We are also requesting a conference call to discuss this matter. Please feel free to contact me to discuss any question or concerns related to this matter.

Sincerely,

*Alicia Bundy*

Alicia Bundy  
DynaVox Systems LLC  
Reimbursement Manager

To: Robert Kerr, Director

From: Alicia Bundy, Reimbursement Manager

Date: May 22, 2008

Re: Increase in Reimbursement Rate on AAC Devices

I am proposing that the current South Carolina Medicaid Fee Schedule be modified to reflect Medicare Allowable.

DynaVox Equipment and Description	Procedure Code	DynaVox Billed Charge	Medicare Allowable	Kentucky Medicaid's Rate
<b>Speech Generation Devices</b>				
<b>M3</b> Speech generating device, digitized speech, using pre-recorded messages, greater than 40 minutes recording time	E2506	\$3,285.00	\$2,312.96	\$2,081.66
<b>DynaWrite iChat 3</b> Speech generating device, synthesized speech, requiring message formulation by spelling and access by physical contact with the device	E2508	\$3865.00 DynaWrite \$3195.00 iChat 3	<b>Medicare Allowable or Billed Lesser Charge</b> \$3576.61 DynaWrite \$3195.00 iChat 3	\$3,218.95 DynaWrite \$3,195.00 iChat3
<b>V</b> Vmax Palm 3 Lightwriter SL35 Lightwriter SL38 Lightwriter SL87 Lightwriter SL88 Speech generating device, synthesized speech, permitting multiple methods of message formulation and multiple methods of device access	E2510	\$7395.00 V \$7995.00 Vmax \$3895.00 Palm 3 \$5275.00 SL35 \$6275.00 SL38 \$8015.00 SL87 \$9200.00 SL88	<b>Medicare Allowable or Billed Lesser Charge</b> \$6768.25 V \$6768.25 Vmax \$3895.00 Palm 3 \$5275.00 SL35 \$6275.00 SL38 \$6768.25 SL87 \$6768.25 SL88	\$6,091.44 V \$6,091.44 Vmax \$3,895.00 Palm 3 \$5,275.00 SL35 \$6,275.00 SL38 \$6,091.44 SL87 \$6,091.44 SL88

**SECTION 4 DURABLE MEDICAL EQUIPMENT FEE SCHEDULE**

Procedure Code	Description	Med	Price	NCMVR	Units	Max Yr
E2396	Power wheelchair accessory, caster fork, any size, replacement only, each	UR	43.20		4	1 Yr
E2399	Power wheelchair accessory, not otherwise classified interface, including all related electronics and any type mounting hardware	NU	M	**		
E2402	Negative pressure wound therapy electrical pump, stationary or portable	RR	1,544.84	**	1	1 Mo
E2500	Speech generating device, digitized speech, using pre-recorded messages, less than or equal to 8 minutes recording time	NU	351.95	**	1	3 Yr
E2500	Speech generating device, digitized speech, using pre-recorded messages, less than or equal to 8 minutes recording time	LL	35.20	**	1	1 Mo
E2500	Speech generating device, digitized speech, using pre-recorded messages, less than or equal to 8 minutes recording time	UR	263.96	**	1	2 Yr
E2502	Speech generating device, digitized speech, using pre-recorded messages, greater than 8 minutes but less than or equal to 20 minutes recording time	NU	1,076.22	**	1	3 Yr
E2502	Speech generating device, digitized speech, using pre-recorded messages, greater than 8 minutes but less than or equal to 20 minutes recording time	LL	107.62	**	1	1 Mo
E2502	Speech generating device, digitized speech, using pre-recorded messages, greater than 8 minutes but less than or equal to 20 minutes recording time	UR	807.17	**	1	2 Yr
E2504	Speech generating device, digitized speech, using pre-recorded messages, greater than 20 minutes but less than or equal to 40 minutes recording time	NU	1,419.68	**	1	3 Yr
E2504	Speech generating device, digitized speech, using pre-recorded messages, greater than 20 minutes but less than or equal to 40 minutes recording time	LL	141.97	**	1	1 Mo

\*: must obtain prior approval  
 #: NCMVR must be attached to CMS 1500.

MODIFIERS

M = manually priced

NU = New equipment

LL = Rental

UR = Used equipment

**SECTION 4 DURABLE MEDICAL EQUIPMENT FEE SCHEDULE**

Procedure Code	Description	Med	Price	MCORN	Units	Mo/Yr
E2504	Speech generating device, digitized speech, using pre-recorded messages, greater than 20 minutes but less than or equal to 40 minutes recording time	UE	1,064.76	**	1	1 Yr
E2506	Speech generating device, digitized speech, using pre-recorded messages, greater than 40 minutes recording time	NU	2,081.66	**	1	3 Yr
E2506	Speech generating device, digitized speech, using pre-recorded messages, greater than 40 minutes recording time	LL	208.17	**	1	1 Mo
E2506	Speech generating device, <u>digitized</u> speech, using pre-recorded messages, greater than 40 minutes recording time	UE	1,561.25	**	1	3 Yr
E2508	Speech generating device, <u>synthesized</u> speech, requiring message formulation by spelling and access by physical contact with the device	NU	3,218.95	**	1	3 Yr
E2508	Speech generating device, synthesized speech, requiring message formulation by spelling and access by physical contact with the device	LL	321.89	**	1	1 Mo
E2508	Speech generating device, synthesized speech, requiring message formulation by spelling and access by physical contact with the device	UE	2,414.21	**	1	3 Yr
E2510	Speech generating device, synthesized speech, permitting multiple methods of message formulation and multiple methods of device access	NU	6,091.44	**	1	3 Yr
E2510	Speech generating device, synthesized speech, permitting multiple methods of message formulation and multiple methods of device access	LL	609.14	**	1	1 Mo
E2510	Speech generating device, synthesized speech, permitting multiple methods of message formulation and multiple methods of device access	UE	4,568.58	**	1	3 Yr
E2511	Speech generating software program, for personal computer or personal digital assistant	NU	M	**		
E2512	Accessory for speech generating device, mounting system	NU	M	**		

**SECTION 4 DURABLE MEDICAL EQUIPMENT FEE SCHEDULE**

Procedure Code	Description	Med	Price	MGMA	Units	Meas
E2599	Accessory for speech generating device, not otherwise classified	NU	M	**		
E2601	General use wheelchair seat cushion, width less than 22 in., any depth	NU	55.05		1	1 Yr
E2601	General use wheelchair seat cushion, width less than 22 in., any depth	LL	5.51		1	1 Yr
E2601	General use wheelchair seat cushion, width less than 22 in., any depth	UE	41.29		1	1 Yr
E2602	General use wheelchair seat cushion, width 22 in. or greater, any depth	NU	107.46		1	1 Yr
E2602	General use wheelchair seat cushion, width 22 in. or greater, any depth	LL	10.75		1	1 Yr
E2602	General use wheelchair seat cushion, width 22 in. or greater, any depth	UE	80.60		1	1 Yr
E2603	Skin protection wheelchair seat cushion, width less than 22 in., any depth	NU	136.44		1	1 Yr
E2603	Skin protection wheelchair seat cushion, width less than 22 in., any depth	LL	13.64		1	1 Yr
E2603	Skin protection wheelchair seat cushion, width less than 22 in., any depth	UE	102.33		1	1 Yr
E2604	Skin protection wheelchair seat cushion, width 22 in. or greater, any depth	NU	169.57		1	1 Yr
E2604	Skin protection wheelchair seat cushion, width 22 in. or greater, any depth	LL	16.96		1	1 Yr
E2604	Skin protection wheelchair seat cushion, width 22 in. or greater, any depth	UE	127.18		1	1 Yr
E2605	Positioning wheelchair seat cushion, width less than 22 in., any depth	NU	242.26		1	1 Yr
E2605	Positioning wheelchair seat cushion, width less than 22 in., any depth	LL	24.23		1	1 Yr
E2605	Positioning wheelchair seat cushion, width less than 22 in., any depth	UE	181.69		1	1 Yr
E2606	Positioning wheelchair seat cushion, width 22 in. or greater, any depth	NU	377.94		1	1 Yr

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

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#627  
✓

*State of South Carolina*  
Department of Health and Human Services

Mark Sanford  
Governor

Emma Forkner  
Director

June 17, 2008

Ms. Alicia Bundy  
Reimbursement Manager  
DynaVox Systems LLC  
2100 Wharton Street, Suite 400  
Pittsburgh, Pennsylvania 15203

Dear Ms. Bundy:

Thank you for your letter of May 22, 2008, regarding a request for an increase in the reimbursement for Augmentative and Alternative Communication (AAC) devices. I apologize for not responding to your letter dated April 21, 2008; however, I was unaware of that earlier correspondence.

South Carolina Medicaid utilizes Medicare "allowables" as the basis for our pricing. For durable medical equipment procedure codes, reimbursement is set at 90% of the Medicare allowable amounts, provided financial resources are available. Our current published rates reflect this level of reimbursement. As a result of this pricing methodology, our beneficiaries are often restricted to the least expensive, medically appropriate option that meets their needs.

I know you are aware of the limited financial resources available to the many state Medicaid programs throughout the country. This is especially true in South Carolina, and as a result, we must manage our limited appropriations as cost effectively as possible. Therefore, at this time, we are unable to increase reimbursement rates for these specific codes.

I hope this information proves helpful to you. Should you need further assistance, you may contact Mr. James Assey, Division Director for Pharmacy and Durable Medical Equipment (DME) Services, at (803) 898-2875. Your continued participation in the Medicaid program and the services you provide to the citizens we serve are most appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Emma Forkner".

Emma Forkner  
Director

EF/mga