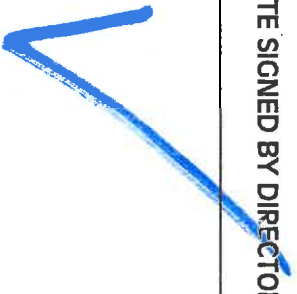


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO	DATE
Bowling	7/25/06

DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOC NUMBER 000112	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<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.			



Fresenius Medical Care

Certified Mail

Return Receipt Requested

July 18, 2006

RECEIVED

JUL 25 2006

Department of Health & Human Services
OFFICE OF THE DIRECTOR

MEDICAID OF SOUTH CAROLINA

Mr.. Bill Prince, Medicaid Director

Department of Health and Human Services,

P.O. Box 8206

Columbia, SC 29202-8206

Re: Fresenius Medical Care North America (FMCNA)

Dear Mr. Prince,

FMCNA owns and operates freestanding dialysis facilities across the United States. A list of addressees and Provider Numbers of FMCNA dialysis facilities in the state of SC is enclosed as Attachment "A" (the "facilities").

We recently completed an internal audit pertaining to billings during 2004, relating to certain services furnished at dialysis facilities owned or managed by FMCNA. We determined that in some instances, using the principles found in the Medicare billing rules, one or more of our facilities was overpaid for these services. Since some of these overpayments involve payments received from your program, we are writing to inform you of our findings and issue a repayment.

Briefly, the following audit identifies findings for which repayment is being made:

High/Low/Duplicate Clinical Dose 2004 Audit

The purpose of this audit is to identify if errors occurred with respect to the billing of clinical doses in 2004 that were 3 times more than the estimated high normal clinical dose (HIGH) or 1/3 of the minimum clinical dose (LOW) or duplicate administrations of the same medication on the same day to the same patient (DUPS).

Home Training Follow Up Audit for 2004

The purpose of the audit was to identify if overpayments occurred with respect to the billing/reimbursement of home dialysis training services for the year 2004.

Fresenius Medical Care North America

Corporate Headquarters:

95 Hayden Avenue

Lexington, MA 02420

(781) 402-9000

MEDICAID OF SOUTH CAROLINA

July 18, 2006

Page 2

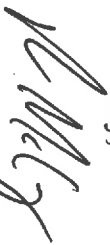
We used the results from a random sample of paid claims for the time frame above, to extrapolate an overall repayment obligation to both primary and secondary payors. We calculated an overpayment amount due to your program based on the prevalence of claims paid on behalf of your plan members during 2004. A list of applicable billing codes related to the services provided is enclosed as Attachment B.

In these instances, where we performed an extrapolation of an error rate derived from a statistical sampling of claims, as a result of a specific known or suspected error, we are unable to directly refund the payments to the payor through the normal channels. Specific beneficiary names, dates of service, and insurance plan are not available. For these audits, we provide an explanation of the audit, and repay the funds by check.

As a result of the audit, we are contacting applicable payors and making repayment based upon the extrapolated audit findings. We are returning a total of \$ 197.14, to cover estimated overpayments for services furnished to members of your program.

Should you have any specific questions you may contact me at 781-402-4602.

Sincerely,



Ryan McCoy
Manager, Compliance Operations

Enc.

cc: David Kembel, Esq.

Facility #	Facility Name	Medicaid #	City	State	Zip
1249	CHESTER	42-5187	CHESTER	SC	29706
1254	CAMDEN DIALYSIS CENTER	42-2582	CAMDEN	SC	29020
1255	PART/LOW COUNTRY DIALYSIS F	42-5141	PORT ROYAL	SC	29935
1279	GREENVILLE	425034	GREENVILLE	SC	29605
1294	COLUMBIA DIALYSIS CENTER	42-5043	COLUMBIA	SC	29203
1379	LEXINGTON DIALYSIS CENTER	42-2517	LEXINGTON	SC	29073
1390	GEORGETOWN DIALYSIS CENTE	42-5196	GEORGETOWN	SC	29440
1414	NEWBERRY DIALYSIS CENTER	42-5310	NEWBERRY	SC	29108
1468	UTH COLUMBIA DIALYSIS CENT	42-5436	COLUMBIA	SC	29203
1550	ENNETTSVILLE DIALYSIS CENTE	42-2520	BENNETTSVILLE	SC	29512
1551	TERFIELD COUNTY DIALYSIS CI	42-5516	CHESTERFIELD	SC	29709
1552	DARLINGTON DIALYSIS CENTER	42-5301	DARLINGTON	SC	29532
1553	DILLON DIALYSIS CENTER	42-5329	DILLON	SC	29536
1554	EASLEY D.C.	425418	EASLEY	SC	29640
1555	KINGSTREE DIALYSIS CENTER	42-5212	KINGSTREE	SC	29556
1558	MARION DIALYSIS CENTER	42-5454	MARION	SC	29571
1559	NORTHSIDE DC	42-5463	COLUMBIA	SC	29201
1560	ROCK HILL D.C.	425382	ROCK HILL	SC	29732
1675	EST COLUMBIA DIALYSIS CENT	42-5503	WEST COLUMBIA	SC	29169
1771	WER RICHLAND DIALYSIS CENT	42-5841	COLUMBIA	SC	29209
1840	SUMTER DIALYSIS CENTER	42-5105	SUMTER	SC	29150
1841	MANNING DIALYSIS CENTER	42-5374	MANNING	SC	29102
1842	CONWAY DIALYSIS CENTER	42-5427	CONWAY	SC	29526
1843	LORIS DIALYSIS CENTER.	42-5356	LORIS	SC	29569
1938	E MARSHLANDS DIALYSIS CENT	42-5703	RIDGELAND	SC	29936
1975	COLUMBIA ACUTE UNIT		COLUMBIA	SC	29203
2073	MEADOWLAKE DIALYSIS CENTER	42-5721	COLUMBIA	SC	29203
2080	MURRELLS INLET DIALYSIS CENT	425712	MURRELLS INLET	SC	29576
2087	FLORENCE DIALYSIS CENTER	42-2505	FLORENCE	SC	29506
2229	LAKE MARION DIALYSIS CENTER	42-5730	SUMMERTON	SC	29148
2264	PEE DEE DIALYSIS CENTER	OPEN, 42-2576	LAKE CITY	SC	29560
2276	TH MYRTLE BEACH DIALYSIS CE	42-5696	RTH MYRTLE BEA	SC	29582
2359	ANDREWS	ERD115	ANDREWS	SC	29510
2383	NORTH AUGUSTA	ERD118	NORTH AUGUSTA	SC	29841
2389	LEE COUNTY DIALYSIS CENTER	42-5669	BISHOPTVILLE	SC	29010
2487	FLORENCE HOME DIALYSIS UNIT	42-5749	FLORENCE	SC	29505
2661	HARTSVILLE	422586	HARTSVILLE	SC	29550
2665	IRMO DIALYSIS	PENDING	IRMO	SC	29063
2766	ANDERSON-SC	422506	ANDERSON	SC	29621
2767	OCONEE	425365	SENECA	SC	29678
2790	SIMPSONVILLE	ERD112	SIMPSONVILLE	SC	29681
2866	FAIRFIELD COUNTY	ERD114	WINNSBORO	SC	29180
2934	YORK COUNTY	422589	ROCK HILL	SC	29732
3216	HILTON HEAD	42-5481	LTON HEAD ISLA	SC	29926

PROC CODE	DESCRIPTION	GL ID	REV CODE	CPT/ HCPCS	NDC Code	Standard	Medicare
OTHER TREATMENTS/TRAINING/SUPPORT							
* ONLY PROCEDURES WITH STANDARDIZED RATES ARE LISTED BELOW. OTHER PROCEDURES IN GROUP 2 THAT ARE							
207100	CAPD METHOD 1	004	841	90999	N/A	424.29	Local
205400	CAPD TRAINING	003	841	90999	N/A	1,188.00	Composite
207200	CCPD METHOD 1	021	851	90999	N/A	426.43	Rate/
206100	CCPD TRAINING	026	851	90999	N/A	1,265.00	Training
206800	HEMO TRAINING	002	821	90999	N/A	1,265.00	Rate or
207300	HOME HEMODIALYSIS	005	821	90999	N/A	990.00	Daily

PHARMACY

- * ALL PHARMACY SERVICE RATES HAVE BEEN STANDARDIZED.
- * LIST REFLECTS THE ONLY PROCEDURE CODES IN M/M THAT SHOULD BE ACTIVE, AS THEY ARE THE ONLY CODES THAT ARE PART OF THE CURRENT
- * FHCNA PHARMACY FORMULARY.
- * MASTER CODES ARE INCLUDED AS THE GL

432200	DIPHENHYDRAMINE IV	009	636				
432203	DIPHENHYDRAMINE 50 MG IV	009	636	J1200	00641-0376-25	5.09	0.00
442700	DIPHENHYDRAMINE (PO)	039	636				
442701	DIPHENHYDRAMINE (PO) 25 MG PO	039	636	Q0163	10135-0149-01	0.25	0.00
459800	FERRILECT IV [Note: VIAL SIZE 62.5 MG]	029	636				
459803	FERRILECT 12.5 MG IV	029	636	J2916	52544-0822-28	51.70	4.95
461700	FERRILECT TEST DOSE	009	636 / Block Translation Table 4: 99999-Print			0.00	0.00
468200	GENTAMICIN SULFATE IV	009	636				
468201	GENTAMICIN SULFATE 80 MG IV	009	636	J1580	00074-1207-03	3.41	1.44
461600	HECTOROL IV [Note: VIAL SIZE 4 MG]	043	636				
461603	HECTOROL IV 1 MCG IV	043	636	J1270	64884-0840-50	33.28	2.60
421700	INVED IV [Note: VIAL SIZE 100 MG]	029	636				
421701	INVED 50 MG IV	029	636	J1750	52544-0931-02	227.70	10.94
460600	INVED TEST DOSE	009	636 / Block Translation Table 4: 99999-Print			0.00	0.00
462200	LEVOCARNITINE IV	032	636				
462201	LEVOCARNITINE 1 GM IV	032	636	J1955	00517-1045-25	220.00	13.63
470200	LEVOCARNITINE (CARNITOR)	032	636				
470201	LEVOCARNITINE (CARNITOR) 1 G	032	636	J1955	54482-0147-01	220.00	13.63
485500	METOCLOPRAMIDE HCL IV	009	636				
485501	METOCLOPRAMIDE HCL 10 MG IV	009	636	J2765	00703-4502-04	3.53	0.45
424100	TOBRAMYCIN IV	009	636				
424104	TOBRAMYCIN 80 MG IV	009	636	J3260	00074-3578-01	26.15	1.98
413400	VANCOMYCIN IV	009	636				
413410	VANCOMYCIN 500 MG IV	009	636	J3370	00074-4332-01	86.48	2.98
461800	VENOFER IV [Note: VIAL SIZE 1 MG]	029	636				
461803	VENOFER 1 MG IV	029	636	J1756	00517-2340-10	3.85	0.37
461900	VENOFER TEST DOSE	009	636 / Block Translation Table 4: 99999-Print			0.00	0.00
457400	ZEMPLAR IV	044	636				
457403	ZEMPLAR 1 MCG IV	044	636	J2501	00074-4637-01	35.20	4.00

Fresenius Management Services, Inc.
 95 Hayden Ave.
 PM 17831402-8200
 Lexington, MA 02420

Fresenius Medical Care

DATE
 06/16/2006

CHECK NO.
 0003585855

66-158
 SST

NET AMOUNT

PAY *****197.14*

NOT VALID AFTER 90 DAYS

PAY
 One hundred ninety seven and 14/100 Dollars

TO
 THE
 ORDER
 OF

DEPT OF HEALTH & HUMAN SERVICES
 PG BOX 8206
 COLUMBIA SC 29202-8206

First Union Bank
 of North Carolina
 Chapel Hill, North Carolina 27514

⑆0003585855⑆ ⑆053101551⑆ 209900011555⑆

Michael Burns

VENDOR NO.# 180886

PLEASE DETACH BEFORE DEPOSITING

PAGE 1 OF 1

0003585855

INVOICE#	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT AMT.	NET AMOUNT
1100053006	05/30/2006	High/Low/Duplicate Clinical Dose 20	13.83	0.00	13.83
1100060106	06/01/2006	Home Training Follow Up Audit 2004	183.31	0.00	183.31
TOTALS			\$197.14		\$197.14

*Orig: check to payroll.
 William Burns
 7/25/06*