

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

| | |
|--------------------|------------------------|
| TO <i>Myers</i> | DATE <i>3-26-09</i> |
|--------------------|------------------------|

| DIRECTOR'S USE ONLY | | ACTION REQUESTED | |
|---|---|---|--|
| 1. LOG NUMBER <i>104532</i> | <input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____ | <input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>4-6-09</i> | |
| 2. DATE SIGNED BY DIRECTOR <i>cc: Mrs. Falkner cleared 4/8/09 letter attached.</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. | | | |

Craig S. Modzelewski, DMD, Inc.

522 Main Street North

Allendale, South Carolina 29810

Phone 803-584-2105

Fax 803-584-5757

RECEIVED

MAR 26 2009

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

March 25, 2009

Mr. Brian Gallagher
Plan President for South Carolina
Unison
100 Executive Center Drive
Suite A -- 13
Columbia, South Carolina 29210

RE: Fraudulent Contract Negotiations

Dear Mr. Brian Gallagher:

We are beginning our third year of contract with your organization, and up until now, we have been satisfied with the service provided. I'm hoping that after reading about the experiences we've endured over the last 3 months, you will help us to continue our relationship with Unison.

In 2007, I negotiated a contract with Brenda Ford, a representative of Unison, for the David R. Thomason, DMD, PC to provide dental services to your members. At that time, I explained to her that we could not perform restorative procedures at the given contract rate (equal to Medicaid pay) because it didn't cover our own expenses. As a result of our negotiations, Brenda sent me a new proposal that increased our fee schedule to 130% of the Medicaid rates. We agreed and signed into contract with Unison.

In June 2008, we had our first hiccup with Unison. One of our patients came to see us during that month, and we received an auto-verification of coverage by phone through the Unison system. When we submitted the claim, it was denied by Unison due to a lapse in coverage. After numerous calls to Medicaid and to Unison, Medicaid said there was no lapse, Unison said there was a lapse, we were denied payment by everyone and we were subsequently stuck with \$1600 in work completed on this member. Janet Kimbrough, who reports to Brenda Ford, was our Unison contact through this issue. She is also familiar with our original contract negotiations, and we have been working with her ever since.

In December 2008, I called Unison to notify them that our dental practice was being sold to Dr. Modzelewski, the provider in our office since January 2008. We were instructed to submit the W-9 and a letter confirming the sale of the practice to Dr. Modzelewski with our first claim. Per the instructions given, I submitted the requested paperwork with our first claim for January 2009.

Janet came to our office on 1/15/09 in follow up on our request. She informed us then that she needed a new contract signed for Dr. Modzelewski. Never during this discussion was there a fee schedule presented or discussed. So, we assumed that our fee schedule would not change from the previous negotiated rate in 2007.

Since January, Janet has worked extremely hard to get this contract pushed through and getting claims paid expeditiously. All through this time, no fee schedule was mentioned. Janet's assistance included walking claims through the system from Jan 1 – Jan 15 due to the delay in processing Dr. Modzelewski's information back in December.

A copy of the contract was returned to us by mail with a cover letter giving us his provider number and stating that Dr. Modzelewski was now in the system. Stapled to the contract copy was a standard Medicaid rate fee schedule. Again, this fee schedule was not present when we signed the contract in person on 1/15/09.

We did not notice this discrepancy until 3/17/09 when we were processing a Unison check, and our office manager questioned the amount paid for a specific procedure. We immediately called Janet to explain the issue, thinking that an honest mistake was made in claims payment. Janet replied stating that she was unaware we wanted to keep our negotiated fee schedule, and that since this was a new contract, it would be set at the current Medicare rates. Janet further stated that she would have to check and see if she could put in a request for our original negotiated fee schedule, but that it would take a while and would not be retroactive.

Janet soon called me back, I assume after checking with her management, and left me a voicemail. In the voicemail, Janet confirmed that she put in a request for fee schedule change back to our negotiated rates, but that it would not be retroactive and it would not be in effect until approved. She gave no timeline as to how long this would take.

Since that day I have spoken with Janet (3/20) to ask about a time frame and she said about two weeks, but reiterated that it would not be retroactive.

In the meantime, we are suffering losses by providing services for a rate that doesn't cover our basic expense. We accept Unison members as a service to the community of Allendale County, but we can not afford to continue doing so at the provided fee schedule rates. **We feel that Unison's behavior up to this point in our contract negotiation has been deceitful, at best. I am certain that you can remedy this situation, and we can continue our relationship with you. We are asking that our previously negotiated rate from 2007 be reinstated, and that it be retroactive to January 1, 2009 when Dr. Modzelewski's new contract was implemented.** I look forward to your immediate response. If you would like to discuss this matter with me directly, please contact me at (803-584-2105).

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen Thomason', with a long, sweeping horizontal line extending to the right.

Karen Thomason
Office Administrator

CC: Janet Kimbrough, Provider Relations
Brenda Ford, Provider Relations
Emma Forkner, Director of South Carolina Dept of Health & Human Services

Craig S. Medendorp, DMD
522 Main St. North
Allendale, SC 29810

RECEIVED
AUGUSTA GA 309
25 MAR 2009 PM 2 L

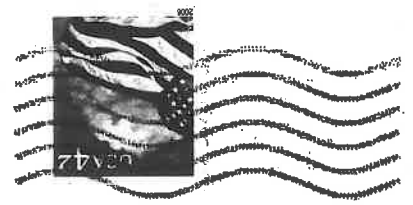
MAR 26 2009

Department of Health & Human Services
OFFICE OF THE DIRECTOR

DHHS

c/o Ms. Emma Forelluer - 11th floor
1801 Main St
Columbia, SC 29201

29201+2408





State of South Carolina
Department of Health and Human Services

Mark Sanford
Governor

Emma Fortner
Director

April 8, 2009

Ms. Karen Thomason
Office Administrator
Craig S. Modzelewski, DMD, Inc.
522 Main Street North
Allendale, South Carolina 29810

Dear Ms. Thomason:

We are in receipt of your letter of March 25, 2009 to Mr. Dan Gallagher, Plan President for Unison Health Plan, regarding your concerns about the reimbursement rate you are receiving as a contracted dental provider within the Unison network. We welcome the opportunity to be of assistance.

Mr. David Smith, the Program Manager assigned to Unison Health Plan, contacted Ms. Rose Kovailik, Unison's Senior Government Relations Representative, on April 2, 2009 concerning your letter. Ms. Kovailik contacted Ms. Brenda Ford, Unison's Provider Relations Manager and inquired as to what steps had been initiated to resolve this issue. It is my understanding that Ms. Ford has been in contact with you and that Mr. Gallagher has agreed to administer a retro-amendment to your contract increasing your reimbursement rate to your requested amount.

Thank you for having brought this matter to our attention. If you have any questions about this letter or need further assistance, please contact Mr. Smith at (803) 898-2639.

Sincerely,

A handwritten signature in dark ink, appearing to read "Felicity Myers", is written over the typed name.

Felicity Myers, Ph.D.
Deputy Director

FM/hhc

cc: Dan Gallagher, President, Unison Health Plan
Brenda Ford, Provider Relations Manager, Unison Health Plan
Janet Kimbrough, Provider Relations, Unison Health Plan