

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

ACTION REFERRAL

TO <i>Singleton</i>	DATE <i>10-7-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000132</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-17-13</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.			



Legal Department
9800 Health Care Lane
Minnetonka, Minnesota 55343

RECEIVED

SEP 27 2013

Department of Health & Human Services
OFFICE OF THE DIRECTOR

September 26, 2013

Anthony E. Keck, Director
South Carolina Department of Health & Human Services
1801 Main Street
Columbia, South Carolina 29202-8206

RE: Gross Level Adjustment Payment for the Months of November 2012 - January 2013

Dear Director Keck:

By letter dated January 25, 2013 to the South Carolina Alliance of Health Plans, SCDHHS agreed to retroactively adjust the MCO rates for the November 1, 2012 changes to hospital outpatient rates. SCDHHS stated that its decision was the result of its examination of "recent extra-ordinary changes to the hospital outpatient rates that were the result of previous inconsistencies in [SCDHHS'] reimbursement policies for certain pharmaceuticals used in the outpatient setting." SCDHHS further stated that it would make a single gross level adjustment payment for the months of November 2012 through January 2013.

As you are aware, pursuant to the Amendment entered into between UnitedHealthcare of South Carolina ("United") and SCDHHS effective June 30, 2012, United was still under contract with SCDHHS during the months of November 2012 through January 2013.

It is our understanding that SCDHHS has made the promised payments to all Medicaid MCOs, except United. Since all MCOs were equally impacted by the November 1, 2012 changes to hospital outpatient rates, there is no rational basis for SCDHHS' apparent decision not to pay United. Therefore, I am writing to formally request that SCDHHS immediately make a single gross level adjustment payment to United for the months of November 2012 through January 2013. By our calculations, United is owed approximately \$1.5 million.

Thank you for your immediate attention to this important matter.

Sincerely,

Max C. Ramsey
Senior Associate General Counsel
Phone: 715/690-2429
E-Mail: max_ramsey@uhc.com

cc: Deirdra Singleton, Chief of Staff, SCDHHS

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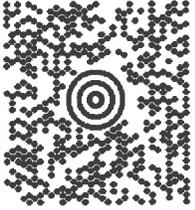
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