


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Single for</i>	DATE <i>1-4-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>001283</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Farkner, Depo</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" 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.			

SCOTT F. TALLEY, P.A.

959 John B. White Sr. Blvd.
Spartanburg, South Carolina 29306

Certified Civil Mediator
scott@stalleypa.com

Department of Health & Human Services
7F R834 D397-429 DIRECTOR
F (864) 595-2969

JAN 04 2010

December 22, 2009

RECEIVED

DEC 30 2009

SCDHHS
Office of General Counsel

Rick Hepfer
Deputy General Counsel
SC Dept. of Health and Human Services
1801 Main Street
Columbia, South Carolina 29202

RE: QMB claims of Affiliated Counseling, Bethany Counseling and Carolina Behavioral

Dear Rick:

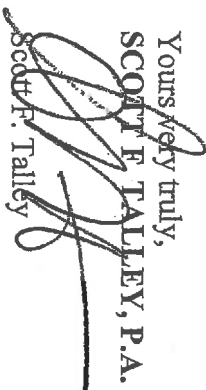
I write in follow-up to your letter of November 25, 2009. We submit to you that the notes you received reflect claims that, according to our clients, were timely submitted yet were rejected for the same reasons we have discussed – system error. If our clients resubmitted the claims after receiving rejection notices from DHHS, as the Department has acknowledged, the claims would have continued to reject even though they were timely submitted and proper for payment. Therefore, we think that these claims have to be considered as part of any potential resolution and are comfortable that, based on the Department's internal errors, a Court of competent jurisdiction would include these claims as part of any award given to our clients. Based on the information submitted, specifically provider numbers on the documents, the Department is in the best position to retrieve the information on the claims as to the time they were first submitted and then rejected as well as the validity of the claims at the time of initial submission.

The fact that you raise an issue with overpayment at this point, despite this methodology being adopted in State Health Plans, which were given the "okay" from CMS, is baffling to say the least. If, in fact, this is an issue, why is it raised now and not discovered, as apparently it could have been, years ago? Would this not mean that the State owes the federal government monies for overpayment, which would have been included in reimbursement/match funds, if true? Would it not also mean that you have to contact numerous providers of counseling services to request that they repay the Department so you can then repay the federal government? Again, the timing of your "discovery" is quite interesting in light of the fact that numerous meetings, including with the Governor's Office, have occurred over a four year period seeking resolution of this matter.

To that end, if we cannot resolve this matter before December 31, 2009 in a matter satisfactory to our clients, we will proceed to file legal proceedings as well as discuss your findings with appropriate governmental entities in hopes of resolving this matter for all affected providers in our State that fall into the same category as the three clients that brought this to our, and your, attention.

Rick Hepfer
December 22, 2009
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Yours very truly,
SCOTT F. TALLEY, P.A.

A handwritten signature in black ink, appearing to read "Scott F. Talley", is written over the printed name.

SFT/jm

Cc: W. Douglas Smith, Esquire