SOUTH CAROLINA
Healthy Connections
MEDICAID

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October 23, 2015

Hon. Gary E. Clary
Chairman, Ad Hoc Committee
House Legislative Oversight Committee
228 Blatt Building
Columbia, SC 29201

Dear Chairman Clary,

I appreciate your willingness to grant the Department an additional week to gather and analyze records from our managed care plans and/or the relevant healthcare providers. The week-long closure of our Jefferson Square headquarters and many providers' practices due to the recent flooding would have otherwise made it impossible for us to provide you with detailed answers to your questions within the initially allotted time.

The responses to the Committee's requests are as follows:

#1: Documentation which shows the investigation and final determination of the two potential abortions at Planned Parenthood paid through Medicaid which were discovered by your agency yesterday afternoon.

During my presentation, I distinguished between "claims," which are requests for payment submitted by providers directly to the Department through the Fee-for-Service (FFS) program, and "encounters," which are essentially the managed care program's equivalent of a claim. Both types of records contain information on a specific instance in which healthcare services were provided. The primary difference is that managed care organizations (MCOs) transmit encounter data to the Department not to request reimbursement for those specific services, since the MCOs are already paid each month on a per-member basis, but to provide the Department with information on the cost and type of services provided to covered Medicaid beneficiaries.

The two records that were identified on the afternoon of September 29th were not FFS claims, but MCO encounters. The first encounter, for services rendered in 2010, was submitted by Absolute Total Care for a total of $279.12. An $84.86 component of this encounter was associated with Current Procedural Technology (CPT) procedure code 59840, which signifies a type of induced abortion.

Subsequent discussions between Absolute Total Care, the provider, and the Department revealed that because the procedure had been elective, the beneficiary had paid out-of-pocket,

as required. Unfortunately, the provider also inadvertently billed the MCO for the 59840 procedure, which is not permissible since the Hyde Amendment's standard had not been met. The provider agreed to remit $84.86 accordingly.

The second encounter in question was submitted by BlueChoice HealthPlan for services provided in 2012. The total amount associated with this encounter was $358.50, of which $273.36 was associated with CPT code 59841, which also represents an induced abortion.

I have enclosed with this letter a redacted copy of the "Certification of Medically Necessary Services" that was issued for this individual beneficiary to receive this specific service. These certifications are issued by the MCOs at the conclusion of their pre-payment reviews whenever they deem that the Hyde Amendment's conditions have been satisfied. For this encounter, the form does not record whether the pregnancy had resulted from rape or incest, or if it was determined that the beneficiary's life was in danger. The Department is continuing to work with BlueChoice to search for any records that might shed greater light on that point.

#2: Number of abortions paid through Medicaid which are within the Hyde Amendment during FY 2011 through FY 2015 broken down by Option 1 (if the pregnancy is the result of an act of rape or incest) and Option 2 (if the pregnancy would place the woman in danger of death unless an abortion is performed).

In my presentation on September 30th, I noted that the Department was continuing to gather records from the MCOs and providers, but that we had identified 222 beneficiaries who appeared to have received a Medicaid-funded abortion during the five-year period from FY 2011 through FY 2015.

The table below reflects a substantially lower total: 26 in the FFS program and 3 in the managed care program. The primary cause of the discrepancy is that the Department's initial reporting criteria proved to be overly broad. Our initial reports captured the full range of claims and encounters that had abortion-related ICD-9 codes (the ninth edition of the International Classification of Diseases) as either the primary or secondary diagnosis. Working with the MCOs and providers, our subsequent research has shown that for the vast majority of the beneficiaries in question, either (1) there was a miscarriage instead of an abortion, or else (2) Medicaid had paid for follow-up medical services after an abortion had been performed, <u>even though the abortion itself had not been paid for through Medicaid</u>.

There are a number of scenarios in which this would be the appropriate coding method for a provider to use when submitting a claim. For instance, a Medicaid beneficiary could be implanted with a long-acting reversible contraceptive (LARC) device on the same date that she received an elective abortion. If she paid for the abortion herself and Medicaid paid for the LARC as part of the Family Planning benefit, then it would be appropriate to apply an ICD-9 code for abortion to the LARC claim, since that was the diagnosis associated with the initial service rendered. Our September reports relied heavily upon ICD-9 coding to ensure that we did not fail to report on any relevant cases; further research has demonstrated that the majority of cases were not actually Medicaid-funded abortions.

Two other factors contributed in a much smaller way to the reduction in the number of highlighted cases. One woman had claims or encounters associated with two different pregnancies during this five-year period; in the September reports, she was double-counted. Similarly, in a few cases, there were records in two different fiscal years tied to a single claim or encounter; this was most likely to occur because of a provider's ability to submit claims for up to one year after the date of service. In this scenario, the September reports would also have counted the same case in two different fiscal years.

Ultimately, of the 29 Hyde-compliant Medicaid-funded abortions, four arose from cases of rape or incest, while the remaining 25 were tied to the life of the mother.

FFS						
FFS Hyde Abortions	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	**Total**
Option 1: Rape/Incest	2	0	1	0	0	**3**
Option 2: Life of Mother	6	10	3	3	1	**23**
Total	**8**	**10**	**4**	**3**	**1**	**26**

MCO						
MCO Hyde Abortions	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	**Total**
Option 1: Rape/Incest	0	0	0	1	0	**1**
Option 2: Life of Mother	0	0	0	1	1	**2**
Total	**0**	**0**	**0**	**2**	**1**	**3**

#3: List of cities, counties and zip codes in which the 222 abortions paid through Medicaid during FY 2011 through FY 2015 were performed based on the address you have for the provider.

The Committee's question uses the 222 figure that was provided during the September presentation; as discussed in the response to Question #2, the universe of Medicaid-funded abortions has actually proven to be significantly smaller. The following table therefore answers Question #3 in two different ways:

FFS & MCO		
Provider County	All Abortions	Hyde Abortions
AIKEN	[redacted]	[redacted]
ANDERSON		
BEAUFORT		
CHARLESTON	30	21
GREENVILLE	11	7
GREENWOOD	[redacted]	[redacted]
NC within SC Service Area		
RICHLAND	10	
YORK	[redacted]	

The column on the right ("Hyde Abortions") refers to the same cases that were identified in the FFS and MCO tables under Question #2. The column on the left ("All Abortions") is based upon a stricter reading of Question #3 when it references "abortions paid through Medicaid during FY 2011 through FY 2015." In some cases, Medicaid has initially paid for an abortion, but then recouped that payment based upon post-payment review or other Program Integrity findings. If Medicaid ever paid for an abortion during FY 2011 through FY 2015, then that would be reflected in the "All Abortions" column. Cases identified as "Hyde Abortions" are a subset of those shown under "All Abortions" – these are not separate cases.

Information that could be used to identify specific individuals has been redacted from this report pursuant to regulations promulgated by the Department in accordance with S.C. Code Ann. (2014) Section 44-6-190. The regulations may be found at 10 S.C. Code Ann. Regs. (2014) 126, Subarticle 4, Safeguarding of Client Information.

Additionally, the Health Insurance Portability and Accountability Act (HIPAA) restricts the release of personal health information without the authorization of the individual unless the request meets one of the exceptions provided for in 45 CFR Part 164. As a result of these statutes and regulations, the Department has redacted the report in instances where the number of occurrences is less than five. Also, city and zip code information was redacted to reduce the possibility of identifying individual Medicaid beneficiaries.

#4: Number of individuals under the age of seventeen who have obtained abortions paid through Medicaid during FY 2011 through FY 2015.

A total of eight Medicaid-funded abortions during this time period were for beneficiaries under the age of seventeen.

FFS & MCO						
Abortions	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	**Total**
Under Age 17	2	1	3	1	1	**8**

Sincerely,

[redacted]

Christian L. Soura
Director

BlueChoice HealthPlan of South Carolina
Medicaid

[redacted]2012

PLANNED PARENTHOOD HEALTH SYSTEMS INC
100 S BOYLAN AVE
RALEIGH, NC 27603
Attn: Sandy B
Phone: 8032564904
Fax: 8032564900

Reference Number: [redacted]
Provider:
Facility/Vendor: PLANNED PARENTHOOD HEALTH SYSTEMS INC
Client:
Tax Identification Number:
NPI
Patient ID:
Patient Name: [redacted]
Patient Birth Date:
Physician Reviewer:
Admit Date:
Date Created:

Subject: Certification of Medically Necessary Services

Dear Provider:

We have certified the requested services listed below based on medical necessity.

	Start Date	End Date	Days
Initial approval:	[redacted]2012	[redacted]2012	1
Extension approval:			
Service Requested:	59841-abortion		
Review Outcome:	Certification		
Place of Service:	Ambulatory Surgical Center		
Negotiated and Accepted Rate	100% SC Medicaid Rates		

This certification is valid for 90 days from the initial approval start date on this letter. If the service date changes, please call us at the toll-free telephone number listed below. If we need any additional information, we will send follow-up letters as required.

Keep in mind that this letter and our review simply affirms our certification that the requested services are medically necessary. It does not guarantee claims payment, since we cannot determine benefits until we receive claims. As with any health plan, benefits are subject to all policy exclusions, limitations, waivers and coverage eligibility when the requested services are provided. Benefits also may be limited or denied if the information submitted with claims differs from that given by telephone. By rendering the certified covered services to the above-referenced patient (the member), you indicate your agreement to the terms and conditions set forth in Attachment A to this letter. If you do not agree with the attached terms and conditions, contact us before you provide any services to the member. Our Provider Operations Manual is available at www.BlueChoiceSCMedicaid.com.

As always, we believe that the decision regarding what treatment is best remains with the patient and the health care provider, and we appreciate your service to our members.

For questions regarding information in this letter, please contact us at 1-866-902-1689.

Sincerely,

[redacted]
Intake Rep

Enclosures: Attachment A - Terms and Conditions

www.BlueChoiceSCMedicaid.com

BlueChoice HealthPlan is an independent licensee of the Blue Cross and Blue Shield Association.
Medicaid managed care administered by HealthPoint Partnership Plan, LLC, an independent company.

0110 SCW2797 04/24/12

BlueChoice HealthPlan of South Carolina
Medicaid

Attachment A
BlueChoice HealthPlan of South Carolina
Terms and Conditions

With regard to the health care needs of BlueChoice HealthPlan of South Carolina (BLUE CHOICE HEALTH PLAN MEDICAID) member [redacted] (BLUE CHOICE HEALTH PLAN MEDICAID member number [redacted] Date of Birth [redacted] (Member) and upon prior certification by BLUE CHOICE HEALTH PLAN MEDICAID, PLANNED PARENTHOOD HEALTH SYSTEMS INC ("Provider") agrees to the following terms and conditions:

1. All health professionals and staff employed by Provider and all equipment are at all times appropriately licensed and/or certified by the state of South Carolina and/or all appropriate professional or other organizations.
2. Provider will cooperate in any utilization review procedures, quality assurance activities, external audit systems and grievance procedures, as may be established by BLUE CHOICE HEALTH PLAN MEDICAID pursuant to the terms of BLUE CHOICE HEALTH PLAN MEDICAID's benefits contract and Provider Operations Manual, and shall comply with all final determinations rendered by the peer review process or grievances mechanism. Additionally, Provider agrees that reimbursement for covered services provided to Member will be paid in compliance with BLUE CHOICE HEALTH PLAN MEDICAID's utilization and authorization processes.
3. Provider will prepare and maintain all appropriate records for Member. Access to Provider's records shall be controlled by applicable federal, state, and local laws. Provider agrees to furnish to BLUE CHOICE HEALTH PLAN MEDICAID, during regular business hours, financial, medical, billing, payment, assignment, utilization review records for inspection, audit, and duplication. Such inspection, audit and duplication shall be allowed upon fourteen (14) days' written notice. Provider shall retain all records evidencing services to Member provided for at least five (5) years after rendering the services. Provider must forward to the Contractor medical records, within ten (10) working days of BLUE CHOICE HEALTH PLAN MEDICAID's request.
4. Provider will comply with BLUE CHOICE HEALTH PLAN MEDICAID's confidentiality policy stating that all information records, and data collected or maintained concerning Member shall remain confidential and be protected from any unauthorized disclosure except that the information, records, and data shall be available to BLUE CHOICE HEALTH PLAN MEDICAID and as indicated in any state and federal law.
5. Provider acknowledges that BLUE CHOICE HEALTH PLAN MEDICAID's maximum reimbursement shall not exceed 100% of the applicable amount on the South Carolina Medicaid fee schedule in effect and accepted by BLUE CHOICE HEALTH PLAN MEDICAID at the time of service or Provider's actual billed charges, whichever is less, minus any applicable copayments or deductibles which is the responsibility of the Member. Provider will accept BLUE CHOICE HEALTH PLAN MEDICAID's payment as payment in full for all covered services provided to Member except that Provider may bill the Member for any applicable copayments or deductibles, which is the Member's responsibility.
6. Provider will not balance bill Member for payments not made by BLUE CHOICE HEALTH PLAN MEDICAID related to failure of Provider to obtain authorization for services. Nor will Provider ask Member to make payments in advance of services except if applicable as specifically expressed by BLUE CHOICE HEALTH PLAN MEDICAID at the time of service as the Members copayment or deductible. All collections from Member must be either authorized by BLUE CHOICE HEALTH PLAN MEDICAID prior to services or made after the applicable claims for services have been processed by BLUE CHOICE HEALTH PLAN MEDICAID and BLUE CHOICE HEALTH PLAN MEDICAID has directed Provider that payment for the services are Member's responsibility. Provider shall not collect from Member any

payments for covered services that are owed by BLUE CHOICE HEALTH PLAN MEDICAID if at any time during the provision of covered services, the Provider or its agents are aware that Member is covered by BLUE CHOICE HEALTH PLAN MEDICAID. Provider may not bill Member for any non-covered services without the prior written consent of Member.

7. If BLUE CHOICE HEALTH PLAN MEDICAID is considered the primary insurer under applicable coordination of benefits rules, BLUE CHOICE HEALTH PLAN MEDICAID shall pay the amounts due under this Authorization including these terms and conditions as provided in Section 5. In a case in which BLUE CHOICE HEALTH PLAN MEDICAID is other than primary under such coordination of benefits rules, BLUE CHOICE HEALTH PLAN MEDICAID shall pay only those amounts which, when added to amounts received by Provider from all other sources pursuant to the applicable Coordination of Benefits rules, equals one hundred percent (100%) of the amount required by Section 5.

8. In no event, including, but not limited to nonpayment by BLUE CHOICE HEALTH PLAN MEDICAID or breach of these terms and conditions, shall Provider bill, charge, collect a deposit from; seek compensation, remuneration or reimbursement from; or have any recourse against Member or persons other than BLUE CHOICE HEALTH PLAN MEDICAID for services provided. This provision shall not prohibit collection of any applicable copayments or deductibles billed in accordance with the terms of the Member's benefit agreement. Provider further acknowledges that (i) this provision shall survive these terms and conditions regardless of the cause giving rise to such and shall be construed to be for the benefit of BLUE CHOICE HEALTH PLAN MEDICAID's members and (ii) this provision supersedes any oral or written agreement to the contrary now existing or hereafter entered into between Provider and the member or persons acting on Member's behalf.

9. Provider has not been excluded from participation in the CMS Medicaid or Medicare programs. Provider will notify BLUE CHOICE HEALTH PLAN MEDICAID immediately in writing of any change in Provider's eligibility for any such program. Provider also will disclose to BLUE CHOICE HEALTH PLAN MEDICAID the identity of any excluded individuals/entities with ownership or control interest in Provider. An individual is considered to have an ownership or control interest in a provider entity if it has direct or indirect ownership of five percent (5%) or more, or is a managing employee (e.g., a general manager, business manager, administrator, or director) who exercises operational or managerial control over the entity, or who directly or indirectly conducts the day-to-day operations of the entity.

10. This document shall not have the effect of designating Provider a participating provider with BLUE CHOICE HEALTH PLAN MEDICAID.

11. Provider's provision of certified covered services to Member indicates Provider's agreement with all of the above-written terms and conditions.

BLUE CHOICE HEALTHPLAN OF SC
P.O. BOX 100124
COLUMBIA, SC 29202-3124

BlueChoice HealthPlan of South Carolina
Medicaid

ATTN: INSURANCE VER. TIER
PLANNED PARENTHOOD HEALTH SYSTEMS I
100 S BOYLAN AVE
RALEIGH NC 27603

Reference No: [redacted]
Provider:
Facility/Vendor: PLANNED PARENTHOOD HEALTH SYSTEMS INC
Client: SSP ANTHEM BC&BSSP SOUTH CAROLINA - MEDICAID
Patient ID: [redacted]
Patient:
Physician NONE
Reviewer:
Admit Date: N/A
Date Created: [redacted]2012

Service	Date	Quantity	Total Qty	Code	Description
Surgical	[redacted]2012	1 Unit(s)	1 Unit(s)	59841	abortion

Subject: Approval of Medically-Necessary Services

Review Outcome: Certification

Place of Service: Ambulatory Surgical Center

Dear Provider:

We have certified the requested services listed above based on medical necessity.

This certification is valid for 30 days from the initial approval date. If the service date changes, please call us at the toll-free telephone number listed below. If we need any additional information, we will send follow-up letters as required

Keep in mind that this letter and our review simply affirms our certification that the requested services are medically necessary. It **does not guarantee claims payment,** since we cannot determine benefits until we receive claims. As with any health plan, benefits are subject to all policy exclusions, limitations, waivers and coverage eligibility when the requested services are provided. Benefits also may be limited or denied if the information submitted with claims differs from that given by telephone.

For questions regarding information in this letter, please contact us at:

BLUE CHOICE HEALTHPLAN OF SC

[redacted]