

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Bowling</i>	DATE <i>8-24-06</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000170</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Extended due to due date 45 days from date of letter.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-6-06</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. <i>Cleared 2/27/07, letter attached.</i>			
2.			
3.			
4.			



Children's Hospital

Doc Bowling
Approf Sign.

RECEIVED

AUG 24 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

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August 22, 2006

**Re: Proposal for Sedation Reimbursement
CPT codes 99143-99145
Department of Pediatrics – Emergency Medicine & Critical Care**

Dear Dr. Burton:

Thank you and Valeria for the many efforts put forth with us regarding our moderate sedation reimbursement challenges. As you are aware, often the same provider is responsible for administering both moderate or deep sedation and certain procedures. Under these conditions provision of deep sedation is a more intensive-complex process. Most of those procedures are not listed in CPT's Appendix G and are billed appropriately, according to AMA/CPT guidelines. Unfortunately, the previous sedation codes 99141 and 99142 were not priced by Medicare and listed as status B. Currently, Medicare has identified all moderate sedation codes 99143-99150 as status C for carrier pricing, and a fee has not been issued. At any rate, Medicare should not be a benchmark since our argument is for the needs of children, not adults.

For those who may not have clinical knowledge, an example that I am referencing would be 99143 (moderate sedation and procedure by the same physician, age 5 years or older) to be billed with an unbundled code 36556 (insertion of a central venous access device, age 5 years or older) on the same day by the same provider. The 99143 is done to provide the necessary level of sedation to keep the child from moving and requires constant monitoring to be able to place the intravenous large-bore catheter which is the 36556. Both procedures are provided by the same physician. At this time, the 99143 is not paid separately by Medicaid of South Carolina, and the reimbursement for 36556 has not substantially increased. In comparison, procedures in infants and smaller children less than 5 years of age are even more difficult and require a deeper level of sedation. Yet, for the bundled codes, 36555 (central venous access, age less than 5 years), 36568 (peripherally inserted central catheter, age less than 5 years) and 32020 (insertion of chest tube) there has been little increase in the Medicaid reimbursements (\$42, \$30 and \$8 respectively) since 2004 to monetarily compensate for the required sedation.

Several carriers have initiated reimbursement for moderate sedation codes 99143-99145. For people below age 20, Medicaid of Florida prices 99143 and 99144 at \$55.49, and 99145 at \$27.74. Florida's fee schedule is at <http://floridamedicaid.aes-inc.com/XJCContent/PHYSMED0106.xls?id=000002530777> Currently in South Carolina, Aetna prices the 99143 at \$112.50 and Cigna prices the 99145 at \$94.50. We are requesting that South Carolina Medicaid consider paying \$66.59 on the 99143 and 99144, and \$33.29 on the 99145, which would account for a sub-specialist premium of 20% plus Florida's rate. In addition, we are asking that reimbursements for all bundled codes (36555, 36568, 32020) be enhanced to appropriately compensate (range: \$133.17 to \$199.75) for the non-billable moderate and deep sedations.

While keeping our children's health in mind, the institution would like to decide how we will proceed with these services. Therefore, we would appreciate your response to this proposal within 45 days. Please do not hesitate to contact us if you need additional data or justification in resolving this important issue. Again, we truly appreciate the help you've given us.

Sincerely,

A handwritten signature in black ink, appearing to read "David Habib", with a stylized flourish at the end.

David Habib, MD
Director, Division of Pediatric Emergency Medicine and Critical Care
Medical University of South Carolina



State of South Carolina

Department of Health and Human Services

#170

Mark Sanford
Governor

Robert M. Kerr
Director

February 27, 2007

David Habib, M.D., Director
Medical University of South Carolina
Pediatric Emergency Medicine and Critical Care
Post Office Box 250566
Charleston, South Carolina 29425

Dear Dr. Habib:

Thank you for your inquiry regarding Medicaid coverage of Moderate Sedation procedure codes and reimbursement for bundled sedation procedure codes. We welcome the opportunity to be of assistance.

The South Carolina Department of Health and Human Services (SCDHHS) has reviewed your request to cover moderate sedation procedure codes when the same provider is responsible for both the sedation and the diagnostic or therapeutic procedure. Effective with dates of services on or after, April 1, 2007, South Carolina Medicaid will cover Moderate Sedation Current Procedural Terminology (CPT) codes 99143 and 99144, at a reimbursement rate of \$45.00. Add-on CPT code 99145 will reimburse at a rate of \$22.50.

In regard to your concern about monetary compensation for several CPT codes, we are including the current reimbursement rates that have been updated twice since 2004.

CPT Code	Description	Physician Rate		Pediatric Sub- Specialty	
		Office	Facility	Office	Facility
36555	Central venous access ages less than 5 years	\$253.71	\$110.74	\$298.48	\$130.28
36568	Peripherally inserted central catheter ages less than 5 year	\$280.43	\$79.93	\$329.92	\$94.03
32020	Insertion of chest tube	\$172.18	N/A	\$202.56	N/A

As you are aware, these codes are now priced at 85% of the 2006 Medicare fee schedule. A site of service deferential will be applied to codes 36555 and 36568 when these procedures are performed in a facility setting. When a Pediatric Sub-Specialist performs these services the reimbursement would be 100% of the 2006 Medicare Fee Schedule.

Again, thank you for your continued support of the South Carolina Medicaid program. If you have additional questions, please contact Ms. Valeria Williams, Physician Services Division Director, at (803) 898-3477.

Sincerely,

Susan B. Bowling
Susan B. Bowling
Deputy Director

SBB/gwd