

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

**ACTION REFERRAL**

TO  <i>Singleton</i>	DATE  <i>10-21-11</i>
----------------------------	-----------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER  <i>10-173</i>	<input type="checkbox"/> Prepare reply for the Director's signature  DATE DUE _____
2. DATE SIGNED BY DIRECTOR  <i>cc: Mr. Heck, Waldrep closed 11/2/11, see attached response.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature  DATE DUE <i>11/2/11</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.			

*Uichi  
PLS draft <sup>rec'd</sup>  
response per  
our conversation  
Haf.*

*11/7*

RECEIVED

MCNAIR  
ATTORNEYS

OCT 21 2011

October 21, 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

M. Elizabeth Crum

lcrum@mcnair.net  
T (803) 753-3240  
F (803) 933-1484

Via Hand Delivery and E-mail – waldrep@scdhhs.gov

Samuel Waldrep, Deputy Director  
Long Term Care and Behavioral  
Health Services  
SC DHHS  
1801 Main Street, 11<sup>th</sup> Floor  
Columbia, SC 29201

Re: Reference to Willowglen during your October 11, 2011 multi-agency meeting

Dear Mr. Waldrep:

We are informed that during a recent meeting of multiple State agencies including the Department of Social Services, Department of Disabilities and Special Needs, Department of Juvenile Justice, Coordination of Care, Department of Education and several other agencies, you singled out Willowglen Academy (Willowglen) by name as a provider that owes the South Carolina Department of Health and Human Services (DHHS) two (2) million dollars. This statement was apparently made while you were discussing DHHS' problem with providers having emergency room visits, medications, x-rays, etc being billed to DHHS while the children receiving these medical services were residents in a Psychiatric Residential Treatment Facility (PRTF). This inaccurate statement has the potential to have a major financial impact on Willowglen and we are requesting that you send a letter to all attendees correcting the factual errors in your statement.

First, on September 22, 2011, the DHHS Division of Program Integrity sent a letter disallowing funding in two categories, the first dealing with provision of group therapy services and the requirement that it be provided by a Master's level direct care staff and the second dealing DHHS' claim that the all-inclusive daily rate covered "all drugs prescribed and administered, EKG's EEGs, Psychological Assessments, Ex-rays, etc." (referred to as Ancillary Services). DHHS disallowed \$209,573.91 NOT two million dollars for the Ancillary Services. (See letter dated September 22, 2011 from Valerie Pack to Teresa Vassar attached hereto as Attachment A). The total amount of the overpayment that DHHS claims is \$1,605,428.91, again NOT two million dollars.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

---

Further, on September 29, 2011, we wrote a letter to Ms. Valerie Pack stating that we did not agree with all of the agency's conclusions and requesting an informal conference. (See letter dated September 29, 2011 to Valerie Pack from Ariail B. Kirk attached hereto as Attachment B). To state at the multi-agency meeting that Willowglen owes a particular amount of money at all is incorrect when DHHS has already been put on notice that the amount of money is contested.

Many of the agencies that were represented at the multi-agency conference place children with Willowglen. Your comment that Willowglen owed two million dollars clearly could lead the placement agencies to conclude that Willowglen either does not know or abide by the DHHS Policy Manual or that its future Medicaid funding is in jeopardy. Either of these conclusions could cause a placement agency to refrain from sending a child to Willowglen for fear that treatment would be interrupted. We are formally requesting that you send a letter to each of the attendees at the October 11, 2011 multi-agency meeting stating that DHHS has not disallowed payments of two million dollars in Ancillary Payments made to Willowglen. I would appreciate your copying me on the letters.

Is you have any questions, please do not hesitate to contact me about this matter. My direct line telephone number is 803-753-3240.

Very truly yours,



M. Elizabeth Crum

MEC:dh

Attachments

cc: Anthony E. Keck, Director, SC DHHS  
Deirdra Toland Singleton, Esquire  
Teresa Lancaster Vassar, M.E., CPM



September 22, 2011

**CERTIFIED MAIL**

Teresa Vassar  
Willowglen  
1399 Harmony Camp Road  
Greeleyville, SC 29056

**Provider #: RTF034**  
**Case #: P4981**

Dear Ms. Vassar:

The Division of Program Integrity has completed the post-payment review of your facility. Through the activities of the Division of Program Integrity, the South Carolina Department of Health and Human Services (SCDHHS) ensures the integrity of the Medicaid program and seeks to reduce waste, fraud and abuse in the use of Medicaid funds. The purpose of program oversight is to safeguard against unnecessary or inappropriate use of Medicaid services, identify excessive or inaccurate payments to providers, and ensure compliance with the applicable Medicaid laws, regulations, and policies. Program Integrity policies and operating procedures as well as citations to appropriate State and Federal Regulations can be found in Section 1 of each provider manual.

Medicaid program policy is developed so that providers can know what the requirements for billing services are in order to establish medical necessity and to reflect the extent of the service performed. They are also developed so that services will be reimbursed in accordance with sound medical and business practices. When these requirements are met, they are in compliance with standards set forth by Federal code for participation and reimbursement by the state Medicaid agency. When these conditions for billing are not met, they result in overpayments to the provider for services that are not substantiated by documentation, do not establish medical necessity and do not indicate the extent of the service performed. Ultimately, they result in unnecessary costs to the Medicaid program, which is prohibited by Federal Code and fits the definition of abuse.

A review of five records obtained from your office on May 4, 2011 and five records on July 27, 2011 as well as interviews conducted with you and your staff indicated that group therapy sessions, which is a required component of a resident's treatment while residing in a Psychiatric Residential Treatment Facility (PRTF), were not being provided by Masters level direct care staff. Additional group documentation was submitted on August 19, 2011 which failed to provide evidence of Masters level staff providing group services. Program policy states that services provided to each child must include, but is not limited to, Group Therapy Services which must be provided by a Master's level direct care staff. Refer to the Psychiatric Hospital Services Manual dated March 1, 2009, page 2-23. Although the review period for these ten records was January 1, 2008 through May 31, 2011, the disallowance for this finding only pertains to the period July 1, 2009, when your facility enrolled as a PRTF, through March 31, 2011, when Masters level staff began participating in group therapy sessions. The disallowance for this finding is \$1,395,855.00.

Other issues were also noted in the sample of records reviewed. They include: missing therapy notes, missing CALOCUS, a Psychological Evaluation and CALOCUS that were not completed within the required time frame and an incomplete Certification of Need. Program policy requires that records contain progress notes, a CALOCUS to ensure standardized preadmission criteria for placement in a PRTF and to act as a tool to

determine the Level of Care (LOC), a Psychological intake evaluation be completed within 30 days of admission, Level of Care reassessments be obtained at a minimum of every 12 months, and the Certification of Need form must be completed, for all clients under age 21 admitted for psychiatric services in order for the provider to receive Medicaid reimbursement. Refer to the Psychiatric Hospital Services Manual dated March 1, 2009 and May 1, 2011. Although no disallowance has been calculated for these findings, for this review, they are noted discrepancies and are subject to recoupment in future reviews. Please ensure compliance with all Medicaid program policy to avoid any potential future recoupments.

A review of claims for all beneficiaries who resided in your facility during the period January 1, 2008 through December 31, 2010 determined that Medicaid paid for services in addition to the all-inclusive daily rate paid to PRTFs. Program policy states that, "Services provided to a Medicaid-eligible client while residing in PRTFs are considered an all-inclusive daily rate (e.g., all drugs prescribed and administered, EKGs, EEGs, Psychological Assessments, X-rays, etc.)". Refer to the Psychiatric Hospital Services Manual dated March 1, 2009, page 2-3. Based on the determination of claims billed in addition to the all-inclusive daily rate, an overpayment was calculated. As a result of the calculation, the disallowance for this finding is \$209,573.91.

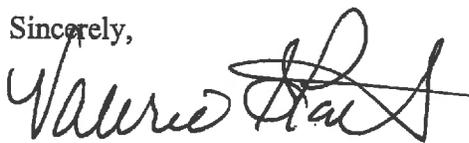
As a result of these findings, a total overpayment of \$1,605,428.91 has been identified.

We have enclosed the Payment Error Key and the Detailed Claims Reports for the above findings.

Please examine the findings and contact Ms. Yow at (803) 898-2708 if you have questions or if you wish to discuss any of the information. If we have not heard from you within ten (10) calendar days of the receipt of this letter, we will conclude that you agree with the findings. Should you wish to schedule an informal conference to discuss the results of your review in person, please call Ms. Yow as soon as possible. Please note that we will not review any additional documentation if it is submitted after the date of the informal conference.

If you have any questions, please contact Ms. Valerie Yow at (803) 898-2708.

Sincerely,



Valerie S. Pack, Department Head  
Department of Medical & Ancillary Service Review  
Division of Program Integrity

VSP: vcy

Enclosure

NOTE: The State authority for this review and recovery of improper payments can be found at Reg. 126.40 et seq. Code of Regulations of South Carolina 1976 as amended; the federal authority may be found at 42 CFR §§433.30 et seq.; See also 42 CFR §431.107; 42 CFR Part 455; and 42 CFR Part 456.

**MCNAIR**  
ATTORNEYS

September 29, 2011

Ariail Burnside Kirk

akirk@mcnair.net  
T (803) 799-9800  
F (803) 753-3278

**Via Fax (803) 255-8224 and U.S. Mail**

Valerie S. Pack, Department Head  
Department of Medical & Ancillary  
Service Review  
SCDHHS  
PO Box 100210  
Columbia, SC 29202-3210

Re: Willowglen Academy / DHHS  
Provider #RTF034  
Case #P4981

Dear Ms. Pack:

On behalf of Willowglen Academy, we are writing to request an informal conference to discuss the contents of your letter dated September 22, 2011 as we do not agree with all of the findings contained therein. We will also contact Ms. Yow by telephone to schedule the informal conference.

Very truly yours,

McNAIR LAW FIRM, P.A.



Ariail Burnside Kirk

ABK:dh

cc: Valarie Yow  
Teresa Vassar, M.Ed.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

**Attachment B**

\* \* \* Communication Result Report ( Sep. 29. 2011 4:36PM ) \* \* \*

1 }  
2 }

Date/Time: Sep. 29. 2011 4:35PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
0454 Memory TX	92558224 ✓	P. 2 ✓	OK ✓	

Reason for error  
 1) Hang up or line fail  
 2) Busy  
 3) No answer  
 4) No facsimile connection  
 5) Exceeded max. E-mail size

**MENAIR**  
ATTORNEYS

**FAX COVER LETTER**  
**CONFIDENTIAL & PRIVILEGED**

MENAIR LLP, P.A.  
 1015 Main Street  
 Suite 1900  
 Columbia, SC 29201  
 T: 803 755-3400  
 F: 803 755-3400  
 Mailing Address  
 Post Office Box 10000  
 Columbia, SC 29201

Date & Time: September 29, 2011  
 Transmitted By: Deborah Harris  
 Number to Call with Problems: 803-755-3404

**PLEASE DELIVER AS SOON AS POSSIBLE TO:**

Recipient: Valerie S. Park, Department Head  
 SCDHHS  
 Fax No.: (803) 255-8224  
 Phone No.: (803) 898-2640

Total number of pages including cover: 2

From: Axial Burnside Kirk, Esquire

Client-Matter: 055412.00001

Comments:

**CIRCULAR 230 DISCLOSURE**

To ensure compliance with requirements imposed by the IRS, we advise you that any U.S. Federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the internal revenue code or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. This advice may not be forwarded (other than within the taxpayer to which it has been sent) without our express written consent. To read more about this disclosure, please see <http://www.menair.net/230.pdf>

The information contained in this facsimile message is confidential, protected by the attorney-client privilege and intended for the use of only the individual or entity named above. If the reader of the message or information is not the intended recipient of the message or information transmitted herewith, you are hereby notified that any dissemination, distribution or copying of the message or information is strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

**RECEIVED**

NOV 03 2011

SCDHHS  
Office of General Counsel

**MCNAIR**  
ATTORNEYS

October 21, 2011

M. Elizabeth Crum

lcrum@mcnair.net  
T (803) 753-3240  
F (803) 933-1484

Via Hand Delivery and E-mail – waldrep@scdhhs.gov

Samuel Waldrep, Deputy Director  
Long Term Care and Behavioral  
Health Services  
SC DHHS  
1801 Main Street, 11<sup>th</sup> Floor  
Columbia, SC 29201

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Columbia, SC 29201

Mailing Address  
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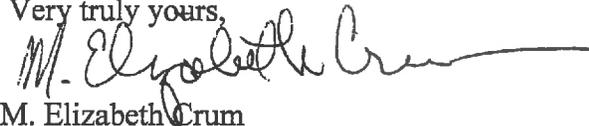
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M. Elizabeth Crum

MEC:dh

Attachments

cc: Anthony E. Keck, Director, SC DHHS  
Deirdra Toland Singleton, Esquire  
Teresa Lancaster Vassar, M.E., CPM



September 22, 2011

**CERTIFIED MAIL**

Teresa Vassar  
Willowglen  
1399 Harmony Camp Road  
Greeleyville, SC 29056

**RECEIVED**

NOV 03 2011

SCDHHS  
Office of General Counsel

Provider #: RTF034

Case #: P4981

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We have enclosed the Payment Error Key and the Detailed Claims Reports for the above findings.

Please examine the findings and contact Ms. Yow at (803) 898-2708 if you have questions or if you wish to discuss any of the information. If we have not heard from you within ten (10) calendar days of the receipt of this letter, we will conclude that you agree with the findings. Should you wish to schedule an informal conference to discuss the results of your review in person, please call Ms. Yow as soon as possible. Please note that we will not review any additional documentation if it is submitted after the date of the informal conference.

If you have any questions, please contact Ms. Valerie Yow at (803) 898-2708.

Sincerely,



Valerie S. Pack, Department Head  
Department of Medical & Ancillary Service Review  
Division of Program Integrity

VSP: vcy

Enclosure

NOTE: The State authority for this review and recovery of improper payments can be found at Reg. 126.40 et seq. Code of Regulations of South Carolina 1976 as amended; the federal authority may be found at 42 CFR §§433.30 et seq.; See also 42 CFR §431.107; 42 CFR Part 455; and 42 CFR Part 456.

RECEIVED

NOV 03 2011

MCNAIR  
ATTORNEYS

September 29, 2011

SCDHHS  
Office of General Counsel

Ariail Burnside Kirk

akirk@mcnair.net  
T (803) 799-9800  
F (803) 753-3278

Via Fax (803) 255-8224 and U.S. Mail

Valerie S. Pack, Department Head  
Department of Medical & Ancillary  
Service Review  
SCDHHS  
PO Box 100210  
Columbia, SC 29202-3210

Re: Willowglen Academy / DHHS  
Provider #RTF034  
Case #P4981

Dear Ms. Pack:

On behalf of Willowglen Academy, we are writing to request an informal conference to discuss the contents of your letter dated September 22, 2011 as we do not agree with all of the findings contained therein. We will also contact Ms. Yow by telephone to schedule the informal conference.

Very truly yours,

McNAIR LAW FIRM, P.A.



Ariail Burnside Kirk

ABK:dh

cc: Valarie Yow  
Teresa Vassar, M.Ed.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

Attachment B

\* \* \* Communication Result Report ( Sep. 29. 2011 4:36PM ) \* \* \*

1}

Date/Time: Sep. 29. 2011 4:35PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
0454 Memory TX	92558224 ✓	P. 2 ✓	OK ✓	

Reason for error

E. 1) Hang up or line fail	E. 2) Busy
E. 3) No answer	E. 4) No facsimile connection
E. 5) Exceeded max. E-mail size	

**MENAIR**  
ATTORNEYS

**FAX COVER LETTER**  
**CONFIDENTIAL & PRIVILEGED**

Menair Law Firm, P.A.  
1000 15th Street  
Baltimore  
Columbia, MD 21001  
TEL: 410-528-1100  
FAX: 410-528-1101  
E-Mail: [info@menair.com](mailto:info@menair.com)  
Web: [www.menair.com](http://www.menair.com)

Date & Time: September 29, 2011  
 Transmitted By: Deborah Harris  
 Number to Call with Problems: 803-753-3404

**PLEASE DELIVER AS SOON AS POSSIBLE TO:**

Recipient	Fac No.	Phone No.
Valerie S. Pack, Department Head	(803) 255-8224	(803) 898-2640
<b>SCORES</b>		

Total number of pages including cover: 2

From: Ariell Burnside Kirk, Esquire

Client-Matter: 056412.00001

Comments:

**CIRCULAR 230 DISCLOSURE**

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. Federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the internal revenue code or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. This advice may not be forwarded (other than within the taxpayer to which it has been sent) without our express written consent. To read more about this disclosure, please see <http://www.menair.net/230.pdf>

The information contained in this facsimile message is confidential, protected by the attorney-client privilege and intended for the use of only the individual or entity named above. If the reader of this message or information is not the intended recipient of the message or information transmitted herein, you are hereby notified that any dissemination, distribution or copying of the message or information is strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

November XX, 2011

M. Elizabeth Crum  
McNair

Dear Liz:

To confirm our conversation, your letter to Sam Waldrep dated October 21, 2011, alleging certain comments made related to Willowglen in an October 11, 2011 multi-agency meeting, does not accurately reflect the happenings of that meeting.

As discussed, it is the position of the South Carolina Department of Health and Human Services (DHHS) that any comments made in the October 11, 2011 multi-agency meeting were made in the ordinary course of business and were not of such a nature to require a clarification letter as you requested in your letter. Any follow-up letter would only serve to underscore the reality that Willowglen has been notified of disallowances in the amount of approximately one million, six hundred thousand dollars by DHHS Division of Program Integrity. While Willowglen may contest that amount, it is the amount asserted as outstanding by Program Integrity and reflected in the letter dated September 22, 2011 which was attached to your original correspondence.

Sincerely,

Deirdra

BMA -  
Close the  
phone call  
with  
Liz -  
Deirdra  
5/24/12



**RECEIVED**

OCT 21 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

**MCNAIR**  
ATTORNEYS

VIA HAND DELIVERY

McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, SC 29211  
[www.mcnair.net](http://www.mcnair.net)

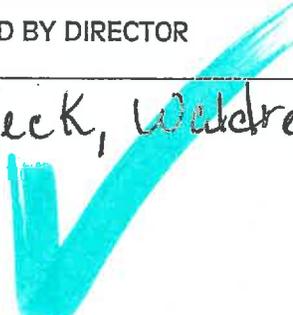
Samuel Waldrep, Deputy Director  
Long Term Care and Behavioral  
Health Services  
SC DHHS  
1801 Main Street, 11<sup>th</sup> Floor  
Columbia, SC 29201

FIRST CLASS MAIL

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

**ACTION REFERRAL**

TO <i>Singleton</i>	DATE <i>10-21-11</i>
------------------------	-------------------------

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100173</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Heck, Waldrep</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>11/2/11</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
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OCT 21 2011

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ATTORNEYS

October 21, 2011

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

M. Elizabeth Crum

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T (803) 753-3240  
F (803) 933-1484

**Via Hand Delivery and E-mail – waldrep@scdhhs.gov**

Samuel Waldrep, Deputy Director  
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Health Services  
SC DHHS  
1801 Main Street, 11<sup>th</sup> Floor  
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Re: Reference to Willowglen during your October 11, 2011 multi-agency meeting

Dear Mr. Waldrep:

We are informed that during a recent meeting of multiple State agencies including the Department of Social Services, Department of Disabilities and Special Needs, Department of Juvenile Justice, Coordination of Care, Department of Education and several other agencies, you singled out Willowglen Academy (Willowglen) by name as a provider that owes the South Carolina Department of Health and Human Services (DHHS) two (2) million dollars. This statement was apparently made while you were discussing DHHS' problem with providers having emergency room visits, medications, x-rays, etc being billed to DHHS while the children receiving these medical services were residents in a Psychiatric Residential Treatment Facility (PRTF). This inaccurate statement has the potential to have a major financial impact on Willowglen and we are requesting that you send a letter to all attendees correcting the factual errors in your statement.

First, on September 22, 2011, the DHHS Division of Program Integrity sent a letter disallowing funding in two categories, the first dealing with provision of group therapy services and the requirement that it be provided by a Master's level direct care staff and the second dealing DHHS' claim that the all-inclusive daily rate covered "all drugs prescribed and administered, EKG's EEGs, Psychological Assessments, Ex-rays, etc." (referred to as Ancillary Services). DHHS disallowed \$209,573.91 NOT two million dollars for the Ancillary Services. (See letter dated September 22, 2011 from Valerie Pack to Teresa Vassar attached hereto as Attachment A). The total amount of the overpayment that DHHS claims is \$1,605,428.91, again NOT two million dollars.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

---

Further, on September 29, 2011, we wrote a letter to Ms. Valerie Pack stating that we did not agree with all of the agency's conclusions and requesting an informal conference. (See letter dated September 29, 2011 to Valerie Pack from Ariail B. Kirk attached hereto as Attachment B). To state at the multi-agency meeting that Willowglen owes a particular amount of money at all is incorrect when DHHS has already been put on notice that the amount of money is contested.

Many of the agencies that were represented at the multi-agency conference place children with Willowglen. Your comment that Willowglen owed two million dollars clearly could lead the placement agencies to conclude that Willowglen either does not know or abide by the DHHS Policy Manual or that its future Medicaid funding is in jeopardy. Either of these conclusions could cause a placement agency to refrain from sending a child to Willowglen for fear that treatment would be interrupted. We are formally requesting that you send a letter to each of the attendees at the October 11, 2011 multi-agency meeting stating that DHHS has not disallowed payments of two million dollars in Ancillary Payments made to Willowglen. I would appreciate your copying me on the letters.

Is you have any questions, please do not hesitate to contact me about this matter. My direct line telephone number is 803-753-3240.

Very truly yours,



M. Elizabeth Crum

MEC:dh

Attachments

cc: Anthony E. Keck, Director, SC DHHS  
Deirdra Toland Singleton, Esquire  
Teresa Lancaster Vassar, M.E., CPM



September 22, 2011

**CERTIFIED MAIL**

Teresa Vassar  
Willowglen  
1399 Harmony Camp Road  
Greeleyville, SC 29056

**Provider #: RTF034**  
**Case #: P4981**

Dear Ms. Vassar:

The Division of Program Integrity has completed the post-payment review of your facility. Through the activities of the Division of Program Integrity, the South Carolina Department of Health and Human Services (SCDHHS) ensures the integrity of the Medicaid program and seeks to reduce waste, fraud and abuse in the use of Medicaid funds. The purpose of program oversight is to safeguard against unnecessary or inappropriate use of Medicaid services, identify excessive or inaccurate payments to providers, and ensure compliance with the applicable Medicaid laws, regulations, and policies. Program Integrity policies and operating procedures as well as citations to appropriate State and Federal Regulations can be found in Section 1 of each provider manual.

Medicaid program policy is developed so that providers can know what the requirements for billing services are in order to establish medical necessity and to reflect the extent of the service performed. They are also developed so that services will be reimbursed in accordance with sound medical and business practices. When these requirements are met, they are in compliance with standards set forth by Federal code for participation and reimbursement by the state Medicaid agency. When these conditions for billing are not met, they result in overpayments to the provider for services that are not substantiated by documentation, do not establish medical necessity and do not indicate the extent of the service performed. Ultimately, they result in unnecessary costs to the Medicaid program, which is prohibited by Federal Code and fits the definition of abuse.

A review of five records obtained from your office on May 4, 2011 and five records on July 27, 2011 as well as interviews conducted with you and your staff indicated that group therapy sessions, which is a required component of a resident's treatment while residing in a Psychiatric Residential Treatment Facility (PRTF), were not being provided by Masters level direct care staff. Additional group documentation was submitted on August 19, 2011 which failed to provide evidence of Masters level staff providing group services. Program policy states that services provided to each child must include, but is not limited to, Group Therapy Services which must be provided by a Master's level direct care staff. Refer to the Psychiatric Hospital Services Manual dated March 1, 2009, page 2-23. Although the review period for these ten records was January 1, 2008 through May 31, 2011, the disallowance for this finding only pertains to the period July 1, 2009, when your facility enrolled as a PRTF, through March 31, 2011, when Masters level staff began participating in group therapy sessions. The disallowance for this finding is \$1,395,855.00.

Other issues were also noted in the sample of records reviewed. They include: missing therapy notes, missing CALOCUS, a Psychological Evaluation and CALOCUS that were not completed within the required time frame and an incomplete Certification of Need. Program policy requires that records contain progress notes, a CALOCUS to ensure standardized preadmission criteria for placement in a PRTF and to act as a tool to

determine the Level of Care (LOC), a Psychological intake evaluation be completed within 30 days of admission, Level of Care reassessments be obtained at a minimum of every 12 months, and the Certification of Need form must be completed, for all clients under age 21 admitted for psychiatric services in order for the provider to receive Medicaid reimbursement. Refer to the Psychiatric Hospital Services Manual dated March 1, 2009 and May 1, 2011. Although no disallowance has been calculated for these findings, for this review, they are noted discrepancies and are subject to recoupment in future reviews. Please ensure compliance with all Medicaid program policy to avoid any potential future recoupments.

A review of claims for all beneficiaries who resided in your facility during the period January 1, 2008 through December 31, 2010 determined that Medicaid paid for services in addition to the all-inclusive daily rate paid to PRTFs. Program policy states that, "Services provided to a Medicaid-eligible client while residing in PRTFs are considered an all-inclusive daily rate (e.g., all drugs prescribed and administered, EKGs, EEGs, Psychological Assessments, X-rays, etc.)". Refer to the Psychiatric Hospital Services Manual dated March 1, 2009, page 2-3. Based on the determination of claims billed in addition to the all-inclusive daily rate, an overpayment was calculated. As a result of the calculation, the disallowance for this finding is \$209,573.91.

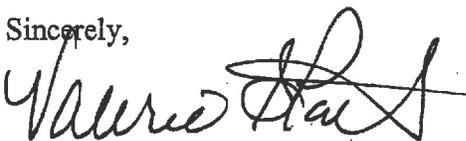
As a result of these findings, a total overpayment of \$1,605,428.91 has been identified.

We have enclosed the Payment Error Key and the Detailed Claims Reports for the above findings.

Please examine the findings and contact Ms. Yow at (803) 898-2708 if you have questions or if you wish to discuss any of the information. If we have not heard from you within ten (10) calendar days of the receipt of this letter, we will conclude that you agree with the findings. Should you wish to schedule an informal conference to discuss the results of your review in person, please call Ms. Yow as soon as possible. Please note that we will not review any additional documentation if it is submitted after the date of the informal conference.

If you have any questions, please contact Ms. Valerie Yow at (803) 898-2708.

Sincerely,



Valerie S. Pack, Department Head  
Department of Medical & Ancillary Service Review  
Division of Program Integrity

VSP: vcy

Enclosure

NOTE: The State authority for this review and recovery of improper payments can be found at Reg. 126.40 et seq. Code of Regulations of South Carolina 1976 as amended; the federal authority may be found at 42 CFR §§433.30 et seq.; See also 42 CFR §431.107; 42 CFR Part 455; and 42 CFR Part 456.

**MCNAIR**  
ATTORNEYS

September 29, 2011

Ariall Burnside Kirk

akirk@mcnair.net  
T (803) 799-9800  
F (803) 753-3278

**Via Fax (803) 255-8224 and U.S. Mail**

Valerie S. Pack, Department Head  
Department of Medical & Ancillary  
Service Review  
SCDHHS  
PO Box 100210  
Columbia, SC 29202-3210

Re: Willowglen Academy / DHHS  
Provider #RTF034  
Case #P4981

Dear Ms. Pack:

On behalf of Willowglen Academy, we are writing to request an informal conference to discuss the contents of your letter dated September 22, 2011 as we do not agree with all of the findings contained therein. We will also contact Ms. Yow by telephone to schedule the informal conference.

Very truly yours,

McNAIR LAW FIRM, P.A.



Ariall Burnside Kirk

ABK:dh

cc: Valarie Yow  
Teresa Vassar, M.Ed.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

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**Attachment B**

\* \* \* Communication Result Report ( Sep. 29. 2011 4:36PM ) \* \* \*

1)

Date/Time: Sep. 29. 2011 4:35PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
0454 Memory TX	92558224 ✓	P. 2 ✓	OK ✓	

Reason for error

- E. 1) Hang up or line fail
- E. 2) Busy
- E. 3) No answer
- E. 4) No facsimile connection
- E. 5) Exceeded max. E-mail size

**MENAIR**  
ATTORNEYS

**FAX COVER LETTER**  
**CONFIDENTIAL & PRIVILEGED**

MENAIR LAW FIRM, P.A.  
521 Main Street  
Johanna, VA 22881  
Charlottesville, VA 22904  
Telephone 703-898-2640  
Facsimile 703-898-2640  
  
Mailing Address  
Post Office Box 9288  
Charlottesville, VA 22909  
  
www.menair.net

Date & Time: September 29, 2011  
Transmitted By: Deborah Harris  
Number to Call with Problems: 803-753-3404

**PLEASE DELIVER AS SOON AS POSSIBLE TO:**

Recipient: Valerie S. Park, Department Head, SCDHHS  
Fax No.: (803) 255-8224  
Phone No.: (803) 898-2640

Total number of pages including cover: 2

From: Ariell Burnside Kirk, Esquire

Client/Matter: 056412.00001

Comments:

**CIRCULAR 230 DISCLOSURE**

To ensure compliance with requirements imposed by the IRS, we advise you that any U.S. Federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. This advice may not be forwarded (other than within the taxpayer to which it has been sent) without our express written consent. To read more about this disclosure, please see <http://www.menair.net/230.pdf>

The information contained in this facsimile message is confidential, protected by the attorney-client privilege and intended for the use of only the individual or entity named above. If the reader of this message or information is not the intended recipient of the message or information transmitted hereon, you are hereby notified that any dissemination, distribution or copying of the message or information is strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

NOV 03 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

October 21, 2011

M. Elizabeth Crum

lcrum@mcnair.net  
T (803) 753-3240  
F (803) 933-1484

Via Hand Delivery and E-mail – waldrep@scdhhs.gov

Samuel Waldrep, Deputy Director  
Long Term Care and Behavioral  
Health Services  
SC DHHS  
1801 Main Street, 11<sup>th</sup> Floor  
Columbia, SC 29201

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1221 Main Street  
Suite 1600  
Columbia, SC 29201

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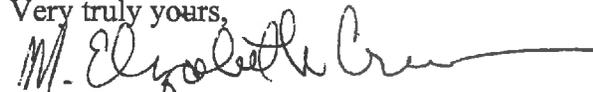
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MEC:dh

Attachments

cc: ✓ Anthony E. Keck, Director, SC DHHS  
Deirdra Toland Singleton, Esquire  
Teresa Lancaster Vassar, M.E., CPM



September 22, 2011

**CERTIFIED MAIL**

Teresa Vassar  
Willowglen  
1399 Harmony Camp Road  
Greeleyville, SC 29056

Provider #: RTF034  
Case #: P4981

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If you have any questions, please contact Ms. Valerie Yow at (803) 898-2708.

Sincerely,



Valerie S. Pack, Department Head  
Department of Medical & Ancillary Service Review  
Division of Program Integrity

VSP: vcy

Enclosure

NOTE: The State authority for this review and recovery of improper payments can be found at Reg. 126.40 et seq. Code of Regulations of South Carolina 1976 as amended; the federal authority may be found at 42 CFR §§433.30 et seq.; See also 42 CFR §431.107; 42 CFR Part 455; and 42 CFR Part 456.

**MCNAIR**  
ATTORNEYS

September 29, 2011

Ariail Burnside Kirk

akirk@mcnair.net  
T (803) 799-9800  
F (803) 753-3278

**Via Fax (803) 255-8224 and U.S. Mail**

Valerie S. Pack, Department Head  
Department of Medical & Ancillary  
Service Review  
SCDHHS  
PO Box 100210  
Columbia, SC 29202-3210

Re: Willowglen Academy / DHHS  
Provider #RTF034  
Case #P4981

Dear Ms. Pack:

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Very truly yours,

McNAIR LAW FIRM, P.A.



Ariail Burnside Kirk

ABK:dh

cc: Valarie Yow  
Teresa Vassar, M.Ed.

McNair Law Firm, P. A.  
1221 Main Street  
Suite 1600  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

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**Attachment B**

\* \* \* Communication Result Report ( Sep. 29. 2011 4:36PM ) \* \* \*

13

Date/Time: Sep. 29. 2011 4:35PM

File No. Mode	Destination	Pg(s)	Result	Page Not Sent
0454 Memory TX	92558224 ✓	P. 2 ✓	OK ✓	

Reason for error

E. 1) Hang up or line fail	E. 2) Busy
E. 3) No answer	E. 4) No facsimile connection
E. 5) Exceeded max. E-mail size	

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ATTORNEYS

**FAX COVER LETTER**  
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MENAIR Law Firm, P.A.  
2221 Maple Street  
Raleigh, NC 27601  
TEL: 919-850-1000  
FAX: 919-850-1000

Date & Time: September 29, 2011  
Transmitted By: Deborah Harris  
Number to Call with Problems: 803-755-3404

Routing Address  
Post Office Box 5000  
Columbia, SC 29201

**PLEASE DELIVER AS SOON AS POSSIBLE TO:**

Recipient	Fax No.	Phone No.
Valerie S. Pack, Department Head SCDHHS	(803) 255-8224	(803) 898-2640

Total number of pages including cover: 3

From: Ariell Burnside Kirk, Esquire

Client-Matter: 056412.00001

Comments:

**CIRCULAR 230 DISCLOSURE**

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. Federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the internal revenue code or (2) promoting, rendering or recommending to another party any transaction or matter addressed herein. This advice may not be forwarded (other than within the taxpayer to which it has been sent) without our express written consent. To read more about this disclosure, please see <http://www.menair.net/230.pdf>

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