

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

ACTION REFERRAL

TO <i>Singleton</i>	DATE <i>4-18-14</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000362</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Roberts, Carter Cleared 5/2/14, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-30-14</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.			

RECEIVED

APR 18 2014

Department of Health & Human Services
OFFICE OF THE DIRECTOR

JAY HODGE
ATTORNEY AT LAW

121 MARKET STREET
CHERAW, SOUTH CAROLINA 29520

TELEPHONE 843.537.7886

EMAIL COVEY41@AOL.COM

SOLICITOR, FOURTH JUDICIAL CIRCUIT
JANUARY, 1997-JANUARY 2009

April 7, 2014

Ms. Deirdra Singleton
Deputy Director for Health Services
Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202

Dear Ms. Singleton:

Thank you for taking your time to meet with Ann Lewis, CEO of CareSouth Carolina, Inc. and me Thursday at your office in Columbia.

The original purpose of the meeting was to meet with Director Tony Keck to obtain a clear understanding of the Agency's intentions of complying with what we consider to be the legal requirements of Section 1902 (bb) of the Social Security Act governing state Medicaid payment requirements to FQHCs. Due to out of town obligations, Director Keck was unable to meet with us and we met with you and Jeff Saxon. Lathran Woodard, CEO of the SCPHCA, also joined us.

We discussed with you the specific deleterious effects of the Agency's decision on CareSouth, which to date amounts to \$1,350,000.00, as follows:

1. Termination of 21 FTE's; these employees included care managers, performance improvement staff and compliance staff; not only has their loss affected our ability to function at our once unquestionably high level, but the ripple effect for these 21 families has been devastating in many cases.
2. Termination of 4.2% benefit allowance to staff for group health insurance and 401k) allowances.
3. Filing of a tax lien against us by the Internal Revenue Service in the amount of \$700,000.00 due to the loss of budgeted income.

RECEIVED

APR 11 2014

Department of Health & Human Services
Office of Health Programs

OFFICE 843.537.3972

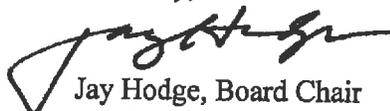
Log to DS-
C: Byron/Bruce

4. Loss of morale among many of our employees who have witnessed the curtailment of ongoing programs and the development of new initiatives, something CareSouth has been nationally known for—and recognized—for many years.

It became quickly apparent during our meeting that our discussion was futile. I want to confirm with you that your final decision is to continue the practice you put into effect January 1, 2012, of not paying CareSouth Carolina, Inc, an FQHC, the Alternative Methodology Rate reimbursement for beneficiaries with both Medicare and Medicaid.

I would appreciate your response at your earliest convenience so that we may proceed with the action we, regrettably, may be compelled to take.

Sincerely,



Jay Hodge, Board Chair
CareSouth Carolina, Inc.

cc: Ms. Melanie Bella
Melanie.bella@cms.hhs.gov

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

Response attached

RECEIVED

APR 21 2014

Department of Health & Human Services
Office of Health Programs

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TO <i>Singleton</i>	DATE <i>4-18-14</i>
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Office of Health Programs

JAY HODGE

ATTORNEY AT LAW

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CHERAW, SOUTH CAROLINA 29520

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SOLICITOR, FOURTH JUDICIAL CIRCUIT
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Department of Health and Human Services
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Sincerely,

A handwritten signature in black ink, appearing to read "Jay Hodge", written over a horizontal line.

Jay Hodge, Board Chair
CareSouth Carolina, Inc.

cc: Ms. Melanie Bella
Melanie.bella@cms.hhs.gov

May 2, 2014

VIA CERTIFIED MAIL

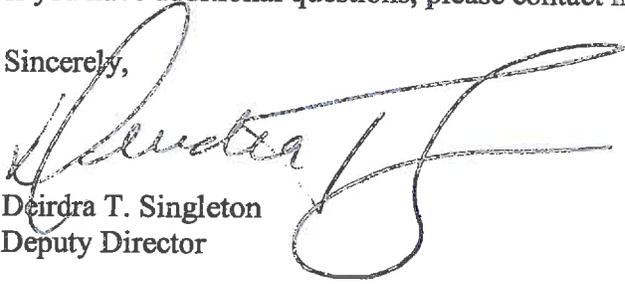
Jay Hodge, Board Chair
Attorney at Law
121 Market Street
Cheraw, South Carolina 29520

Dear Mr. Hodge:

I am in receipt of your letter dated April 7, 2014, regarding the meeting Jeff Saxon and I had with you, Ann Lewis, CEO of CareSouth Carolina, Inc. and Lathan Woodard, CEO of the South Carolina Primary Health Care Association (SCPHCA) on April 3, 2014. During the meeting, Ms. Lewis asked that the Department reconsider its reimbursement policy regarding Federally Qualified Health Centers (FQHCs), particularly as it relates to dual eligible (Medicare/Medicaid) beneficiaries. Currently for FQHC services provided to dual eligible beneficiaries, the Department reimburses FQHCs the lesser of the Medicaid allowed amount less the Medicare paid amount not to exceed the sum of the Medicare coinsurance and deductible amount. At this time, it is not our intent to change our reimbursement policies regarding FQHCs as it relates to dual eligible beneficiaries. However, the concerns raised in your April 7th letter are duly noted.

If you have additional questions, please contact me at (803)898-3202.

Sincerely,


Deirdra T. Singleton
Deputy Director

cc: Ann Lewis, CEO, CareSouth Carolina, Inc.
Melanie Bella, CMS
Jeff Saxon, Program Manager SCDHHS