

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR



**ACTION REFERRAL**

TO <i>Hess/Threatt</i>	DATE <i>10-5-12</i>
---------------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Geck, Singleton, Johnson</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-20-12</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

*\* Extend until 10/26/12  
per Janet on 10/22/12*

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
			<i>* closed 10/26/12, letter attached.</i>

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR



**ACTION REFERRAL**

TO <i>Hess/Threatt</i>	DATE <i>10-5-12</i>
---------------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Singleton, Johnson</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-20-12</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

*\* Extend until 10/26/12  
per Janet on 10/22/12*

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
			<i>* cleared 10/26/12, letter attached.</i>

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

**ACTION REFERRAL**

TO <i>Hess</i>	DATE <i>10-5-12</i>
-------------------	------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100-100</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Singleton, Johnson</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-26-12</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.			
2.			
3.			
4.			



PRESBYTERIAN COMMUNITIES  
OF SOUTH CAROLINA

Log:  
Roy  
C: Keck  
COS  
JOHNSON

Management Services • 2817 Ashland Road • Columbia, SC 29210-5009  
Tel: 803.772.5885 • Fax: 803.772.5872 • Toll Free: 888.842.4855 • [www.preshomesc.org](http://www.preshomesc.org)

October 4, 2012

**RECEIVED**

OCT 05 2012

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Anthony E. Keck  
Director  
South Carolina Department of Health and Human Services  
1801 Main Street  
Columbia, South Carolina 29201

Re: Presbyterian Communities of South Carolina

Dear Director Keck:

I am sending this letter in follow-up to our meetings with you and Senator Alexander and, more recently, my meeting with Deputy Director Roy Hess, Lou Krause, Jeff Saxon and other members of your staff.

Our organization was formed in 1954 and opened our first community in Summerville, South Carolina in 1957. Since that time, we have grown to five (5) communities in Summerville (Dorchester and Berkeley Counties), Clinton (Laurens County), Columbia (Lexington County), Florence (Florence County), and Easley (Pickens County). We currently serve 760 residents and are licensed to serve Medicare patients at four (4) of our five (5) communities. We are not currently licensed to provide Medicare services in Florence County because there has been no bed need for many years in that county. However, based on the most recent state health plan, we are in the process of applying for a Certificate of Need to convert some of the nursing home beds to community beds in our Florence community so that we can be licensed to provide Medicare services there as well.

One of our board directives is to provide Medicaid services in each of our communities. Our organization's goal is two-fold. First, we provide charity care to residents who deplete their financial resources and are unable to continue to pay the cost of staying at PCSC. The annual cost of this charitable care has run as high as \$2.5 million dollars in the past, putting a tremendous financial strain on our organization. Having some Medicaid beds would help offset some of this cost. Participating in the Medicaid program would also allow PCSC to enhance our mission by admitting new residents who do not otherwise meet the financial eligibility criteria to enter as a resident at PCSC.

As we have discussed, the current system of allocation of Medicaid permit days in South Carolina is not welcoming to providers who are new to the system. As Medicaid permit days become available in a given county, those permit days are first offered to all the other existing

*Serving Seniors of All Faiths*

CLINTON COLUMBIA EASLEY FLORENCE SUMMERVILLE

Anthony Keck  
October 4, 2012  
Page 2

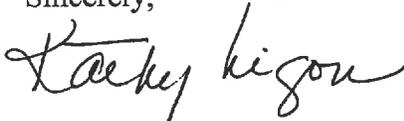
Medicaid providers in that county. Only if all of the existing Medicaid providers in that county decline to use the newly available permit days are those permit days offered to other licensed providers in that county. If all other licensed providers in that county decline the additional permit days, then those days drop to a state pool and may be allocated to other counties. In practice, this almost completely shuts out PCSC from ever obtaining new Medicaid permit days. We were fortunate enough to have obtained 1,095 Medicaid permit days in Lexington County.

The joint resolution that was enacted to provide financial stability to Medicaid providers in South Carolina had the unintended consequence of allowing existing providers to warehouse Medicaid permit days, such that DHEC cannot take away unused permit days and make them available to other providers like PCSC who wish to provide care to those Medicaid patients. We remain concerned how future joint resolutions will impact our ability to obtain additional Medicaid permit days.

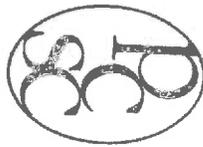
We also understand that dual eligibility of Medicare and Medicaid participants may impact our ability to provide care. If we are not licensed to provide Medicaid services at a given community, we are concerned that it may bar us from those participants who wish to avail themselves of dual eligibility. We are interested in your ideas as to how this will be implemented and consequently how it will impact the operations of PCSC.

Ideally, PCSC would like to serve up to four (4) Medicaid patients at each of our five (5) facilities. We currently have the Medicaid permit days to serve three (3) Medicaid patients at our facility in Lexington County. Any consideration that your department might give to our desire to be a part of the solution for delivering higher quality care to Medicaid patients in South Carolina would be most appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Katherine R. Ligon".

Katherine R. Ligon  
President and CEO



**PRESBYTERIAN COMMUNITIES  
OF SOUTH CAROLINA**

2817 Ashland Road  
Columbia, SC 29210-5009

**RECEIVED**

OCT 05 2012

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Anthony F. Keck  
Director  
SC Dept. of Health and Human Services  
1801 Main Street  
Columbia, South Carolina 29201

29201240901



COLUMBIA SC 29201

OCT 05 2012 PM 3

neopost  
10/04/2012  
**US POSTAGE**



FIRST-CLASS MAIL  
**\$00.45<sup>0</sup>**

ZIP 29210  
041111219107

Log letter 000100



October 26, 2012

Katherine R. Ligon, President and CEO  
Presbyterian Communities of South Carolina  
Management Services  
2817 Ashland Road  
Columbia, SC 29201-5009

Dear Ms. Ligon:

This letter is in follow-up to our recent meeting and your letter regarding Presbyterian Communities of South Carolina (PCSC) obtaining new Medicaid permit days. As stated, one of your board directives is to offer Medicaid in each of your five nursing facilities. Currently, Medicaid is available at Presbyterian Home – Columbia, which equates to approximately 1,067 permit days.

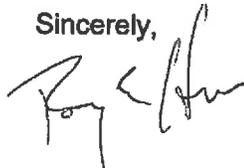
As you are aware, the South Carolina Department of Health and Human Services (SCDHHS) made the difficult decision to cut all Medicaid programs in order to balance the budget. In April 2011, an across the board rate cut of 3 percent was instituted. Additionally, a second round of cuts including a reduction of Medicaid permit days was implemented July 2011.

SCDHHS works closely with the South Carolina Department of Health and Environmental Control for the allocation of permit days each fiscal year. As you indicated, these days are based on the State Health Plan and the Community Long Term Care waiting list data. For fiscal year 2013, we added 44,043 permit days to the counties with the greatest need. Days were allocated to existing nursing facilities. Since PCSC has been able to obtain permit days in Lexington County, perhaps it would be beneficial to examine how this was accomplished, and if there might be ways to use the same strategy in other counties you wish to serve.

As we move into the future, SCDHHS looks forward to working with PCSC, SCDHEC and other stakeholders on creative solutions to making days available to interested providers depending on availability. We all share the goal of providing quality care. A Joint Resolution will be required to make any changes to the current system. Providers and associations should consider bringing any recommendations through the legislative process.

We applaud your efforts and look forward to working with you. If you have questions, please contact Nicole Mitchell-Threatt at (803) 898-2689.

Sincerely,



Roy E. Hess  
Deputy Director