

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

ACTION REFERRAL

TO <i>Singleton</i>	DATE <i>7-20-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101039</i>	<input checked="" type="checkbox"/> Prepare reply for the Director's signature DATE DUE <u><i>7-27-11</i></u>
2. DATE SIGNED BY DIRECTOR <i>C: Director Keck, Supra Kost. Stensland</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
<i>cleared 7/26/11, 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.			

From: Deirdra Singleton
To: Jan Polatty
CC: Kathleen Snider
Date: 7/19/2011 7:38 PM
Subject: Fwd: Letter from Representative Chip Limehouse
Attachments: 0615_0001.pdf

Yes pls log to Kathy. She will draft the response.thanks

Deirdra T. Singleton
Deputy Director/General Counsel
Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29201
(803)898-2795

(803)255-8210 fax>>> Jan Polatty 7/19/2011 5:14 PM >>>

I've copied Deirdra as well since it relates to fraud. Deirdra, please let me know if you'd like this logged to Kathy's area. Thanks, Jan.

>>> "Sonia Jones" <SfJones@charlestoncounty.org> 7/19/2011 4:07 PM >>>

Good Afternoon Ms. Polatty:

Per our conversation and your request I am emailing this letter to you for Director Keck.

A hard copy will be sent via mail.

Thank you for your assistance.

Sonia Jones

Legislative Assistant

Charleston County Legislative Delegation

2500 City Hall Lane

North Charleston, SC 29406

Phone: 843-740-5855

Fax: 843-308-4794

E-mail: sfjones@charlestoncounty.org

SENATE:

DISTRICT NO. 43
CHIP CAMPSH
Chairman, Senate Delegation

DISTRICT NO. 34
RAY CLEARY

DISTRICT NO. 37
LARRY GROOMS

DISTRICT NO. 38
MIKE ROSE

DISTRICT NO. 41
GLENN F. McCONNELL

DISTRICT NO. 42
ROBERT FORD

DISTRICT NO. 45
CLEMENTA PINCKNEY

CATHY COLLUM
LEGISLATIVE COORDINATOR

State of South Carolina



SENATOR GLENN F. McCONNELL
Chairman, Joint Delegation

REPRESENTATIVE H.B. "CHIP" LIMEHOUSE
Vice Chairman, Joint Delegation

Charleston County Legislative Delegation

HOUSE OF REPRESENTATIVES

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JENNY A. HORNE

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PETER MCCOY

JAMES MERRILL

CHRIS MURPHY

DEVIN RYAN

POSSIBLY MISSING

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JUL 20 2011

Department of Health & Human Services
OFFICE OF THE DIRECTOR

July 19, 2011

Mr. Anthony Keck
Agency Director
Department of Health and Human Services
1801 Main Street
Columbia, South Carolina 29202

Dear Director Keck:

It has come to my attention that the non-profit investigative journalism organization Project Veritas has uncovered some potential questions regarding Medicaid here in South Carolina.

I would be very appreciative if you would look into the situation captured by the Project Veritas footage from the South Carolina Medicaid Office in Charleston.

Sincerely,

Chip Limehouse

CL/sj

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LEON STAVRINAKIS

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Sincerely,

A handwritten signature in cursive script that reads "Chip Limehouse".

Chip Limehouse

CL/sj

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JUL 21 2011

Department of Health & Human Services
OFFICE OF THE DIRECTOR

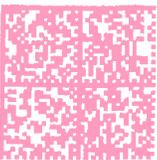
CHARLESTON COUNTY LEGISLATIVE DELEGATION

P. O. Box 190016
North Charleston, SC 29419-9016

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Department of Health & Human Services
OFFICE OF THE DIRECTOR

Mr. Anthony Keck
Agency Director
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1801 Main Street
Columbia, South Carolina 29202

ESXSNP 29204



Singleton

7-20-11

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Singleton

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LEGISLATIVE COORDINATOR

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Vice Chairman, Joint Delegation
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JULIE WILSON
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Department of Health & Human Services
JUL 19 20 2011
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July 19, 2011

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Department of Health and Human Services
1801 Main Street
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Dear Director Keck:

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Sincerely,



Chip Limbhouse

CL/sj

2500 City Hall Lane, North Charleston, SC 29406 (843) 740-5855
Mailing: P. O. Box 190016, North Charleston, SC 29419 Fax (843) 308-4794

DISTRICT NO. 45
CLIMENTA PINCKNEY
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Sincerely,



Chip Limehouse

CL/sj

2500 City Hall Lane, North Charleston, SC 29406 (843) 740-5855
Mailing: P. O. Box 190016, North Charleston, SC 29419 Fax (843) 308-4794

Dear Representative Limehouse:

Thank you for your letter of concern about the "Project Veritas" video of the Charleston Medicaid eligibility office, asking us to look into this matter. Let me assure you that the South Carolina Department of Health and Human Services takes very seriously its obligation to oversee the Medicaid program and prevent the loss of taxpayer dollars through waste, fraud or abuse. We are investigating this situation thoroughly and will ensure that all Medicaid rules and procedures have been followed.

I would also like to take this occasion to provide you with information about our Medicaid eligibility screening process and our efforts to prevent and identify fraud and abuse by Medicaid applicants/enrollees. Of course, the greatest risk of loss to the Medicaid program is from waste, fraud, and abuse on the part of health care providers. In State Fiscal Year 2011, the agency collected more than \$27 million in total dollars from practitioners and pharmaceutical companies in this regard. But for Medicaid applicants and enrollees, the following should be noted:

- Medicaid applications are available to any individual who wishes to apply, and can also be obtained online. The agency does not pre-judge who is eligible to apply for Medicaid.
- Once an application for benefits is submitted, however, then it is thoroughly reviewed to ensure that the applicant meets all requirements for Medicaid eligibility. For example, applicants must demonstrate US citizenship by showing a birth certificate or other proof of citizenship. Applicants must also submit proof of income and documentation of other resources such as bank accounts. Medicaid enrollees must have their eligibility re-determined at least every 12 months.
- SCDHHS maintains a fraud hotline and a fraud e-mail address, and publishes this information on our website, on the Medicaid ID card, in provider manuals, and in communications such as newsletters to providers, enrollees, and other stakeholders. (The fraud hotline number is 1-888-364-3224, and the email address is fraudres@scdhhs.gov).
- The department also maintains a contract with the S.C. State Attorney General's Office for a Medicaid Recipient Fraud Unit. This unit, consisting of three law enforcement investigators and a special prosecutor, investigates allegations of

- Of these, 761 were allegations of fraud against enrollees.
- Complaints against enrollees from all sources (fraud hotline, emails, letters, etc.) amounted to 966 in FY 2011, a 10 % increase from the previous year.
- The Division of Program Integrity within SCDHHS conducts a preliminary investigation on every complaint.
- Of the 966 recipient complaints, 230 were referred in SFY 2011 to the Medicaid Recipient Fraud Unit. Eligibility was terminated for enrollees found guilty of Medicaid fraud, and they are also required to repay the cost of the benefits illegally obtained. In State Fiscal year 2011, the agency collected \$371,830 in total dollars in repayment from enrollees.
- The Division of Program Integrity also manages a beneficiary pharmacy lock-in program for enrollees who show patterns of prescription drug seeking. Prescription drug abusers often attempt to utilize multiple pharmacies and doctors to mask their habit. The program requires the individuals to get all Medicaid prescriptions from one pharmacy. About 200 enrollees are in the pharmacy lock-in program at any one time, and the average annual cost savings per enrollee is approximately \$5,000 in total dollars. The agency's goal is to double the number in the program this year.

The agency is redirecting our resources to better pursue Medicaid fraud on the part of both enrollees and providers. Please let me know if you need any more information about the agency's initiatives to combat waste, fraud and abuse in the Medicaid program.

Sincerely,



Deirdra J. Singleton
General Counsel

DTS/kb

cc: The Honorable Thomas C. Alexander
The Honorable Hugh K. Leatherman, Sr.
The Honorable Harvey S. Peeler, Jr.
The Honorable G. Murrell Smith, Jr.
The Honorable W. Brian White
Mr. Ted Pitts, Office of Governor Nikki R. Haley